

THE WHITE HOUSE
Washington

Solomon
Report
October 9, 1963

Dear Mr. President:

Pursuant to your instructions through National Security Action Memorandum No. 243, dated May 9, 1963, I am submitting on behalf of the members of the U. S. Survey Mission our report on the Trust Territory of the Pacific Islands.

Accompanying the Mission and greatly aiding in our work were Mr. Richard Taitano, Director of the Office of Territories in the Department of the Interior, and Commander Charles Chamberlain from CINCPAC.

The members of the Mission were: Mr. Richard Cooper from the Bureau of Economic Advisers; Mr. Paul Daly from the Peace Corps; Mr. Lindholm from the Bureau of the Budget; Professor Gerard Mangano from the Maxwell School, Syracuse University; Dr. Pedro Sanchez, Commissioner of Education in the Virgin Islands; Mr. Howard Schnoor from the Bureau of the Budget; Mr. Cleo Shook, Consultant.

My colleagues join me in urging that if the recommendations of this report meet with your approval they be implemented rapidly in the interests of the United States and the people of the Trust Territory.

Respectfully,

Anthony M. Solomon

Chairman

The President
The White House
Washington

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A Report by the U. S. Government Survey Mission to the
Trust Territory of the Pacific Islands

TABLE OF CONTENTS

Introduction and Summary

Part I - The Political Development of Micronesia.

- A. Problems of the Trusteeship Status.
- B. Territory-wide Factors affecting a Plebiscite.
- C. District Political Patterns, Problems and People.
- D. Attitudes toward Affiliation.
- E. Timing and Terms of a Plebiscite.
- F. Preparation for a Plebiscite.
- G. Present and Post-Plebiscite Territorial Government.
- H. Additional Plebiscite Inducements.
- I. Government at the District level.
- J. Government at the Municipal level.

Appendix A - Draft of proposed 1964 Secretarial Order
providing for Trust Territory Legislature. [pg. 1 meg]

Appendix B - Draft of proposed 1968 Presidential Order
providing for Territorial Government Organization. [pg. 1 meg]

Part II - The Economic and Social Development of Micronesia.

A. Private Sector Economic Survey and Recommendations.

- Chapter 1 - The Broad Issues.
- " 2 - The Economy in Perspective.
- " 3 - Labor.
- " 4 - Production Sectors: Agriculture,
Fishing, Mining and Manufacturing.
- " 5 - Commercial and Financial Institutions.
- " 6 - Summary of Recommendations.

B. Public Sector Economic and Social Survey and Program
Recommendations.

- Chapter 1 - Public Works.
- " 2 - Sea and Air Transportation.
- " 3 - Communications.
- " 4 - Agriculture.
- " 5 - Education.
- " 6 - Public Health.
- " 7 - Community Action.
- " 8 - Policies on Taxation, Land Tenure and
Housing.

C. Capital and Operations Requirements of the Economic and Social Development Program.

Part III - Administration of the Trust Territory

- A - Authority of the Trust Territory Government.**
- B - Administrative Relationship with Washington.**
- C - Administrative Organization under the High Commissioner.**
- D - Execution of the Master Plan.**
- E - Budgeting.**
- F - Supply.**
- G - Personnel.**
- H - Judiciary.**

Appendix A - List of Executive Orders, Regulations and Amendments to the Trust Territory Code since the December 31, 1959 revision.

Appendix B - Draft of proposed Secretarial Order clarifying authority of the High Commissioner.

INTRODUCTION AND SUMMARY

The Setting

1. The Trust Territory of the Pacific Islands -- or Micronesia -- comprises the former Japanese mandated Caroline, Marshall and Mariana Islands. Scattered over an area as large as the mainland of the United States, those 2,100 islands, less than 100 of which are inhabited by the territory's 81,000 people, came under United States control first by conquest and then, in 1947, under a trusteeship agreement with the Security Council of the United Nations. The islands vary from low coral atolls to higher islands of volcanic origin, the largest land masses being Babelthup in the Palau district with 153 square miles, Ponape with 129 square miles and Saipan with 46 square miles. Population distribution ranges from islands with a few families to Saipan with 7,800, Ponape with 11,500 and Truk with 15,500.

With a variety of racial mixtures, languages and cultures, essentially a series of individual island communities rather than a unified society, a lack of human and natural resources, tremendously difficult communications and transportation, the area has presented very serious administrative and developmental problems to the United States. Historically, life has centered around the village, the extended family or clan and its lands. The traditional systems of communal, rather than individual land ownership, of inheritance through matrilineal lines and of the selection of native chiefs continue side-by-side with the forms of democratic institutions introduced by the United States.

CONFIDENTIAL

For a variety of reasons, in the almost twenty years of United States control, physical facilities have further deteriorated in many areas, the economy has remained relatively dormant and in many ways retrogressed while progress toward social development has been slow. The people remain largely illiterate and inadequately prepared to participate in political, commercial and other activities of more than a rudimentary character. The great majority depend largely upon subsistence agriculture -- fruit and nut gathering -- and fishing. As a result, criticism of the trusteeship has been growing in the United Nations and the United States press -- and in certain ways, among the Micronesians.

2. Despite a lack of serious concern for the area until quite recently, Micronesia is said to be essential to the United States for security reasons. We cannot give the area up, yet time is running out for the United States in the sense that we may soon be the only nation left administering a trust territory. The time could come, and shortly, when the pressures in the United Nations for a settlement of the status of Micronesia could become more than embarrassing.

In recognition of the problem, the President, on April 18, 1962, approved NASM No. 145 which set forth as United States policy the movement of Micronesia into a permanent relationship with the United States within our political framework. In keeping with that goal, the memorandum called for accelerated development of the area to bring its political, economic and social standards into line with an eventual permanent association.

The memorandum also established a Task Force to consider what action might be taken to accomplish our goal and to provide policy and program advice to the Secretary of the Interior who is responsible for the administration of the Trust Territory. The Task Force, consisting of representatives of the Departments of the Interior, Defense, State and Health, Education, and Welfare and observers from the NSC and Bureau of the Budget, has considered and recommended several steps for greater aid to the area, both through the increased appropriation ceiling (from \$7 to 17.5 millions) and in legislation (H. R. 3198) now pending in the Congress. It also proposed the sending of a survey mission to the Trust Territory to conduct a more thorough study of the area's major problems.

3. The Mission's formal instructions from the President (through **NAS** No. 243 of May 9, 1963) were to survey the political, economic and social problems of the people of the Trust Territory and to make recommendations leading to the formulation of programs and policies for an accelerated rate of development so that the people may make an informed and free choice as to their future in accordance with United States responsibilities under the trusteeship agreement.

4. The Mission consisted of nine men, both Government and non-Government, selected by its chairman and serving for differing periods of time up to six weeks in the Trust Territory during July and August 1963. The Mission visited the six district centers in the territory and a representative sample of the outlying islands containing in all a majority of the area's

CONFIDENTIAL

population. Discussions were held throughout the area with seven assemblies of local people, eight legislative committees, seven municipal councils and three women's associations; about twenty-five interviews with American missionaries and over forty-five interviews with Micronesians were held. There were also briefings by Headquarters personnel of the Trust Territory government and the six district administrators and their staffs. Wherever possible roads, communications, transportation facilities, agricultural developments, schools and other facilities and enterprises were examined and evaluated. Several additional weeks were spent in the United States preparing the final report of the Mission.

Major Objectives and Considerations

1. Working within its broad frame of reference, the Mission's major findings relate to three key sets of questions that it attempted to answer:

- a. What are the elements to consider in the preparation for, organization, timing and favorable outcome of a plebiscite in Micronesia and how will this action affect the long-run problem that Micronesia, after affiliation, will pose for the United States?
- b. What should be the content and cost of the minimum capital investment and operating program needed to insure a favorable vote in the plebiscite, and what should be the content

and cost of the maximum program that could be effectively mounted to develop the Trust Territory most rapidly?

- c. What actions need to be taken to improve the relationships between the current Trust Territory government and Washington and to insure that it can implement any necessary political strategy and development program with reasonable efficiency and effectiveness.

2. The Mission's findings and recommendations on these three sets of questions correspond to Parts I, II and III of its report. Those recommendations sum up to an integrated master plan which, if accepted, would provide guidelines for Federal action through fiscal year 1968 to ^(5 years) secure the objectives of:

- a. Winning the plebiscite and making Micronesia a United States territory under circumstances which will: (1) satisfy the somewhat conflicting interests of the Micronesians, the United Nations and the United States along lines satisfactory to the Congress; (2) be appropriate to the present political and other capabilities of the Micronesians; and (3) provide sufficient flexibility in government structure to accommodate to whatever measure of local self-government the Congress might grant to Micronesia in later years.

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b. Achieving rapidly, minimum but satisfactory social standards in education, public health, etc.

c. Raising cash incomes through the development of the current, largely crop-gathering subsistence economy.

3. There are, however, unique elements in the delicate problem of Micronesia and the attainment of our objectives that urgently require the agreement now of the President and the Congress as to the guidelines for United States action over the next few years. First, the United States will be moving counter to the anti-colonial movement that has just about completed sweeping the world and will be breaching its own policy since World War I of not acquiring new territorial possessions if it seeks to make Micronesia a United States territory. Second, of all eleven United Nations trusteeships, this will be the only one not to terminate in independence or merger with a contiguous country, but in a territorial affiliation with the administering power. Third, as the only "strategic trusteeship," the Security Council will have jurisdiction over the formal termination of the trusteeship agreement, and if such a termination is vetoed there, the United States might have to decide to proceed with a series of actions that would make the trusteeship agreement a dead issue, at least from the "Micronesian viewpoint. Fourth, the 2,100 islands of Micronesia are, and will remain in the now foreseeable future, a deficit area to be subsidized by the United States. Fifth, granted that this subsidy can be justified as a "strategic rental," it will amount to more than \$300 annually per Micronesian through 1960 and

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any reductions thereafter will require long-range programming along the lines of a master development plan as proposed in the Mission report. Finally, this hoped for long-range reduction in the level of subsidization and the implementation of the political strategy and capital investment programs through fiscal year 1968 require a modern and more efficient concept of overseas territorial administration than is evident in the prevailing approach of the quasi-colonial bureaucracy in the present Trust Territory government.

Part I. Political Development of Micronesia

1. The Washington policy, adopted last year, of having the Trust Territory affiliate permanently with the United States has not had an observable impact on the Trust Territory government. American and Micronesian officials in the area appear still to be thinking in terms of independence for Micronesia as an eventual, distant goal and there appears to have been little attempt to direct Micronesia toward thinking about eventual affiliation with the United States. In the absence of further action, the Mission believes that the momentum of previous attitudes and policies which did not involve the concept of affiliation will be hard to overcome.

2. It can be stated quite unequivocally that the masses of Micronesians are not only not concerned with the political future but also are not even aware of it as a question. They simply live in the present reality of the "American time" that has replaced the "Japanese time." The earlier German and Spanish times are dimly, if at all remembered.

3. The situation is not quite the same among the political elite. Political power among the Micronesians is in a triumvirate of the traditional clan chiefs, the educated younger bureaucracy working in the Trust Territory government and the small but powerful group of businessmen operating trading companies. These groups are aware that their political future is still to be resolved, but even they generally shy away from actively concerning themselves with it. The reason lies in their belief that: (a) they cannot stand alone now and that independence, even if they want it, is so far distant that meaningful consideration is not practical; (b) there has been no indication from the United States of an alternative to independence -- they do not know that the United States may desire affiliation; and (c) even if affiliation were possible, the prospect creates feelings of uncertainty and insecurity that they would rather not face.

4. These insecurities arise from general ignorance as to what affiliation means and what it would do to their lives as they know them today. The more important of the traditional chiefs are especially concerned whether "coming under United States laws" would invalidate the present restrictions against non-Micronesians owning land and whether it would affect their complicated communal land-tenure systems on which their social organization and customs and the chiefs' powers are based. The merchant businessmen, even though they want more economic development, react against the prospect of a flood of American businessmen with whom they believe they cannot compete. The Micronesians in the government bureaucracy are less fearful of

CONFIDENTIAL

permanent affiliation but they also share in the general concern among the political elite that they don't want to be swamped by Americans and lose their status "as the Hawaiians did."

5. On the other hand, there is a sophisticated awareness among a goodly number of the Micronesian elite that their own interests are not best served by the United Nations trusteeship simply because, as a provisional non-permanent arrangement, it perpetuates the excessively dependent psychology and habits of a people who have been handed around among four major powers in the last 65 years. There also appears to be an unexpressed but fairly widespread and awakeable emotional feeling among these more sophisticated Micronesians that they want an "identity" and a permanence of status that is not compatible with the implied impermanence of the trusteeship.

6. Another disadvantage of the trusteeship is its protective and custodial nature, a carryover from the philosophy of the League of Nations mandate, which is not fully compatible with the more recent emphasis on modernization and more rapid development of peoples under trusteeship. Most policies which try to be both development-minded and protective do not seem to do a good job of either. However, a conflict between development objectives and protective attitudes characterizes the current administration of the Trust Territory. Although it has become fashionable for American officials connected with the Trust Territory to disclaim any desire to maintain an "anthropological zoo," in reality protective and custodial policies are

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very prevalent. This conflict within official thinking faithfully mirrors the dilemma of the Micronesians themselves. They desire rapid economic development, but want to retain, at the same time, restrictions on non-Micronesians immigrating, occupying land and starting businesses. The Mission believes that, if for no other reason than that of the impending plebiscite, the Micronesians need reassurances on the continuance of those restrictions but, at the same time, we are recommending certain modifications which will initiate long-run liberalization of those restrictions.

7. Another factor of importance affecting the plebiscite is the economic stagnation and deterioration of public facilities that has characterized the United States administration of the Trust Territory in contrast to that of the Japanese. The rapid growth under the Japanese was due not only to their large capital investment and subsidy program, but to Japanese government-directed colonization by Japanese and Okinawans. The fact that it was the Japanese rather than the Micronesians who supplied the labor for the then flourishing sugar cane and commercial fishing industries and who benefited most from the Japanese government's subsidization of the industry does not alter the fact that per capita Micronesian cash incomes were almost three times as high before the war as they are now and that the Micronesians freely used the Japanese-subsidized extensive public facilities. For the outcome of the plebiscite to be favorable, the Mission believes there must be an effective capital investment program before the plebiscite.

to give the Micronesians a sense of progress to replace the deadly feeling of economic dormancy.

8. While more than 95 percent of the budget of the Trust Territory government is financed by the United States and the importance of those funds in influencing a favorable plebiscite result is obvious, the impact of United States funds has been lessened by: (a) considerable feeling among Micronesian bureaucrats that a large part (actually over \$2 million) is spent on high salaries for United States personnel in Micronesia; (b) numerous complaints about, and dissatisfactions with the competence of the Trust Territory government (one district congress told the Mission that, despite area needs, they did not want more United States funds if they were not "properly administered by real experts who should be brought in"); and (c) some belief that United States aid results only from United Nations action and that Micronesia might not do as well as a United States territory.

9. The Trust Territory government gets good marks from the Micronesians, however, for its genuine fostering of democratic civil liberties and increasing the participation of Micronesians in various levels of local government (a territorial advisory council, six district legislatures and a multitude of municipal governments). However, Micronesia is still a long way in terms of experience and funds from being able to mount a viable local government. The very multiplicity of local governmental levels is beginning to cause problems, particularly at the municipal level where

there is much dissatisfaction because of the realization that, in a large majority of cases, the "U.S. imposed" municipal taxes produce only enough revenue to pay salaries to municipal officials and councilmen for making decisions that the village elders previously made free as a public service. **This is a clear case of too much government.**

10. The great distances, cultural and linguistic barriers separating the six districts of Micronesia also have special implications for a plebiscite. **The Mission found little consciousness among the people of the Trust Territory of themselves as "Micronesians" and no emotional nationalistic feelings.** There are no traditions of unity but rather a history of individual island cultures. There is almost universal ignorance in each district as to who are the leaders, political or otherwise, of the other five districts, **and there is little inclination to compromise on a district's special interest in favor of the territory's advancement as a whole.** This regional separation is strengthened by the existence of separate district legislatures, and to date only minor progress has been made toward a centralized indigenous government. The district legislatures function reasonably well given the small revenues they can command, but they represent conservative bastions for the maintenance of traditional policies, and land and social customs. Within some districts, especially Yap and Ponape, there is the additional complication of the outlying island groupings resenting the domination of the islands nearer to the district centers. This situation requires the most carefully impartial handling by the United States in the period before the plebiscite and the avoidance in the

CONFIDENTIAL

plebiscite of questions of special interest to particular districts, such as "union with Guam" which is an issue in the Marianas. It also creates the need for the right mix of political compromises in the organization of the territorial legislature. (The Mission's report, in Part I, identifies for each district the particular issues, political groupings and key people of importance in that district.)

11. The Mission has no difficulty in concluding that there is little design for independence in the Trust Territory. It would go so far as to say that even if a plebiscite were held today without preparation, the total vote for independence would probably be only from 2 to 5 percent. The Mission also concluded that there is no hard core of feeling against permanent affiliation with the United States but, as described earlier, an inchoate insecurity among a substantial number of the elite that can be allayed only through certain actions recommended below.

12. The Mission recommends that the plebiscite be held in 1967 or 1968 because:

- a. Our timetable calls for creation of the true territory-wide legislature in the fall of 1964 and having its members serve out an initial three-year term before the plebiscite, during which the members from the different districts can develop more political experience working together than was possible in the present territory-wide advisory council.

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b. The maximum impact of the recommended capital investment program will not be felt until late 1967 on the one hand, nor will it be felt as strongly after 1968, since the Mission does not expect the development process in the private sector of the Micronesian economy to be strong enough to offset the anticipated cutback in the capital investment program after fiscal year 1968 (by which time the higher priority capital needs of education, public health and public works will have been met).

c. The early definitive resolution of the political future of Micronesia as a United States territory will make it easier for the United States, if it so decides, to permit Japanese businessmen, technicians and fishing vessels into non-sensitive areas of the Trust Territory which would supply a very great stimulus to economic development at no cost to the United States and thereby permit reductions in the United States subsidization of the territory.

If necessary, the plebiscite could be advanced to as early as 1966 by compressing the schedule for the development of the legislature. The legislature could be created by the spring of 1964 if the High Commissioner were instructed to do so. However, such an advance in the plebiscite timing would be at the expense of giving the legislature less experience and not waiting for the capital investment program to have its full impact.

13. The questions offered in the plebiscite to the Micronesians should be confined to two in number with some such general wording as follows:

Are you in favor of becoming an independent nation?

Are you in favor of a permanent affiliation with the United States of America?

There will be some nations in the United Nations which, sensing our objective, will claim that the plebiscite should be confined to the single option of independence since the basic idea of trusteeships is that they should terminate in independence. There may also be some nations which will claim that, in its 1967-68 state of development and dependence Micronesia cannot realistically choose independence and is therefore not being given real alternatives. To some extent, this latter argument could be nullified by including a third plebiscite option — namely, continuation for the time being of the status quo of the trusteeship with the United States as the administering power. From our viewpoint, this would reduce the vote for permanent affiliation from 95 percent of those voting to a substantially smaller percentage, although still a majority.

14. The Mission recommends the following steps as part of the overall program to achieve our plebiscite objective and at the same time promote the longer run political development and general advancement of the Micronesians:

- a. A qualified American should be appointed in each of the six districts to develop and maintain continuous liaison with the various leaders of the three politically critical

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groups. ^{Gradual} His main job would be to develop, in a gradual way, interest among these people in his district in favor of permanent affiliation by supplying the information needed to eliminate their ignorance and allay their fears as to what the affiliation would entail, as well as its advantages. He would also administer useful adult education and United States and world information programs, as well as the local radio programming now handled by the district director of education. These six information officers, in whose recruitment United States Information Service should cooperate, would also perform through their supervisor at Headquarters the regular political reporting function so acutely lacking at present.

- b. Washington should facilitate the general development of Micronesian interest in, and loyalties to, the United States by various actions, three of which are:

- (1) Sponsorship by the Department of State of Micronesian leader visits to the United States.
- (2) Introduction in the school system of United States oriented curriculum changes and patriotic rituals recommended in the section of the Mission's report dealing with education.

- (3) **Increasing the number of college scholarships offered to Micronesians, a highly sensitive issue in the Trust Territory.**

- c. The Community Action Program by the 60 Peace Corps Volunteers recommended in the Mission report should be begun because it is of critical importance to both the plebiscite attitudes and the overall advancement of the majority of Micronesians living on islands outside the district centers. The program as recommended (which excludes use of Peace Corps Volunteers as teachers in the school system) and the realities of Micronesian needs contain all the probabilities of a spectacular success for the Peace Corps.
- d. Preparations should be taken to offer Micronesian government employees and other wage earners two specific inducements to seek affiliation with the United States. First, after such an affiliation Micronesian and United States personnel basic pay scales would be equalized. Since the inequality exists only in the professional and higher administrative echelons, the cost would not be excessive. Second, rather than introduce a retirement program for Micronesian government employees, the Social Security system should be extended to all wage and salary earners in Micronesia (most of whom are government employees) with possible consideration of a more general inclusion simultaneously or at a later time.

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15. The final factor of importance to the outcome of the plebiscite will be the Micronesian leaders' insistence on knowing the proposed organization of Micronesia's post-plebiscite territorial government. The Micronesian leaders are intelligent and in many cases quite sophisticated, and they have been led to expect eventual independence; their willingness to produce a large popular vote for permanent affiliation will partially depend on the measure of self-government to be given them within the structure of territorial affiliation. This will also be of critical importance in the United Nations since the trusteeship agreement requires "independence or self-government" as the terminal objective. On the other hand, consideration must be given to the need for continued adequate control by the United States and the traditional attitude of the Congress toward the organization of territorial government. Also, there are clear limitations on the present-day ability of the Micronesians to govern themselves.

As the practical solution of this many-pronged dilemma, the Mission recommends a government organization for the Territory of Micronesia that gives, on the one hand, a reasonable appearance of self-government through an elected Micronesian legislature and a Micronesian Chief Executive nominated by and having the confidence of the legislature, but on the other hand retains adequate control through the continuation of an appointed United States High Commissioner. (This arrangement is similar to that now operating in the administration of the Ryukyu Islands.) The powers of the High Commissioner could range from:

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(a) The minimum of being able to withhold all or part of the United States funds going to the Micronesian government and the authority to declare martial law and assume all legislative and executive powers when the security of the United States so requires; to

(b) the maximum additional power of vetoing all laws, confirming the Chief Executive's appointments of key department directors and dismissing the Chief Executive and dissolving the legislature at any time.

16. The Mission also recommends that, after the plebiscite, the Congress recognize the expressed desire of the people of Micronesia to affiliate by granting them the status of United States nationals but that action on an organic act be deferred until Congress judges that the development of the territory has sufficiently advanced, and the territorial legislature has had a chance to take action on the local customs and laws which now protect the lands and businesses of Micronesians. Once the people of Micronesia have expressed their desire to affiliate, it is highly advisable that they feel that the question of their political future has been definitely resolved by having the Congress grant them without delay the status of U. S. nationals even though there may be subsequently protracted debate in the Security Council over the termination of the trusteeship agreement.

It is worth pointing out that the extension of the status of U. S. nationals appears to the Mission, although questioned by State, to be legally possible under the trusteeship agreement which permits the extension of all the

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administering authority's laws to the Trust Territory, and that this could be the first in a series of steps that could make the trusteeship agreement an academic issue, even if the Security Council were not willing to terminate the trusteeship agreement.

17. Looking beyond the plebiscite and the subsequent achievement of territorial status for Micronesia, what seems to be the possible long-run political future of the area? First and most essential consideration might be given to the union of the two territories of Micronesia and Guam which would produce (a) economies of overhead in regular governmental administration, transportation and other facilities, (b) a more economically viable area along with a new stimulus to its economic development, and (c) the more rapid modernization and Americanization of this United States frontier in the Pacific. Such a union would involve a very delicate problem of negotiation and would require consistent pressure. However, the payoff would be a substantial reduction in the need for appropriations as these deficit areas came to stand more and more on their own feet. (Part II of the Mission report includes recommendations for immediate action to develop the economic interrelationship between Guam and the Trust Territory.)

The even more distant problem of what ultimately, if anything, could or should be done with the unified territory of Guam and Micronesia is at present too much in the realm of clouded crystal ball gazing. Incorporation as a county into the State of Hawaii has been suggested in various places,

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and the Governor of Hawaii apparently feels that it is very much a possibility, but the Guamanian and Micronesian leaders' long-run political speculations definitely do not contemplate this degree of absorption and loss of political independence. Furthermore, the ultimate status of this territory may very well not be decided separately but as part of a general solution devised by the United States for all our remaining territories.

Part II. The Capital Investment Program for Overall Development

1. Until fiscal years 1963 and 1964, when the Congress authorized an appropriation of \$17.5 million for the Trust Territory and appropriated \$15 million for each of those years, the level of United States appropriations for Micronesia had averaged slightly under \$7 million annually. Outside of new transportation facilities, few new capital investments were possible within this budget and those were achieved at the expense of an overall net capital disinvestment -- that is, by permitting the deterioration of buildings, machinery and public facilities. The running down and eventual destruction of much of the physical plant inherited from the Japanese and Navy administrations, which is empty evident in all the districts, has proved to be a very expensive "economy".
2. The decision by the United States to bring about the permanent affiliation of Micronesia requires the formulation of programs that will have both the maximum political impact in the plebiscite and will also advance the Micronesians in the long run as rapidly as possible toward satisfactory living standards. A successful initiation of the economic development of the area is critical not only to the plebiscite and the living standards of the people who would become United States nationals but also to eventually relieving the United States of the financial burden of subsidizing those living standards.
3. The bulk of the increased funds in fiscal years 1963 and 1964 is being used in a program just starting for the construction and operation of an

other resources. This maximum program totals \$42 million of capital increment over the four fiscal years from 1965 through 1968 with annual operating costs ascending from \$14.5 million in 1965 to \$15.9 million in 1966, \$18.5 million in 1967 and \$20.2 million in 1968. The Mission also presents, at the other end of the scale, the minimum program it believes sufficient to achieve United States political and developmental objectives which involves somewhat inferior educational and other standards and slower economic development. The minimum program totals \$31 million of capital investment over the four-year period and somewhat lower operating costs than the maximum program.

6. To look at it in various perspectives, the maximum program is a small program, except in education, relative to the investment made by the Japanese government before World War II. The \$360 average per capita annual expenditure that it represents is not very meaningful in the Trust Territory with its 81,000 people scattered through a vast area, but it is closer to the small per capita expenditure of Britain and France in their Pacific colonies (under \$60) than it is to the high per capita expenditure (\$1,300) of small Denmark for the 23,000 inhabitants of Greenland. Also, in view of our political objectives, the program should be viewed in relation to the Micronesians' average per capita income of about \$80 per year -- the equivalent of \$36 in 1939 prices -- compared to the comparable 1939 Micronesian average of about \$100. Given the rate of increase in the population of Micronesia (about 3.5 percent annually) and the almost negligible impact of current technical assistance efforts, the economic

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development problem will not be solved except with some such capital investment program such as that presented in the report.

7. The major items in sectoral breakdown of the optimal capital investment program from 1965 through 1968 are:

Education	\$9.9 million.
Health	2.4 "
Public safety and judiciary	0.9 "
Economic Development Fund	5.0 "
Transportation	1.5 "
Communication and radio	2.7 "
Public Works	13.0 "
Equipment replacement	2.5 "
Housing assistance	1.2 "

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The small percentage of the proposed program devoted to economic development projects -- which would be administered through a recommended Economic Development Fund -- is due to some extent to the anticipated response of private Micronesian and United States capital. However, it is primarily a reflection of the Trust Territory's very limited ability to use such funds effectively, given its meager production resources and tiny, dispersed markets. The limited prospects for the growth of the private economy dictate that for the foreseeable future this will continue to be a deficit area notwithstanding the development that will result from the proposed program. Prospects would be brighter, and the post-1968 need for subsidization reduced if Washington would be willing to cancel United

States import duties on processed fish (a privilege enjoyed by American Samoa) and to eliminate, after the plebiscite, entry restrictions (except in the Kwajalein area) on Japanese businessmen, technicians and fishing vessels. And, in the still more distant future, although not now foreseeable, what looks like a "Micronesian Folly" — justifiable only for its strategic value — may very well develop into a viable economy based on American residents and tourists.

The large part of the capital investment program, and the even larger part of the annual operating program, devoted to education reflect the acute need and the critical importance of that program. But, given the limitations on the feasible rate of economic development, it also poses a dilemma. Modern education, particularly secondary education, will create a demoralizing unemployment problem as graduates refuse to return to their primitive outlying lands and to the extent that they are not aided to continue on to college. It is essential that the safety valve of legally unlimited (and possible financially-aided) immigration to the United States be established. Fortunately, that would come to pass when the Micronesians are given United States national status, if not sooner.

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Summary

Part III. Administration in the Trust Territory

1. The Mission regrets to report that a major obstacle to the overall development of the Trust Territory is the creaky functioning of the quasi-colonial bureaucracy in the Trust Territory government. Unqualified American officials with remarkable long periods of bureaucratic longevity, many from the days of Navy military government, are more the rule than the exception. There is a real and present danger that increased appropriations by the Congress will not be used with maximum effectiveness and that the Trust Territory government cannot implement the program needed in the area. Increased numbers of permanent personnel in the Trust Territory government staff are assumed by too many department heads in too many cases to constitute the needed "expansion of programs".

2. The Mission believes that a new approach to territorial administration is required if the Executive and the Congress want results. ~~This should~~ be the conscious effort to utilize the services of other Federal agencies or to contract out the implementation of the new and expanded programs recommended in this report. Based on its survey the Mission is convinced that results will be quicker and the overall and long-run costs of such a policy cheaper. To list just a few examples, the Mission recommends that the recruitment of American teachers be provided for through a contract between the High Commissioner and the State of Hawaii, that the provision of American physicians be contracted for with "Medico", that a private consulting organization provide advisory services in connection with the administration of the proposed Economic Development Fund and that the

CONFIDENTIAL

Immigration and Naturalization Service take over immigration functions in the area.

There has been sufficient exploration by the Mission to be reasonably sure of the general flexibility, and in most cases the particular willingness, of the suggested agencies and contractors to undertake those functions.

Contract supervision will pose its own set of problems for the Trust Territory government, but it can handle these problems more readily. To charge the Trust Territory government with the task of implementing with its own staff a relatively large and complicated program will not only involve many years' delay and much waste, but will saddle that government (and the United States) with the costs of permanently swollen bureaucracy necessarily recruited in many cases without full qualifications owing to the pressure of time. The need for many of these contractual services will disappear as certain programs are completed and others are increasingly staffed by qualified Micronesians.

3. The Trust Territory governmental organization of functional departments at headquarters in Saipan and in the six district administrations headed by district administrators is basically sound. However, there is a serious problem of communication between headquarters departments and their district counterparts partially arising from the over-centralization of authority in the High Commissioner's office. Essentially, the High Commissioner uses his department heads as staff officers, and they have no real operating authority delegated to them, nor are they permitted to deal directly

with their district counterparts nor with the district administrators. Furthermore, it is alleged that the district administrators frequently alter professional technical policies and programs. The Mission believes that in the interests of better administration of both the pre-plebiscite "master plan" and the particular nature of the post-plebiscite territorial government, that the delegation of powers by the High Commissioner to his department heads be permanently clarified. The headquarters department directors should be given professional and technical responsibility for their programs, beginning with Departments of Education, Health and Agriculture, and a management specialist should be sent to the Trust Territory to spell out the specific steps to accomplish this objective.

4. Budgeting in the Trust Territory government is simply a means of setting a ceiling on expenditures rather than a planning mechanism through which programs are developed and carried on effectively. There are numerous and serious deficiencies in both budget formulation and execution, and the accounting of expenditures. The Mission recommends various specific measures among which are requiring the full funding of construction projects starting in the FY 1965 budget and separate accounting for business-service operations including payment for such services as the Trust Territory government receives.

5. Due to the long supply lines back to the United States and inadequate funds, the Mission found serious supply deficiencies (particularly in medical supplies and spare parts) at various points through the system. The Mission recommends certain funding and management actions.

CONFIDENTIAL

CONFIDENTIAL

Summary

6. Under United Nations pressure and our own response to it, the policy of replacing American officials with Micronesians has been pressed to the point of using poorly qualified Micronesians. The Mission has investigated various possible training programs to meet this problem and makes specific recommendations regarding training for public administrators, teachers and medical practitioners.
7. The Mission recommends in regard to American personnel that minimum professional qualifications be formulated, that the Department of Interior adopt a compulsory rotation program and that the directors of education, public health and engineering and construction be upgraded.
8. The ultimate objective should be a single personnel system where American and Micronesian officials in similar positions receive equal basic pay. In the interim and as a measure to reduce friction and encourage Micronesians to complete their full education, the Mission recommends the adoption of a new transitional schedule in the Micronesian pay scale for senior professional officials who meet every qualification requirement for comparable grades in the Federal civil service. Once a unified personnel system is established and the Social Security system is extended to territorial employees, the new American employees entering after that date should have territorial-employee status rather than Federal employee status, unless they are detailed from a Federal agency.

CONFIDENTIAL

9. The policy and administrative relationship between Washington, especially the Department of Interior, and the Trust Territory government must be sharply improved. There has been, on the part of Washington, both insufficient guidance as to new policies and program objectives and a lack of review in depth of the Trust Territory government's administrative implementation of them. A major reason seems to have been the tradition of treating the Trust Territory government somewhat as a sovereign foreign government. This is in the Mission's opinion an unnecessary and inadvisable interpretation of the administering power's role in the Trust Territory. One important example of these deficiencies is the lack of familiarity by many high officials in the Trust Territory with the policy shift contained in NASM 145 and the marked failure of that Presidential policy statement to have sufficient impact on Trust Territory government policy. To correct the general problem, the Mission recommends:

- a. The Task Force created by NASM 145 should continue up through the plebiscite as a program and policy advisory group to the Secretary of the Interior. They should be involved in the adoption of a "master plan" of priority programs and periodic review in Washington of the progress of these programs as well as approving any later modifications.
- b. Annual visits of an evaluation team to the Trust Territory to ascertain by field inspections that the "master plan" is being implemented in accordance with the terms of reference approved by Washington. The team

CONFIDENTIAL

should serve the Secretary of the Interior, but the Task Force might aid the Secretary of the Interior in nominating the membership of the team, and should of course have full access to the report of the team for such action as it considers appropriate. If the team's annual visits were to coincide with the Trust Territory government's budget formulation, it would further insure the implementation of the "master plan" and would facilitate the more intensive budget examination by Interior that is needed.

c. The High Commissioner should be appointed by the Secretary of the Interior rather than the President partially because of certain legal anomalies involved in the position being filled through a Presidential appointment, but primarily to focus responsibility on the Secretary for the continuing guidance of the administration of the Trust Territory.

d. The Secretary of Interior should issue an order clarifying the exact powers delegated to the High Commissioner and those reserved to the Secretary in accordance with the draft appended to the Mission report.

governing, economically viable entity capable of determining its own status and future. Because we have not come to grips with the problem of international trusteeship and political reality, policies for the Trust Territory have been hesitant and planning uncertain, while the lack of a definite objective has not only confused the Micronesians, but hampered the administration of the Americans.

A. Problems of the Trusteeship Status

Little blame for the lack of a definite goal can be levied upon individual officials in the Trust Territory, most of whom have performed their tasks

CONFIDENTIAL

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PART I

THE POLITICAL DEVELOPMENT OF MICRONESIA

Talking about United States policy for the Trust Territory of the Pacific Islands, a young Micronesian on the boat from Kwajalein to Ebeye burst out, "I feel blind". Many Micronesians and Americans are wondering about the present and future status of the Trust Territory, but virtually no one has focused upon the idea and the need for a plebiscite in Micronesia in the near future that would propose permanent affiliation with the United States. The Washington policy formulated last year of bringing about the permanent association of the Trust Territory with the United States has not had an observable impact in Micronesia.

It has generally been accepted instead that it will take many years of tutelage under an indefinite United States trusteeship for Micronesia to develop to the point where it can be an independent or self-governing, economically viable entity capable of determining its own status and future. Because we have not come to grips with the problem of international trusteeship and political reality, policies for the Trust Territory have been hesitant and planning uncertain, while the lack of a definite objective has not only confused the Micronesians, but hampered the administration of the Americans.

A. Problems of the Trusteeship Status

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CONFIDENTIAL

CONFIDENTIAL

medicine; we have encouraged down to the smallest village the practice of local representative government, despite doubts as to its utility and acceptance; we have promoted the development of native legislatures and courts, despite an obvious lack of native leadership, experience and ability; and we have restrained the free entry into the area of American investment and American private enterprise.

On the other hand, we have had to face the practical realities of the situation and the need to preserve American security interests. The Defense Department is expanding rather than reducing its activities in the territory; almost as many Americans work in the Trust Territory administration now as five years ago, and the reality is that additional, rather than fewer Americans are needed; all major positions of authority are still held by Americans; and the United States continues to finance well over ninety percent of the cost of government in Micronesia.

The dichotomy in United States interests is also reflected in the frequent shifts of responsibility that have occurred between the Navy and the Department of the Interior for the administration of all or portions of the territory. These shifts have resulted in unfortunate breaks in the continuity of administration, planning, and development.

In the confusion over American goals for the Trust Territory, our policy has been to "stimulate and promote the attainment of self-rule among the Micronesians" within some undefined framework. The resulting attitude, at least until 1962, was largely that of a custodian,

CONFIDENTIAL

protecting, preserving, and maintaining the territory, with insufficient emphasis on, or interest in development for the future. The tendency to hold the line is evidenced by the stability in the annual appropriations for the Trust Territory between 1952 and 1962 - - ranging between \$4.3 million and \$6.8 million - - during a long period of rising prices and expanding international commitments by the United States. The limited appropriations also reflect the policy that the United States ought not to finance a level of government services in the territory which the local economy could not support in the event of eventual independence.

Americans in Micronesia have marked time in self-conscious uneasiness while watching the deterioration of roads, schools, hospitals and other public works, and the continued stagnation of the local economy. As a result, we have wound up with a run-down physical plant, a poor showcase of American administration and a Micronesian people who are non-aggressive, but rather apathetic, willing to follow, but timid in accepting obligations and responsibility, and making minimum use of their potentialities. Without clear political objectives, the economic and political development of Micronesia cannot move forward with much vigor, for initiative will be stifled and administration will remain a routine servicing affair rather than an imaginative tool for progress.

Background on Trusteeship

Pending the arrival of that day in the distant future when an undefined something will happen as the result of Micronesia's development toward self-rule, we have continued to assume that the present trusteeship agreement will continue for an unspecified period despite some heckling

CONFIDENTIAL

from the unfriendly members of the United Nations. The fact is that trusteeships are out of date. The legal status of trust territories actually contributes to the drift in which we and the Micronesians find ourselves, and the United States may soon be in the embarrassing position of administering the only area under a UN trusteeship in the world.

The concept of mandates and trusteeships evolved during World War I from a disenchantment with the exploitation and trading of colonies by the great powers. Rather than treat the weaker peoples of Africa, the Middle East and the Pacific that were detached from Germany and Turkey as mere spoils of war, it was agreed to place those dependent areas in the care of "mandatory" or administering powers, which would exercise sovereignty over the areas subject to the guiding principles of the League of Nations. While independence was recognized as a possibility for the mandated former possessions of Turkey, the emphasis in Africa and the Pacific was upon protection and tutelage by an advanced nation.

The United Nations inherited and endorsed this philosophy during and after World War II, but added to the responsibilities of each administering power the promotion of self-government in the dependent territories. Under the United Nations Charter, the administering powers transferred their mandates into "trusts", and a Trusteeship Council was established as the principle organ of the new organization both to receive reports and petitions and to supervise the regular visits of inspection to the trust territories.

CONFIDENTIAL

CONFIDENTIAL

to the area, including action on "the terms of the trusteeship agreement and their alteration or amendment". Both the Security Council and the General Assembly, however, make use of the Trusteeship Council to assist them in carrying out their responsibilities for trust territories.

While the basic objectives of the trusteeship system, set forth in article 76 of the Charter, apply in the strategic trusteeship as well, the United States is authorized, under the terms of the agreement, to close all or portions of the Trust Territory for security reasons and to determine the extent to which it will report on such areas or open them for inspection. The agreement was approved by the Security Council on April 2, 1947, and by a Joint Resolution of the Congress on July 18, 1947.

In 1947, the Trust Territory of the Pacific Islands was one of eleven United Nations trusteeships. However, with the rapid postwar movement toward independence for former dependent areas, only three trusteeships remain today. In addition to our own, there is Nauru, a small island south of the Marshalls which is inhabited by only 2,000 people whom Australia plans to evacuate to its own shores in the near future thus terminating the trust. Finally, there is a trust area in northeast New Guinea, which Australia administers jointly with its own territory of Papua on the same island, all of which, according to reports, Australia is steering toward independence under an arrangement in which Australia would be responsible for the new nation's defense and foreign relations.

CONFIDENTIAL

Thus, looking at the events of the past decade and a half, international trusteeship has almost become extinct as a device for fostering the development of dependent peoples.

The Need For a Plebiscite

Mandates and trusts have played a useful role in the development of the new world community. They have had an effect upon the improvement of all colonial policy. But it would be difficult to demonstrate that the administering powers have done more or less for their trust territories than they have done for their own colonies or possessions.

There is, therefore, a fundamental question as to whether trusteeship remains the best device for integrating the Micronesian people into the strenuous political and economic conditions of the modern world. The emphasis of our trusteeship has been on protection, not adaptation and development, for example, the protection of local languages against English, which offers superior means of communication in the world today; the protection of local subsistence economy against American capital and management that could improve low-income levels, inadequate transportation and wretched housing. The indefinite, but obviously long-term nature and vague goals of the trusteeship contribute greatly to that protective attitude.

The true responsibility of the United States is to provide for a rapid systematic adaptation of Micronesia to the environment of modern society. It is a fundamental conclusion of the Mission that international trusteeship, as applied to Micronesia, is not suited to the achievement of this

end because it has resulted in an aimless drift in which no goal is immediately or readily apparent. It does not excite the energies of the people themselves, and it has actually retarded the development of institutions and resources that permit the people to take their best place in the modern world because of its resulting emphasis on protection. The legal form of trusteeship is a delusion if it condemns the Micronesians to live in poverty without the stimulus of outside aid or contact. The administrator who works in the drift of trusteeship, with the possibility of independence in the distant future, is confounded. The less sophisticated Micronesian simply wonders where all the fuss is leading him.

It is true that the United Nations has--through its debates, criticisms and other pressures--sought to use the trusteeship vehicle to push the more rapid development of Micronesia. But, insofar as the United Nations pressures are aimed at eventual creation of an independent Micronesia, we believe that they will sooner or later result in even greater frustration and will postpone work toward a realistic goal. Independence of Micronesia would only be possible, given the various United States and Micronesian needs, on the unreliable and undependable basis for both parties of an arrangement involving continuing United States subsidies on the one hand and "permanent" ceding by Micronesia of exclusive defense and military use rights to the United States on the other hand. Nor will continuing United States subsidies alone satisfy the Micronesians in the long run because certain inflexible economic limitations

CONFIDENTIAL

of the area and the increasing population pressure must eventually compel substantial emigration of Micronesians.

Thus, the Micronesians would inevitably end up pressuring the United States, or if refused by the United States, some other major power for a special association that would involve both parties in the substance of a territorial relationship, but would not satisfy either party's need for a permanent dependable association.

There is also, of course, the further likelihood that the continuation of the United States trusteeship will be seriously challenged in the United Nations. If we are left with the sole trusteeship in the world, the United Nations pressures for action will grow. Both our enemies and the uncommitted or emerging nations can be expected to become increasingly critical. Our embarrassment could become acute and our prestige in the world community is certain to suffer; a very difficult situation might result over which we would have little or no control.

Given the factors outlined above--(1) the United States need to retain control of Micronesia for security reasons; (2) the increasing possibility that our trusteeship will be challenged; (3) the lack of a clear United States policy and the need for a goal around which to build a realistic development program; (4) the conclusion that continuation of the trusteeship tends to reinforce our present custodial attitude and aimless policy; and (5) the impossibility of true independence for Micronesia--it is the conclusion and recommendation of the

CONFIDENTIAL

Mission that the United States should take the initiative now in action that would result in a termination of the trust agreement and the permanent affiliation of Micronesia with the United States.

A plebiscite among the Micronesians is essential to such action and should be held as soon as possible in the interests of the Micronesians and the United States.

B. Territory-wide factors affecting a plebiscite

Before any meaningful discussions can be presented regarding the timing, terms, and mechanics of the plebiscite and the steps required to bring about the desired result, it is necessary to take into account six major factors that shape the current attitudes of Micronesians and the present and future development of political institutions and leadership in Micronesia. These interrelated factors essentially affect any analysis of political forces, their care, capture and control.

1. Existing governmental organization

The government of the Trust Territory, with the exception of the clan and familial government traditionally exercised by the chiefs, has been created under the authority of the trusteeship agreement with the Security Council (approved by a joint resolution of the Congress on July 18, 1947) and the Act of June 30, 1954, as amended (48 U.S.C. 1601) of the Congress. Article 3 of the agreement provides that the United States will "have full powers of administration, legislation, and jurisdiction over the territory" subject to the provisions of the agreement. The Act of Congress vests all executive, legislative and

CONFIDENTIAL

judicial authority necessary for the civil administration of the territory in, and provides for the exercise of that authority by such persons and in such manner as the President may direct.

The President currently, under Executive Order No. 11021 of May 7, 1962, has delegated his authority to the Secretary of the Interior subject to certain policy guidance from the President and collaboration with other departments with respect to carrying out the obligations of the United States under the trusteeship agreement. Previously, the President had vested authority over first all and then parts of the Trust Territory in the Secretary of the Navy. The 1962 order brought Saipan and the northern Marianas under Interior and again united the Trust Territory under one agency.

The Secretary of the Interior, in turn, has delegated his executive authority to the High Commissioner of the Trust Territory and his judicial authority to the Chief Justice of the Trust Territory. The former has been appointed by the President, the latter by the Secretary.

The High Commissioner has, through the years, issued various orders and a code for the Trust Territory which comprise the basic laws of the area (the need to clarify his legislative authority is discussed in Part II of the report), and he and his staff have served as the executive branch of the government. This central government, with headquarters now in Saipan, has been organized around its major programs to include the departments of public safety, public works, education, public health, agriculture and fisheries, communications, property and supply and various staff offices.

CONFIDENTIAL

CONFIDENTIAL

provide the possibility for financing significant programs and are generally used for local education, to supplement particular territorial government activities, or support small projects of interest to the district legislatures. All their legislation is subject to the approval of the district administrator or the High Commissioner.

A major campaign has been underway to complete the chartering of all Micronesian municipalities with the objective of having a complete scheme of local government throughout the Territory. They vary in size, however, from Saipan which constitutes one municipality with 8,000 people, down to communities of less than a hundred souls. Generally, their charters provide for an elected magistrate with minor powers and a council, also with minor taxing and other powers. The exercise of those powers is severely limited in most areas of Micronesia since such municipal governments are operating at a level where the existing clan government usually prevails.

At the territorial level, the Council of Micronesia has now been created, evolving out of an interdistrict advisory council of Micronesian leaders that began meeting regularly in 1956. The Council is composed of two representatives elected by popular vote from each district (except in Ponape where they are selected by the legislature, and in the outer islands of Yap where they are selected by the Chiefs or the district administrator). The Council held two sessions in 1962 and 1963. It passes declarations, resolutions, and recommendations for such action as the High Commissioner deems necessary but it has no legislative powers.

CONFIDENTIAL

2. Distance, transportation and communications

Micronesia consists of a series of small islands scattered over an area of the Pacific as large as the mainland of the United States. Even in the best of circumstances, this means that the islands and districts of the area are isolated little communities. The largest center of population is the Truk atoll with some 15,000 inhabitants. Other relatively sizeable district centers exist, such as Ponape with 11,500 people. Saipan with almost 8,000, Koror with 4,100 and Majuro with 4,000, but they are remote from one another, the outside world and the other half of the Trust Territory population which lives in smaller communities in the outlying islands.

Saipan, the headquarters of the Trust Territory government, is less than an hour's flight from Guam, the gateway to the Territory, but it is necessary to go through Guam at present to go from headquarters to any of the other district centers by Trust Territory plane. To go from Guam to Yap, the nearest district center, it is necessary to fly 460 miles, and from Yap to Palau another 253 miles must be covered. In another direction from Guam lies Truk, 554 miles away, thence to Ponape, another 382 miles, Kwajalein, another 583 miles, and finally Majuro, the district center of the Marshalls, another 263 miles.

The problems of transport and communications from a technical point of view are discussed more fully in another part of the report, but the great distances separating the islands, the slowness and infrequency of transportation from one district to another and the awkwardness and expense of wire

CONFIDENTIAL

and radio communication, almost all of which is governmental, frustrate a reasonable integration of the economy, political and social life and prevent a normal diffusion of central ideas that might serve as unifying political principles. There is a danger of continued provincialism and separatism unless transport and communications difficulties can be overcome.

3. Diversity of cultures

The historical remoteness of the islands from one another has produced a diversity of cultures in Micronesia. Political, social and economic patterns and institutions vary significantly almost on an island to island basis.

Nine major languages and several dialects are used. Until recently, even the concept of a single united district comprising a group of neighboring islands was foreign to their traditions.

Neither the Spaniards nor the Germans, although exercising sovereignty over the islands, brought them under a cohesive administration; while the Japanese, except for teaching their language in the lower grades, created no political or social institutions that would stimulate the self-consciousness of the Micronesians as a related people. The Japanese governed the mandated territory from Koror in Palau, making it an attractive, prosperous capital; the United States, mixed up between Navy and Interior Department administration, has governed the Territory from Honolulu, Guam, and now rather awkwardly from Saipan where the people have an intense attachment for Guam but rather little regard for the culturally different people of the other districts. However, the United States, in its action to establish a territory-wide Council of Micronesia, the first in all Micronesian history, has begun to bridge the traditional isolation of the islands.

CONFIDENTIAL

Given the conglomeration of peoples, languages, cultures, isolated atolls and islands, the subdivision of the area into district administrations, first by the Germans and Japanese, and now by the United States, has had to be rather arbitrary. The present districts are not culturally homogeneous.

The Marianas are most homogeneous, despite a Carolinian minority that remains somewhat culturally and politically distinct from the Chamorro majority. But the Ponape District, for example, contains two Polynesian, rather than Micronesian, islands, and Kusaie, which speaks a different language than Ponape Island, believes it is equal to, or better than Ponape and has petitioned for a district of its own. In some cases, especially in the eastern Carolines, the outlying islands near district boundaries have a closer affinity for the neighboring district than they do for parts of their own.

The selection of district centers and their consequent, more rapid advancement and closer ties to transport and communications facilities has also resulted in friction with the outlying islands. Significant differences in levels of development now exist, for example, between the Palau district center at Koror and the outer islands such as Peleliu. In the Yap District, the outer islands have yet to gain representation in the district legislature. In many ways, the outer islands have come to feel that they are being outdistanced and overwhelmed by the district centers.

CONFIDENTIAL

CONFIDENTIAL

What Micronesia lacks most is a long common experience with shared institutions. To be under four foreign powers in less than seventy years, each using its own language, economic and political standards, and to have four capitals in thirty years hardly helps develop that necessary experience and denies any hope for the immediate cultural cohesion of Micronesia.

4. Familial and clan patterns

Except in the Marianas, the familial or clan patterns of life throughout Micronesia are an important political factor. Families and clans are the objects of primary allegiance in many areas and the centers of basic authority. Large areas of land, indeed, sometimes whole islands, often classified as in "private ownership," are in reality controlled by a clan, with use rights being apportioned through historical practice, communal agreement and the intervention of the elders or chiefs of the clan. (A curious and important factor tending to perpetuate the power of the traditional chiefs in many communities where terribly complicated structures of land rights exist is their uniquely authoritative knowledge of boundaries and rights.) Land is the tie that binds families and clans together; the right to occupy and use land, guaranteed by family membership, is the security of young and old, and the index of hierarchical patterns. In Yap, for example, all useful land is held by the families except for a little held by religious missions and used by the government--the public domain land consists of mangrove swamps.

CONFIDENTIAL

In the Marshalls, Ponape, Truk and Palau, although the United States is encouraging homesteading of the public domain, leasing and registering of private land transactions and other devices designed both to clarify title and increase individual ownership of homes and farms, the family-clan pattern with its many chiefs is omnipresent. Urbanization, with the movement of young men to district centers and the increase in a cash economy, of course, tends to break down clan and chief authority. But the young men working for the government and the trading companies, speaking English and absorbing western ideas still have an emotional attachment to their family and clan, and to their chiefs who, after all, are relatives, often close ones, and often men of character and leadership.

Whereas the Germans and Japanese tended to utilize the chiefs as their agents in the administration of the territory, the United States has attempted increasingly to introduce representative, democratic government based on the electoral process. Even in this new system, the chiefs, in many instances, have simply become the magistrates, being "elected" by their clans. The tendency to select men other than the chiefs as magistrates occurs mainly in the larger, more urbanized municipalities. Nevertheless, when this occurs it is still generally true that the elected magistrates must be sure to retain the traditional chiefs' support.

The traditional chiefs tend to be men over 45 years old; they are not likely to have a working command of English, although they may speak Japanese; they are naturally more conservative and rooted in local interests than the younger Micronesians working for the government. This does not mean that they are reactionary, particularly in their concern for "more education" for the younger people which all Micronesians feel is the magic key to raising their incomes; indeed, a number of them have extraordinary leadership qualities and receive profound respect from the people. In many responses from ordinary, non-English-speaking Micronesians, and in rank and file conversations with Micronesian women, it was obvious that they knew their chiefs and magistrates personally and by name, whereas they did not usually know their representative in the district legislature unless he was the same man. Such people rarely knew anything about the Council of Micronesia and the delegates to it from their district. They never knew the names of the delegates from other districts.

5. The Young Leaders of Micronesia

According to the figures in the 15th annual report to the United Nations in 1962, the Trust Territory government and other United States agencies in the area employ 65 percent of all the Micronesians who work for wages, and this figure excludes elementary school teachers, the majority of whom secure supplementary bonuses from the

Trust Territory government. In this pool, occupying positions as department heads or assistant department heads in the district administrations and special staff positions in headquarters are the overwhelming number of potential leaders of Micronesia. Many of these men, mostly in their thirties and selected for their knowledge of English and their formal high school education, are also doing double duty as members of the district legislatures and the Council of Micronesia. In fact, they dominate most of those bodies.

These are the men who are most fluent about western ideas and American administration; these are the men who are easiest for Americans to talk to and who seem to deal in concepts meaningful for an American investigator. Neither their capacities nor their influence in Micronesia, however, should be exaggerated. First, they are young by Micronesian standards, so that neither their age nor clan status carries much weight with the masses of the people. Over the next few years, of course, as they enter into positions of larger responsibility in the administration, or as the legislatures in which they serve stabilize and increase their functions, these men, growing older, will increase in influence. Some will also achieve increasing importance in their clans. Second, their education and experience is quite limited. A mere handful have college degrees and none, it is believed, from a mainland United States college. In Truk, for example, there is not a single Micronesian with a Bachelor of Arts

CONFIDENTIAL

degree. In 1962, there were 78 Micronesians studying at the College of Guam, 13 at the University of Hawaii and 12, of which 2 were girls, in mainland colleges. Out of that group, of course, many will not have political leadership capacities. It must also be recognized that the high school education of those young Micronesians who were snapped up by the Navy and Interior administrations was hasty and laid upon a weak base of elementary school education during and just after World War II.

Despite those drawbacks, the best leadership potential exists in this group. What is required now for them is not more formal education, but rather special training and development through visits to the United States, visits to other districts and to headquarters for discussions of common problems such as health, public works and education, and improved tutorial relationships between themselves and their American supervisors. In too many cases, these people have been moved into what would appear to be fairly responsible jobs only to be assigned year after year routine repetitive work.

6. Interest Groups in Micronesia

Because of the wide-scale subsistence economy, because of the paucity of private businesses and individual merchants, because there is no organized labor, because of the lack of professional persons, with no Micronesian lawyer in practice, and because the religious orders are dominated by Americans, it is almost impossible to speak in

western political terms of Micronesian "interests." The execution of an economic development program and the improvement of education will in the course of time contribute much to the diversification of life in Micronesia and, by creating institutional changes, begin to create other sources of independent leadership and foster interest groups.

However, one group which deserves special mention at this time is the trading companies. Apart from one shipping company, all the principal private businesses in the Trust Territory are import and export firms. In the Marshall Islands Import-Export Company, the Truk Trading Company, the Yap Trading Company, and so forth, are to be found men who have an important standing in their community and earn their income from private enterprise. In several cases, they have traveled outside Micronesia to the Philippines, Japan and the United States. The best of them have participated in government as magistrates, members of district legislatures and delegates to the Council of Micronesia. They bring to government an outside view, considerable experience, and a perspective typical of their financial independence, as well as a realistic appraisal of the economy and the community with which they deal every day on a bread-and-butter basis. In light of the absence of any other interest group to balance the galaxy of government employees now occupied with legislative work, it is sound political sense for the United States to encourage their training and participation in public affairs.

CONFIDENTIAL

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C. District Political Patterns, Problems and People

Generalizations about an area so geographically vast and culturally diverse as Micronesia are bound to be roughly approximate. Even forthright statements about districts, which comprehend many islands, some of which see a ship three or four times a year, and which contain very small, scattered populations, can also be misleading. There are in each district, however, a few key political problems and a few key political figures.

THE MARSHALL ISLANDS

The most dramatic impact upon Micronesia by Americans has been in the Marshall Islands. With good reason, for no other district has had so much cause for suspicion, doubt and resentment toward the United States. In 1946, the United States transferred 167 people off Bikini in preparation for nuclear tests; in 1947, another 137 people were moved from Eniwetok; and in 1954, the people of Uterik and Rongelap were affected by radioactive fallout from nuclear tests, so that 236 of these Islanders were transferred to other places. Resettlement of the Bikini and Eniwetok people has since taken place in Kili and Ujae, while the Uterik and Rongelap people have returned to their islands.

To make room for a military base, the people of Kwajalein Islands have also been removed to a barren, dirty clum on another islet in the atoll Ebeye, some thirty minutes away, where a polio outbreak

CONFIDENTIAL

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last year, allegedly left to run rampant for lack of vaccines, attacked infants and children. Twenty are still crippled. Moreover, no settlement has been reached between the natives of Kwajalein Island and the United States on the terms of the Navy's lease of their homeland. This constantly rankles feeling. They can work on their home island, but they cannot live there. It is ironical that the Trust Territory government has the poorest public relations on Kwajalein where the Federal Government's payroll supports an above-average Micronesian standard of living. The territory's resident representative lives in the Federal base at Kwajalein Islands, goes to Ebeye infrequently and has little rapport with the people.

Fortunately, the Marshalls contain some of the ablest political leaders in the entire Trust Territory. The Iroij Laplap, the noble chiefs of the islands, not only have considerable power growing out of their traditional roles of clan leadership and land disposition, but their ranks contain keen men in their own right. Kabua Kabua, Lejelon Kabua and his son Amata Kabua, head of the Marshall Islands Import-Export Company and a delegate to the Council of Micronesia, are outstanding. Other Iroij, like Andrew of Maloelap, are wealthy, shrewd, albeit old and non-English speaking, and they possess much influence.

The man who stands far and away ahead of all other Micronesian leaders is Dwight Heine, the head of the educational department in

CONFIDENTIAL

CONFIDENTIAL

the Marshalls district. He is the only one with a territory-wide reputation among the politically conscious and is respected equally by the Americans and natives. Unfailingly, he comes to the top of the list when open inquiries are made about leadership potentiality whether in the Marshalls or elsewhere. One of the clues to his stature, apart from his age (late forties), his German grandfather, his status as an Alab (a landowner and lesser noble) and long association with the Americans, is his ability to bridge the gap between the Troij and the able young men of the district administration. This is the key to all Micronesian politics.

Next to Heine, men like William Allen and Oscar de Brum represent the next echelon of intelligent support, political sensitivity and capable administration. Both of them have had some years of college in Hawaii. Finally, there is the third type of leader represented by a man like Adjidrik Bien, a part-Chinese, intelligent and wealthy merchant in the export-import business who takes an interest in public affairs and is a member of the municipal council on Majuro atoll.

Kabua, Heine and Bien epitomize traditional authority, modern bureaucracy, and trading enterprise, the triumvirate of present political forces in Micronesia.

PONAPE

The island is largely dominated by the Sigrah family. Paul Sigrah Roads, water, power, and improved hospital care are the key issues in Ponape. Traditional authority is represented by Heinrich Iriarte, defeated for reelection by his brother, Shiro Sigrah. Paul's son,

CONFIDENTIAL

CONFIDENTIAL

whose brother is the Nanmarki, or "king" of the municipality of Net on Ponape Island. Modern bureaucracy is represented by either Bethuel Henry, a teacher and vice-president of the Ponape district legislature, or by Gaius Edwin, the political affairs adviser in the district administration, although neither compares well with the Marshallese. A young man highly regarded for leadership is Bailey Olter who was at the University of Hawaii at the time of the Mission's visit. Strik Yoma and Edwel Santos, the clerks of the district court, seem to have intelligence and the capacity for growth. A businessman of manipulative capacity, but dubious virtue is Martin Christian, the mayor of Kolonia, the crudely urbanized district center of Ponape Island laid out in the municipality of Net and containing a number of out-islanders. There is friction on the island between the town and the country people. Moreover, just outside of Kolonia is an enclave of about 200 Polynesian settlers from Kapingamarangi with a chief and problems ranging from a weak water supply to a lack of fishing equipment.

Kusaie, within the Ponape district, seeks to become a district of its own, for the people feel that the island has not had a fair share of the economic benefits coming into the Ponape district.

The island is largely dominated by the Sigrah family. Paul Sigrah was the hereditary king of Kusaie and its magistrate until he was defeated for reelection by his brother, Shiro Sigrah. Paul's son,

CONFIDENTIAL

Joab, was made principal of the new intermediate school on the island, but showed little talent for it. However, he is a member of the district legislature and the Council of Micronesia. He has attended the University of Hawaii. Kusaie is not without other intelligent people, such as the mayor of Utwe, but they are largely uneducated and live in simple villages.

TRUK

Truk, with the heaviest population pressure on the land, has problems which are largely economic -- poor transportation, low per capita food supply and small cash incomes. The district contains the Mortlock Islands which are distant from the district center and possess a cultural unity of their own. There is excellent potential political leadership in Truk atoll. The representative of traditional authority is Chief Petrus Mailo, a man of 60 and President of the Truk Trading Company. Like him, the chief and magistrate of Lukemor, Ring Puas, possesses genuine qualities of leadership, with bright perceptions and warm human relations. He obviously holds the respect of the community. Truk is also fortunate to have some highly capable men in the young bureaucracy like Tasiwo Makayama, the political affairs officer. He is an excellent technician if not a public figure. He has been to college in Hawaii, advised the United States delegation to the United Nations and lately visited

CONFIDENTIAL

Japan. Andon Amaraich, the public defender, is another young leader and a member of the district legislature. Raymond Setig of Iukonor, who owns two retail shops and is the finance officer of the district administration, is also the President of the Truk District Legislature. There is considerable vocal concern in the Truk bureaucracy with the "discriminatory" pay scale for Micronesian employees relative to those of the American employees.

In Truk, the Mission ran into the only boisterous and disgruntled outburst with anti-American overtones from Nicholas Pasny, a territory employee who felt he had not been properly assigned after training and made loud complaints about the administration and American behavior. He alleged that no progress had been made in Micronesia despite many petitions and missions. His record and reputation are poor; but he is shrewd, has just been elected to the Truk District Legislature and could become a rabble-rouser.

PALAU

Two political parties have recently been organized in Palau, but there is little consensus as to differences in their platforms or whether the members of the legislature belong to one or the other party. It has been a technical exercise stimulated by the local political affairs officer on the assumption that if Palau has a legislature it ought to have political parties. The difficulty in Palau, as elsewhere in Micronesia, is that until some basic economic or

CONFIDENTIAL

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social issues have crystallized or enough competitive personalities are available for elective posts in which some executive power is at stake, the establishment of parties is largely academic. In Palau there is also a nonviolent religion (Notekgnei) which has somewhat anti-foreign and anti-modern overtones, but it hardly seems to be a political movement even though it is tending to vote as a bloc representing 25 to 30 percent of the electorate.

Koror Island, in the Palau district, once was the thriving capital of Micronesia; it has memories of fine buildings, good roads, shops and bustling urban life under the Japanese. All these are largely gone. Across a narrow stretch of water from Koror, thirty minutes by boat, lies the largest island of Micronesia, Babelthaup, with space for expansion and economic development. But transportation and communication pose a bottleneck to action.

Traditional authority in Palau is represented by the two paramount chiefs, the Aibedul (High Chief), T. R. Ngoriakl, and the Kedlai (High Chief), Reklai Brel. Ngoriakl ran for the magistracy of Koror but was defeated. Men like Lazarous Salii, the political affairs officer, David Ramirui, the district education officer and head of one of the political parties, and Roman Tmetuchel, the administrative assistant to the district judge, all members of the district legislature, stand out as potential. Tmetuchel is the president of the legislature and has had a year of law training in the Philippines.

CONFIDENTIAL

CONFIDENTIAL

He is extraordinarily quick, articulate, and independent minded.

Allegedly discrimination aboard an American ship somewhat embittered him, but he showed no evidence of it to the Mission. No doubt he can be outspoken, but he has convictions and could be an important leader in Micronesia. The vice-president of the legislature is Benjamin Mersai who is said to have organized one of the political parties and who represents business. About 50, intelligent, self-possessed and respected, he is probably the wealthiest man in Koror. His daughter is the secretary of the District Administrator.

YAP

Yap is the least developed district and the most conservative in its ways. While the district has a legislature, the outer islands, still under their chiefs, are not represented in it. Negotiations are under way to charter a new legislature to include all the Yap Islands, but there is friction between Yap proper and the outer islands which are beginning to resist the ancient claims to overlordship by Yap proper.

Traditional authority in the district is represented by a man like Judge Fanschoor, reelected for 14 years as magistrate of Cogil and also the district judge for Yap. The president of the legislature is Joachim Falemona, who works in the district administration in public works and seems moderate, affable, and hard-working rather

CONFIDENTIAL

than a good leader. More representative of the young bureaucracy is Edmund Gilmar who is continuing his college education in Hawaii with above-average grades, but rather hazy judgments about the future of Micronesia. From the business sector there is Joe Tamag, assistant manager of the Yap Trading Company, who spent a year in San Francisco in business, a member of the legislature and the Council of Micronesia. A complete maverick is Carmen Chigii, a highly intelligent, sensitive Yap woman, formerly employed by the administration, who spent two years at the University of Hawaii where she married a fellow Yapese student. She is young, but highly respected for her knowledge and interest in Yap affairs.

MARIANA ISLANDS

The Mariana district is dominated by Saipan with almost 8,000 of the district's 9,500 inhabitants. District and territory headquarters are located there, and the Council of Micronesia meets there. In addition, the entire island is one municipality making for one of the few viable local governments in Micronesia. It is here that the only really active political parties have been organized around the issue of union with Guam. The Popular Party, representing generally the lower income people and the Chamorro majority in the district favors immediate affiliation with Guam and the termination of the trusteeship. The Democratic Party, representing some businessmen

CONFIDENTIAL

who fear domination by more competitive Guamanian enterprises as well as the Carolinian minority which would like to retain its ties with the large Carolinian majority in the rest of the Trust Territory, generally prefers affiliation with the United States, but not as a part of the Territory of Guam.

In a vote held in 1961 under the auspices of the Saipan legislature, about 63 percent of the voters favored becoming United States citizens in affiliation with Guam, 36 percent favored becoming citizens in a separate territory and only one percent favored the status quo.

While the Mission was in Saipan, the district legislature again passed by a large majority a resolution asking for affiliation with Guam and termination of the trust.

The Marianas' desire to join Guam and the United States is not matched by any feeling of kinship or community with the rest of the Trust Territory. They will need to be persuaded (and this should not be difficult) that the territory cannot be dismantled piece by piece and that a plebiscite on the general question of terminating the trusteeship and affiliating with the United States is necessary to discharge our obligation to the United Nations. Further, if the United States Congress were to contemplate the eventual unification of Micronesia and Guam in order to consolidate and simplify their administration, it would be far better politically to keep Saipan with Micronesia as a bridge to join the two areas later.

With the concentration of district and territory headquarters in Saipan, as well as a large municipal government, there are, of course, quite a few able young bureaucrats in the area. Perhaps most representative is the President of the district legislature, leader of the Popular Party, and teacher in the district department of education, Vincente Santos. Although in favor of union with Guam, he leads the more moderate elements in the party, unlike Joe Cruz who is quite literally a rabble-rouser in this matter and who talks in terms of "revolution" if the petitions for merger are not acceded to. Key people in the Democratic Party are businessman Joe Tenorio, High School Principal Ada and Land Claims Officer Elias Sablan. Another leader in the Democratic Party is Dr. Benusto Kaipat, a medical practitioner and leader of the Carolinian community. As mentioned earlier, communal land tenure systems and traditional clan chiefs do not exist in the district, the entire district being quite Americanized in its customs and attitudes.

D. Attitudes Toward Affiliation

How do the individuals and groups identified in the preceding pages see the future government of their people, and where do they believe that their interests lie?

First, common throughout the triumvirate of traditional chiefs, the younger bureaucracy and the businessmen is the strong conviction

CONFIDENTIAL

that Micronesia cannot "go it alone" and that the United States is the source to which they must look for aid. Second, they all generally feel that education oriented to the modern world is the key to a better future, which is generally equated with higher cash income and less dependence on a subsistence economy. (In this connection, the NSC Task Force and the Congress made a wise choice in selecting education as the initial area for mounting a large-scale United States development effort in Micronesia.) This "better future" is at present rarely equated with the concept of an eventually independent Micronesia since the time involved before serious thought could be given to independence is believed to be so great that even those who might emotionally be disposed toward the idea shy away from any real consideration of it. Third, these people are generally confused as to the relationship between Micronesia and the United States in a variety of ways. They do not know whether our interest in the area is permanent or temporary. If our interest is permanent, they do not know whether the United States wants Micronesia to join it, and, if they were to join the United States, they are not clear as to what that would mean to their present vested interests. There is a tremendous area of underlying, inchoate uncertainty and fear that is formulated only when they are forced to face the issues. They would prefer to think of these matters as too far distant in time to be considered.

CONFIDENTIAL

CONFIDENTIAL

The traditional chiefs feel ignorant of what "coming under American laws" would mean to their restricted land tenure systems and the associated social structure and culture in which they have so prominent a role. The younger bureaucrats are more concerned with the highly emotional and tangible issue of equalizing the Micronesian and American pay scales in the Trust Territory government, but they have few views as to how joining the United States might affect that issue. The businessmen are concerned that affiliation with the United States would mean that they would be swamped by American business with which they could not compete. Both the chiefs and businessmen frequently referred to the case of the native Hawaiians who lost control of their lands and were displaced in the commercial and political arena. They believe they must be better educated before they can be expected to compete.

Fairly widespread also, although varying from district to district in intensity -- with the strongest emphasis in the more aggressive districts of Palau and Marianas, is doubt as to the quality of individual American administrators. The leaders are confused, particularly by the administrators' great concern with fostering numerous local political institutions and their lack of concern in the eyes of the Micronesians with more immediate and tangible problems and needs. Although much of this "strangeness of American ways" cannot be blamed upon American officials, the Mission was

CONFIDENTIAL

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offered and has information in its files on quite a few cases of officials misdirecting their own and community efforts and funds in ill-planned projects with unfortunate political impact.

The man-in-the-street has also given little thought to the future status of Micronesia, while the Trust Territory government has done nothing so far to suggest any potential course of action. As one woman on Yap replied to a query about the future, "That's a far, big question." Again and again in discussions with Micronesians when asked about the next five or ten years, the reply never left the range of local economic problems: "Things are getting better"; "We need more money for our copra"; "Better roads and more ships would help" -- or the range of social improvements: "Education is better in American times"; "More business in Japanese days, but we like the American way, American schools, letting us into government" -- or the range of local political changes: "We're learning about government"; "It'll take a long time"; "The people don't know much about their district legislatures yet". Only after tedious and delicate questioning could most Micronesians be led to frame for themselves the possibility of changing the status of the Trust Territory and then it was obvious, except for the Saipanese and very few elite Micronesians, that the chance of becoming part of the United States had simply not entered into any rational analysis.

CONFIDENTIAL

On the basis of six weeks of traveling to some eighteen islands in the Trust Territory, discussions with seven assemblies of local people, eight meetings with legislative committees, seven meetings with municipal councils, three meetings with women's associations, at least twenty-five interviews with American missionaries, and no fewer than forty-five private interviews with Micronesians, as well as complete briefings by the High Commissioner and the six district administrators, it is the conclusion of the Mission that there is no important hard core of resistance to affiliation with the United States either among the leaders or the people of Micronesia. If the people of Micronesia were offered a simple choice between self-government in affiliation with the United States or independence, we believe an overwhelming majority would favor self-government in affiliation with the United States. Because of various concerns and fears that have been expressed by Micronesians, however, there might be considerable abstention from a plebiscite unless attention is focused on the issue and the meaning of affiliation with the United States is clarified.

E. Timing and Terms of a Plebiscite

Having concluded that a plebiscite leading to permanent affiliation with the United States in the near future is in the best interests of the Micronesians and the United States, and having identified the factors that would most affect it, consideration must be given

to the key questions of timing and the actions needed to prepare the Micronesians for the plebiscite, including the inducements required to secure a highly favorable result. Study must also be given to the actions needed to prepare the United States and United Nations for the plebiscite.

While it is the opinion of the Mission that the great majority of Micronesians would favor affiliation at this time, we must overcome the Micronesians' doubt about the unknown and overcome their natural fears regarding their status and their future in any affiliation with the United States. We must also take into account the interests of the United States and the United Nations.

In that regard, we may be in somewhat of a dilemma since it is difficult to provide an arrangement and program which will, on the one hand, satisfy the United States -- particularly the Congress -- and, on the other, be acceptable to the Micronesians and the United Nations. The Congress -- indeed the Federal Government as a whole -- will require adequate protection of the United States interests in the area and an assurance that effective use is made of Federal resources. However, we must also assure the Micronesians and the United Nations that adequate provision will be made for the development and interests of the native population. This will require fairly concrete action, before the plebiscite, to make known the form of territorial governmental organization which would apply under affiliation with the United States.

CONFIDENTIAL

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The Mission has aimed at presenting an integrated and realistic program -- in the political, social and economic area -- to be followed in the next few years leading up to and subsequent to the plebiscite. Our basic objectives have been to maximize our chances of securing a favorable vote at an appropriate time, to provide a program acceptable to all the parties concerned, and to produce in the Trust Territory the most effective situation and machinery for the further development of its people and resources.

Timing

Micronesia has been under United States control since shortly before the end of World War II, a period of almost twenty years, and under the trusteeship agreement for over sixteen years. As was pointed out to the Mission by several Micronesians, during a comparable period, the Japanese were able to create a relatively prosperous economy and a more developed infrastructure of public works than now exists.

We have noted that our attitude in Micronesia has tended to be largely custodial, that initiative has been stifled, and that our administration and the indigenous population have drifted rather aimlessly.

All of these factors argue for a plebiscite in the immediate future, the next few years, not the next decade. In the Mission's judgment rapid action is now required to check the ever-increasing apathy in the area and the psychological pattern of dependency and feeling of transiency on the part of Micronesians.

CONFIDENTIAL

We have noted too that both the Nauru and New Guinea trusteeships are on their way towards termination and that the United States might be left as the sole administering power of a United Nations trusteeship. This politically embarrassing situation ought to be avoided as early as possible.

However, we cannot act immediately, for there has not been sufficient preparation in the Trust Territory. A period of some years will ideal be required for preparation for the plebiscite by the implementation of the Mission recommendations which we believe are prerequisites. Some years, moreover, will be needed to convert the Council of Micronesia into a true legislature with some experience with legislation and to establish a solid basis for a Micronesian administration along the lines of the Mission's recommendations. If those steps are not taken first, the Micronesians will still have considerable doubts as to the meaning of "self-government in affiliation with the United States" and the United States might be unable to persuade the United Nations that the area has achieved a sufficient degree of self-government.

Finally, it will take several years to implement the higher priority capital investment programs for economic and social development proposed in this report. Those programs would be largely implemented by 1968 if the Mission's recommendations are followed. As is pointed out elsewhere, however, it is the Mission's conclusion that those programs and the spending involved will not set off a self-sustaining

CONFIDENTIAL

development process of any significance in the area. It is important, therefore, that advantage be taken of the psychological impact of the capital investment program before some measure of disappointment is felt.

Therefore, it is the recommendation of the Mission that the plebiscite should be held early in 1968. The time could be advanced to 1966 by compressing the schedule for the establishment of the Micronesian legislature and reducing the period in which it would gain pre-plebiscite experience. A 1966 date would be feasible, but not ideal.

Announcement:

One of the most critical questions to be answered in the very near future is the timing of the announcement of the plebiscite. From a strictly Micronesian point of view, the Mission would recommend that the plebiscite should be publicly announced only a few months in advance. This would provide time for most of the preparatory ground-work needed to reduce the shock of the announcement. It would also reduce the time in which any opposition -- either in Micronesia or the United Nations -- could campaign against affiliation.

On the other hand, we believe it would be advantageous if the entire program leading up to the plebiscite could be laid before the Congress when it is asked to authorize and appropriate the increased funds that will be required to carry out the recommended development program. If that advantage, or strategy with respect to the United Nations requires

CONFIDENTIAL

an announcement in 1964 of the timetable leading up to a 1968 plebiscite, the anticipated shock in Micronesia should not block that action.

Terms to be Offered:

Given the operation of the trusteeship system of the United Nations, it is essential that the Micronesians be offered a choice of complete independence versus affiliation with the United States. The Mission has no doubts about the outcome, but we must take into account the attitudes of the United Nations, our friends as well as our enemies and the developing nations. It is extremely doubtful that they would accept any more limited choice. Our friends could not defend it, nor could we, and our enemies would have a prime opportunity to denounce the United States as a colonial power.

It would also be possible to introduce alternatives which go beyond the simple issue of affiliation with the United States, such as, for example, the question of affiliation with Guam or even Hawaii. In our judgment, those options should not be considered, first, because they introduce complicated factors regarding which no guarantees can be made. Second, such alternatives would introduce side issues into the plebiscite which are apt to create confusion and, in certain districts, negative attitudes. Certainly, the Carolinian majority in Micronesia (which constitutes roughly two-thirds of the total population) would be influenced by the present reaction of the Marianas Carolinians against merger with Guam.

CONFIDENTIAL

It would also be possible and perhaps necessary to offer a third choice in the plebiscite: continuation of the trusteeship. Such an addition, we believe, would reduce the majority in favor of affiliation by a substantial portion of the total vote because it would be attractive to those who would still have doubts regarding affiliation and who might shrewdly conclude that trusteeship offers the Micronesians the greatest leverage in dealing with the United States. However, because of the constant UN pressure to end trusteeships, it presumably would be most difficult for the UN to insist on adding the third choice.

Given the above factors, it is the recommendation of the Mission that two alternatives should be offered in the plebiscite: (1) Do you wish to become an independent nation?; and (2) Do you wish to become permanently affiliated with the United States? If required by the United Nations, the second question might be made more specific by including a simple or descriptive reference to the proposed post-plebiscite form of local government organization discussed below.

F. Preparation for a Plebiscite:

The Congress and the United States

Nothing, of course, could be worse than an adverse congressional reaction after the plebiscite is announced and before it is held -- or, assuming a favorable result in the plebiscite -- if the Congress

However, it is the recommendation of the Mission that such action not be taken in the near future because it might pose later difficulties, largely because of the

CONFIDENTIAL

CONFIDENTIAL

were to fail to take action to recognize the results. Failure to recognize in some appropriate form the outcome of the plebiscite could place the United States in a difficult position and would have a devastating effect among the Micronesians. As will be discussed below, it is recommended that the minimum action of the Congress would be to grant to the Micronesians the status of United States nationals to provide clear evidence of their acceptance within the American system. The indispensable need for consultation with the appropriate committees regarding the proposed program need not be further stressed.

As an alternative, it would, of course, be possible to involve the Congress directly now, before or immediately after the plebiscite in enactment of organic legislation for the territory. An organic act was actually before the Congress in the late 1940's and early 1950's but failed of enactment. The High Commissioner has suggested that it might be appropriate again to approach the Congress with an organic act at the time the Council of Micronesia becomes a legislative body in 1964 or 1965, thus giving the Congress the opportunity to ratify the arrangement and give the Micronesians the assurance of law regarding the organization of Trust Territory government.

However, it is the recommendation of the Mission that such action not be taken in the near future because it might pose later difficulties, largely because of the rapidity with which events would be taking place in the Trust Territory in the next few years. An

CONFIDENTIAL

initial congressional enactment and subsequent delays in amendment would prevent the accomplishment of later steps in the process of developing the government of Micronesia. Such delays might also have an adverse effect on Micronesian attitudes. Presidential and Secretarial orders have been utilized to date (and are also the source of action in American Samoa) and provide the necessary flexibility to meet the expected rapid changes in governmental organization. The submission to Congress of an organic act, which should be the culmination of Micronesia's movement toward affiliation, should come after the plebiscite when it is judged appropriate in view of the territory's development.

In addition to the consultations with the Congress regarding the program for Micronesia, the White House and the Executive Branch should begin to prepare the American people for the forthcoming affiliation long before the plebiscite is publicly announced. Few Americans know where the Trust Territory is, let alone have judgments about its people, their resources and the advisability of making Micronesia a territory of the United States. Without a planned information program, some American critics might be able to discredit the idea of affiliation on the basis of "colonialism" and the subsidization costs that are involved. Others might unknowingly assume that the plebiscite would lead to independence and criticize accordingly.

CONFIDENTIAL

CONFIDENTIAL

The Mission recommends that responsibility for developing and carrying out a necessary program of informing the American people about Micronesia should be assigned by the White House to the Departments of the Interior and State and such other agencies as may be able to provide useful services. The program might include the mentioning of Micronesia and its importance to the United States in public addresses by the President and other officials, circulating to American interest groups and civic associations literature and pictures about Micronesia, making arrangements for an increased number of visits by Micronesian leaders to the United States and giving them the opportunity to talk to American groups and publicizing their visits, possibly arranging for visits by Micronesian choral groups, some of which are excellent and, if thought advisable, having the Department of Defense stress United States security interests in the area through its information programs.

The United Nations

While Article 83(1) of the Charter reserves to the Security Council the exercise of all United Nations functions relating to strategic areas such as Micronesia, including the alteration or amendment of trusteeship agreements, it is silent on any steps -- such as a plebiscite -- which might be taken prior to an alteration or amendment of the agreements. The Charter says, however, the Security Council "shall call" upon the Trusteeship Council for assistance in carrying out its responsibilities. Article 76 of the Charter, moreover, distinguishes

CONFIDENTIAL

self-government from independence and states that the objective of the trusteeship system shall be to promote the progressive development of the territories "towards self-government or independence as may be appropriate to the particular circumstances of each territory and its peoples and the freely expressed wishes of the peoples concerned . . ." Thus, the views of the Micronesians clearly are to be freely expressed and taken into account, but the machinery for determining those views is apparently left to the discretion of each administering power in the absence of any restriction in the Charter.

Based on an examination of previous UN trusteeship plebiscites, the Mission sees no reason why the Trusteeship Council would not as usual authorize the framing of the alternatives to be offered in the plebiscite and join the United States as the administering authority in setting up the plebiscite machinery. If, after the plebiscite, a Security Council resolution recognizing the freely expressed act of Micronesian self-determination and formally terminating the trusteeship agreement were to be vetoed, the United States would presumably take certain actions. It is not the Mission's province to recommend over-all tactics in the UN, but it should be stressed that from the Micronesian viewpoint reasonably rapid recognition of their act of self-determination should be taken by the United States without awaiting the results of a drawn out debate in the United Nations.

CONFIDENTIAL

At a minimum the granting of United States national status (which on the surface appears permissible under the wording of Article 3 of the trusteeship agreement although there is some question by legal counsel of state), is necessary to give the Micronesians the assurance that their political future has been resolved. The question of additional steps to make the trusteeship agreement a dead issue (such as the discontinuation of reporting to the UN completely or by reporting to the Committee on Non-self-governing Territories rather than the Trusteeship and Security Councils) is one that can be decided only at the appropriate time given the over-all situation at that time.

The Micronesians

The United States must begin preparing the Micronesians for the plebiscite immediately. Our preparation must take into account the factors and attitudes previously discussed in section B:

(1) The fact that essentially all legislative powers for the territory are still concentrated in the High Commissioner, that the all-important central and district administration is still in the hands of Americans, and that existing local legislatures are lacking in power and resources;

(2) Distance, transportation and communications problems frustrate a normal diffusion and exchange of ideas;

CONFIDENTIAL

(3) The islands of Micronesia are culturally diverse, essentially still quite provincial in outlook, segregated into artificial districts and lacking in common experience;

(4) In most islands the hold of the traditional chiefs and land tenure systems remains strong and respected;

(5) While young leaders are emerging in the bureaucracy, they require additional development and training;

(6) Normal "interest" groups are lacking save for a small business community generally engaged in export-import enterprises;

(7) Special local problems exist such as the question of land rights in the Marshalls and the Marianas' desire to affiliate with Guam; and

(8) While there is no hard core of resistance to affiliation now, there has been very little thought given to the possibility, and what little thought is given raises concerns, doubts and fears about the unknown of affiliation and what it would mean to vested interests.

It is obvious that the problems implicit in the above listing cannot be solved overnight and that some of them require very delicate handling so as to lessen fears rather than heighten them. It is also in the United States interest, we believe, to proceed in stages to solve some of the problems so as to secure the maximum propaganda advantage out of the moves made to solve the problems. Further, while

CONFIDENTIAL

it would be wise and indeed necessary to indicate by concrete action our good intentions with respect to the development of Micronesia, and, for example, to spell out clearly the type of government that would exist under affiliation with the United States, it also makes good sense at the time of the plebiscite to have some inducements left to offer as a reward for a favorable vote.

Thus, as will be detailed in the next section, we believe action should be taken in 1964 to convert the Council of Micronesia into a true legislative body. This action is a necessary first step in the time-table of Micronesian political development. Subsequently, when the plebiscite is announced, a Presidential Executive order (see Appendix B for proposed draft) could be issued promulgating the Micronesian government to take effect on a specified date after the plebiscite (irrespective of the plebiscite results). The creation of the office of the Chief Micronesian Executive in that order, even though subject to limitations explained later in this report, together with the promise of recognition of the areas as a United States territory and a grant of the status of United States nationals to the citizens of the Trust Territory would constitute a set of generally attractive inducements for permanent affiliation with the United States. The other more specific inducements and reassurances that would impel the three groups of political leaders to organize a large favorable vote and that the Mission believes are appropriate are described below.

CONFIDENTIAL

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The other factors which pose problems in preparing Micronesia -- the lack of common experience, provincialism, the diversity of cultures and the lack of trained personnel, can largely be solved only by time and experience. However, certain steps can be taken now to broaden the perspectives of the Micronesian leaders and people and to correct a general unawareness of the possibility of union with the United States. In this regard the Mission recommends that there be a concentrated effort made to bring the leaders of Micronesia together for discussions and conferences on matters of broad interest and for the exchange and dissemination of information, including information about the United States and its interests and activities in the Trust Territory. To the extent possible, these men and women should be exposed to the affairs of the territory as a whole and to the districts other than their own. Special emphasis, we believe, should be given to the promising young bureaucrats and younger businessmen who are the major potential for Micronesian leadership. It is recommended that the young leaders of Micronesia should be given further opportunity to develop through leadership grants which will enable them to go to the United States. An administrative training program should be established in Micronesia by contract with an American university noted for its work in that field. Also groups of Micronesians should be selected by the High Commissioner and the district administrators to be sent as a group to an American university to be trained for political and administrative leadership.

CONFIDENTIAL

At the same time the United States must create in the average people of Micronesia a political consciousness about the United States, its strengths, interests and concerns. The people of Micronesia are not unintelligent -- far from it, even among those living in small villages, under thatched roofs, without water or electricity or toilets and only half-dressed by American standards. There is a good native intelligence, a dignity of person and high standards of civil behavior. But there is little or no understanding about the United Nations trusteeship, the role of the United States or the possibilities for future political development.

Knowledge about the United States, of course, is greater in the urbanized district centers where some of the best educated Micronesians work. The ways of the West, with alcoholic beverages, cha-cha dancing, cowboy movies, supermarket grocery stores and the habits of American family and social life are evident there. On Kwajalein Island, hundreds of Marshallese can see a full-blown American community, almost a reproduction of a California suburb. But, the majority of Micronesians, outside the district centers, have had little or no contact with world news, United States policy and the American government.

In developing the educational curriculum, the United States has studiously avoided pressing knowledge about the American political system. Perhaps indicative of the attitude is the lack of American flags, pictures and displays. On the other hand, United Nations posters

CONFIDENTIAL

appear frequently. Most significantly, the delay in teaching English to the children until the sixth grade, whether justified by pedagogical theory or the lack of English-speaking teachers, has lost precious years in developing a territory-wide medium of communication which is an important means of engendering common interests and institutions and the rapid spread of information.

There is no close count of the privately-owned radios in the Trust Territory. The government estimates that, in 1962, there were some 2,000 sets in indigenous homes. In any case, the number is constantly increasing, and radios represent the quickest and easiest means for the dissemination of ideas. The Saipanese listen to the Guam radio; the Marshallese receive a strong signal from Kwajalein, but unless they understand English they are closed out to news interpretation and must rely on their own, weaker station broadcasting in Marshallese. Ponape is planning a radio transmitter. Yap has no transmitter but can hear the Palauan radio which broadcasts almost exclusively in Palauan. In both Palau and Truk the overwhelming portions of the programs are music, with little or no English broadcasts. Palau radio broadcasts the news three times a week. Japanese, Chinese and Moscow broadcasts can be heard clearly in the Carolines and Marianas although the Mission was unable to identify any sentiments that might derive from those sources. The Voice of America is not heard clearly in most areas, but local stations do use the tapes and material of the United States Information Service.

CONFIDENTIAL

Newspapers in local languages are nonexistent in the territory and the few mimeographed sheets in English distributed by the district administrations are really "house organs", narrowly circulated among the Americans and a small Micronesian clientele with no editorial opinion on public issues. There are commercial theaters in most districts showing American films. The theaters in Saipan and Palau show Japanese films as well. But, there is little use of documentary or training films by the government, especially outside the district centers.

This paucity of systematic communications, hinging upon the lack of personnel, difficult distances to be covered, lack of funds for equipment and the weak embryo of a common language must be overcome as much as possible during the preparation for the plebiscite, and the Mission program for communications improvement has been developed with this and other criteria in mind.

However, technical frustration is not the only problem. A sound orientation of the information to be conveyed, a knowledge of the most efficient means of gaining political impact and a gift for the evaluation of attitudes is also indispensable to maximize communications during the preplebiscite period. This requires sensitive and continuous handling by the United States administration, and it is recommended that (1) a public affairs officer should be added to the staff of the High Commissioner and each of the district administrators to develop continuing contact with the elite groups of Micronesians

CONFIDENTIAL

and to run the information, radio programming and adult education program in the district; (2) an information-adult education specialist should be added to the headquarters staff to develop programs to influence mass attitudes; and (3) the Peace Corps volunteers (proposed program in the Community Action program of Part II, Section B of this report) should be utilized to help implement the adult education and information programs at the community level as part of the proposed community action program. It is strongly suggested that Americans who have the needed skills and experience be recruited with the help of the United States Information Service (or possibly through the help of the Department of State) for these Public Affairs or Information officers in the Trust Territory. They should be responsible for the development of favorable political attitudes toward the United States through a systematic program of information through various communications media. They would assist in the selection of persons for educational tours in Guam, Hawaii and the mainland and act as reporters and evaluators of all activities and attitudes that might have an important bearing on the outcome of the plebiscite in Micronesia.

G. Present and Post-Plebiscite Territorial Government

The current government organization of the Trust Territory, as noted earlier, consists of the United States financed and directed government under the High Commissioner with its field structure extending down through the districts and three layers of Micronesian government -- the territorial advisory Council of Micronesia, the district legislature and the municipal

CONFIDENTIAL

CONFIDENTIAL

magistrates and councils -- superimposed on the traditional clan organization. The High Commissioner's government is unusual -- even among the United States territories -- in the degree to which it dominates the field, accounting for well over ninety percent of the governmental expenditures in the area.

A considerable effort has been made by American officials to copy democratic institutions which have little political relevance in the situation. Those officials have been urged on in that direction by the United Nations which has also exaggerated the theme of self-government, pushing complex democratic forms upon a Micronesian community that had no experience therewith and a minimum economic capacity to support them. The product is an apparently greatly "over-governed" community of only 81,000 people of which easily 1,000 serve in one or more legislatures and municipal councils, aside from the traditional clan councils and the 2,200 Micronesians in the Trust Territory Government.

The present Council of Micronesia is still no more than the inter-district advisory committee from which it grew. The new name was chosen in 1962. It has no legislative power, no executive counterpart and merely passes declarations, resolutions and recommendations to the High Commissioner for such action as he deems appropriate. No laws prescribe its functions or the manner of the selection of members. Instead, each year the High Commissioner has announced that there

CONFIDENTIAL

will be a meeting of the advisory body at a certain time (usually the Spring) and place and invites the districts to send representatives. In response to, or in anticipation of the invitation, the districts each select two representatives, usually by popular election, although the district legislature selects the members from Ponape. Tradition apparently calls for certain subdistricting so that, for example, Saipan elects one of the Mariana members and the other is elected by Tinian and Rota, and Yap Island selects one of the members from that district while the district administrator selects the representative of the outer islands in that district.

The Legislature:

We have already discussed the need for a more meaningful Micronesian central government, not only to dispel Micronesian doubts as to the shape of their government in affiliation with the United States but also to offer inducements to the Micronesians to vote for affiliation. The present feeble structure, in the Mission's opinion, does not satisfy those needs. As important is the need to satisfy the world community it is our friends to whom we must look for assistance in the matter of affiliation as well as the new nations and the neutrals -- that we would be providing Micronesia with a reasonable degree of self-government. Without that, we would be defenseless against charges that we are grabbing Micronesia to thrust it into a colonial status without consideration of the interests and rights of its people.

CONFIDENTIAL

The question then is: How can the existing weak institution be converted or developed into a meaningful central government for Micronesia in the short time before the plebiscite? It is the conclusion of the Mission that a central government for Micronesia can only become effective through the transfer to it of some of the executive, legislative and judicial powers of the High Commissioner and the United States government for the Trust Territory. Such transfer, however, must be accompanied by adequate protection of the United States interests in the area and its government and the United States funds involved.

The Legislature:

The first step in the right direction is already underway in that the High Commissioner announced to the United Nations that by 1965 the Council of Micronesia will become a legislative body. A draft order outlining the creation of a Congress of Micronesia has been prepared by the Department of the Interior and was discussed at the meeting of the Council in the Spring of 1963.

The path to the formation of a Congress, however, is strewn with many obstacles. No one who has visited the territory, stopped at the isolated atolls and district centers, can be blind to the separateness of the Marianas from the Marshalls, the Yap Islands, Ponape, Truk and Palau. There has been no common historical heritage in the area, no common language, religion or economy to raise transcending problems that require solution in a single territory-wide legislature.

CONFIDENTIAL

By some standards the establishment of a central legislature might seem premature, especially since it will have few resources to work with and little control over the bulk of the funds spent in the territory and the executive machinery which spends those funds and enforces the laws.

If regarded solely as a law-making body, in its first years it might seem to have too little to do for all the effort and expense of creating it.

But most institutions have an educational value beyond their functional operations. Legislatures are extraordinary educational bodies. The opportunity of bringing together regularly elected representatives of the people from all the islands, having them concentrate on emerging and gradually increasing common problems, indeed, creating issues, and training them in political leadership, responsibility and the practice of democracy cannot be missed. Moreover, as soon as legislative power is transferred the Micronesian Congress will be able to tax -- and the responsibility for taxation is the surest way of teaching statemanship.

It is therefore the Mission's recommendation that, as the first step toward the creation of an effective Micronesian central government, the Council of Micronesia should be converted into a legislative body with the delegated authority to legislate on all territorial matters. That conversion should take place in the Fall of 1964. In the Mission's opinion, deliberations on the composition of the legislature and other outstanding problems should be completed during the session of the current Council of Micronesia in the Spring of 1964. Action should

CONFIDENTIAL

CONFIDENTIAL

then be taken promptly to promulgate an order setting forth the powers, membership, election and procedures of the legislature.

That order should be issued in time to permit the election of the first legislature in August or September 1964 and the convening of the legislature in November 1964. This would give the legislature the maximum experience possible, and, on the basis of a three-year term, permit the election of a second legislature for a term beginning in the Fall of 1967. Depending on the situation at that time, the announcement of the plebiscite to be held in the Spring of 1968 could be made either before or after the 1967 election.

It is the further recommendation of the Mission that the legislature should be established by a Presidential order or an order of the Secretary of the Interior approved by the President in order to lend to it as great a prestige as possible and to provide for necessary interagency coordination.

Briefly, the draft order prepared by the Department of the Interior provided for the establishment of a single house of twenty-one members to be apportioned among the districts roughly on the basis of population (with the smaller Yap and Mariana districts receiving slightly excessive representation) with a reapportionment every ten years. Legislators would have to be at least twenty-five years old, citizens of the Trust Territory and residents for two years prior to their election. They would be elected for two-year terms by the residents of their districts who are Trust Territory citizens at least eighteen years old, and they

CONFIDENTIAL

would receive a salary of \$2,080 annually. They could have no other gainful employment. Provision would be made for two regular sessions each year and for special sessions.

Under the Interior draft, the legislature would be granted the power to legislate on all rightful matters of legislation not inconsistent with the treaties, international agreements and laws of the United States or the Trust Territory bill of rights. Their enactments would be subject to approval by the High Commissioner, but, in the event they overrode his veto by a two-thirds vote, the final decision on an enactment would be made by the Secretary of the Interior. The High Commissioner would also be given the authority to promulgate urgent laws unilaterally with the approval of the Secretary. On the key question of Federal funds, the legislature would be allowed to review and make recommendations on the High Commissioner's budget before it goes to the Secretary.

Although a working committee of the Council of Micronesia suggested only slight changes in the Interior draft, the Council itself, in March 1963, came up with recommendations as to organization which varied substantially from the draft. Primarily, the Council proposed a bicameral legislature consisting of a lower house, the Assembly, of sixteen members very roughly based on population, and an upper house, the House of Delegates, composed of two members from each district. The latter were to serve for four years and be at least thirty years old. The Council further proposed a review of the bicameral system after the

CONFIDENTIAL

first year by the Assembly. Only the holding of other government positions was to be barred and salaries were to be provided by law. Other minor changes were also proposed from the Interior proposal.

The key issue that requires resolution appears to be that of the membership of the legislature. The Council voted for a bicameral legislature by a narrow margin apparently with the idea in mind of either preserving the upper house for the traditional chiefs or of minimizing the proportional representation which the large districts particularly Truk, would enjoy in a legislature based strictly on population. However, the debate was rather indecisive and, as one member said, "I voted for the bicameral system, because nobody seemed to give any reasons why it should be unicameral."

In the judgement of the Mission, it would be a grave error to allow a bicameral system to take root in the territorial legislature.

Micronesia has only 81,000 people who must already support a sizeable legislative superstructure. They should not be called upon to support an additional house in the legislature. In addition, the shortage of Micronesians with real leadership talent makes it necessary to concentrate the supply. To find even twenty, let alone a much larger number of capable Micronesians to elect to the legislature will be a challenge.

The institution of two houses will also call for a higher degree of leadership and parliamentary skill than appears available -- it will be enough of a strain to get a single house functioning with a semblance

CONFIDENTIAL

of order -- and no doubt will call for longer sessions and more staffing, another commodity in short supply.

The larger goal, moreover, is not to perpetuate the rigid island sectionalism which in the particular setting of Micronesia will be fostered by the bicameral scheme, but to develop a sense of community interest in Micronesia. The Micronesians must realize that all the districts form part of the same entity. The United States must consider the Micronesian legislature as the first step toward an affiliation with the United States after the plebiscite. Since the leaders of the first legislature will inevitably have a voice in future arrangements, these also will proceed more smoothly if the Micronesian leaders are working together in one body.

In addition, it is the judgement of the Mission, that the members of the legislature should be elected from single-member subdistricts insofar as practical rather than at-large from the existing districts. This will provide for better representation of all the people of the territory. In Ponape, for example, it will be very important to have Kusaie as a separate subdistrict; in Yap, the outer islands should be a subdistrict. Without such subdistricting it is certain that all the members of the legislature would, in effect, be elected by the people living in the more populous district centers. We believe the advantage of giving certain outlying areas the right to elect members

CONFIDENTIAL

of their own outweighs the disadvantage which may result in some cases from the fact that the subdistricts will contain differing numbers of people.

Based on the above, it is the recommendation of the Mission that the Micronesian legislature should consist of a single house of about twenty members to be elected to the extent practical from single-member subdistricts rather than at-large from the existing districts. If, for some reason, it is impossible to convince the Council of Micronesia along those lines at its next session it would be our alternative suggestion, as a temporary measure, that the legislature be set up initially in the same manner as the current Council, with two representatives from each district and with appropriate sub-districting to allow the outer islands to have representation.

The Mission found itself at variance with the proposals of the Department of the Interior and the Council of Micronesia regarding the legislature in several other respects. First, we believe the minimum age qualification should be set as low as twenty-one years for membership in the legislature. In our opinion this is necessary to encompass as many educated Micronesians, especially those few who are now graduating from colleges, as possible in the potential group from which the legislature be chosen. Second, we believe a term of three years is more realistic than a term of two years under Micronesian conditions. Third, we believe

that a salary of \$3,000 annually is more in keeping with the amount required to attract the best people to service in the legislature. That amount would equate with the salary now received by Micronesians serving as department heads at the district level. Fourth, we believe it is unrealistic to require at this time that the members drop all other gainful employment in order to serve in the legislature for very limited periods during each year. We also believe it is unrealistic to require at this time that the legislators terminate their service in the Trust Territory government. We would certainly support such a requirement a few years from now unless a clear distinction is created between those legislators who would hold political appointments in the executive branch and the career civil servants, but as we have noted, most district legislatures are now dominated by government employees and we believe it will be necessary to rely on that group for much of the potential membership in the legislature of Micronesia. We do feel, however, that the members of the legislature should not receive dual compensation during periods in which they serve in the legislature -- those who are government employees should be put on leave without pay for such periods.

Finally, we believe that action should be taken by the High Commission with the approval of the Secretary of the Interior to perfect the existing Trust Territory code before the Micronesian legislature receives the power to amend the Code with its own laws. What is particularly needed are laws spelling out the functions and duties of various government

CONFIDENTIAL

departments. This should not be left to absolute executive action now or under the proposed action to establish a Micronesia Chief Executive. In Part III of the report are detailed recommendations for implementing this proposal.

The above views of the Mission regarding the proposed legislature are embodied in a draft order which we have prepared and attached (Appendix A). The doubts and fears of the different districts over a new territory-wide legislature -- in particular with respect to their existing rights -- must also be allayed. Political education will help, and some persuasion that the High Commissioner retains a veto over any legislation that might penalize the minority, that legislation will not extend to matters covered by their bill of rights, including the traditional land tenure system, and that the division into subdistricts for electoral purposes will break up any domination by the populous district centers. Anyone joining a larger community must yield something in order to secure the benefits of that union. At least in the case of the eventual territory of Micronesia, this larger community will contribute more to the political, economic and social development of its component parts than it will take away.

The Executive Power:

With the creation of a Micronesian legislature and its enactment of territorial laws, the need for an executive counterpart will increase. Initially, the High Commissioner will be able to execute the laws of

CONFIDENTIAL

CONFIDENTIAL

the legislature and spend their funds through his organization, but as time goes on the anomaly of the situation will increase. This factor, combined with the one already stressed of the need to satisfy the world community and Micronesia that they will have a realistic measure of self-government, make consideration of a Micronesian Chief Executive imperative. The establishment of such an office should be the next step in the evolutionary development of Micronesian political institutions.

The formation of the office of a Micronesian Chief Executive apart from that of the High Commissioner, however, represents a departure from the historic ways in which the United States has governed its territories. Looking forward to the period after the plebiscite when Micronesia may become another United States territory, it would seem logical that it should follow the pattern of Guam, the Virgin Islands, American Samoa and, until recently, Alaska and Hawaii. As such, the area would be governed by a Presidentially-appointed governor who would be the chief United States representative in the area as well as the executive head of the local government.

However, in the opinion of the Mission, we must be prepared to go farther in the case of Micronesia. Micronesia is not now United States territory; we wish it to become so. To accomplish that we must convince the United Nations and the Micronesians that a measure of self-government will be given. The continuation of all executive power

CONFIDENTIAL

in an American High Commissioner or governor is not compatible with that image. On the other hand, we believe that the creation of a Micronesian Chief Executive along with the continuation of the United States High Commissioner will satisfy that objective and provide the vehicle for the transfer of realistic responsibility to the Micronesians gradually and flexibly and under circumstances which will continue effectively to protect United States interests and funds. The establishment of a Micronesian Chief Executive, serving primarily at the pleasure of his legislature or people, will also create a responsibility of government in Micronesia which it has been difficult to develop in our existing territories. There the legislature and executive depend on two different sources of power and have no real need to work together constructively. For the above reasons, it is the recommendation of the Mission that the office of a Micronesian Chief Executive should be created to function as the executive head of the government of Micronesia. It might be noted that such an office has been created under a United States High Commissioner in the Ryukyu Islands, and the arrangement appears to be working well.

The Mission considered various alternatives regarding the timing of the establishment of a Micronesian Chief Executive. It would, of course, be possible to do so concurrently with the establishment of the legislature. The difficulties implicit in having the High Commissioner execute the legislature's laws would then be overcome. However, such action would confuse and complicate the already difficult situation that would then

CONFIDENTIAL

prevail. It would be preferable to allow the legislature to organize, begin to function and gain several years experience before the next big hurdle is crossed. In addition, the Congress might react unfavorably to such abrupt action. Finally, an adverse reaction might result among the Micronesians in the event that a Chief Executive, for one reason or another, had to be removed from office prior to the plebiscite.

We also considered the establishment of the office around 1967 in order to demonstrate our good intentions regarding self-government even before the plebiscite is announced. This would have the additional advantage of giving the Micronesians some experience with the institution and a clear idea of the shape of their government in affiliation with the United States by the time of the plebiscite. Again, this alternative was rejected because of the possibility of having to remove a Chief Executive before the plebiscite.

While it would also be possible merely to promise, during the period before the plebiscite, that the office would be established after the plebiscite, it is the Mission recommendation that an order -- and this should be a Presidential executive order because of the importance of the document in the eyes of the United Nations -- setting up the office of the Chief Executive should be issued at the time the plebiscite is announced to be effective immediately before or after the plebiscite. This would constitute evidence of our good faith; it will come after the legislature has had over three years of experience; it will provide the Micronesians

CONFIDENTIAL

with a clear view of the shape of their government in affiliation; it will constitute an inducement for a favorable vote for affiliation; and it will not involve the risk of the removal of a Chief Executive before the plebiscite.

Alternatives also exist with respect to the manner in which the Chief Executive shall be chosen. It might be possible to have him elected directly by the people of the Territory. However, as we have stressed, in the absence of information in the districts about people outside their areas and with the existing problems of distance, transportation and communications and with the absence of any political party machinery for overcoming those problems, that choice does not appear feasible. Consideration was also given to have the Chief Executive elected by the legislature. This might provide a greater appearance of self-government but provides no guarantee that the election would not be simply a popularity contest or that the Chief Executive would have the support of the majority of the legislature. The Mission believes, instead, that it would be preferable to have the High Commissioner appoint the Chief Executive on the basis of a nomination by the legislature and with the assurance that the Chief Executive can command the confidence of the majority of the legislature. Essentially then a parliamentary form of government would be created. To complete the system, the Chief Executive should be selected from the legislature, but there would be no need to require this by statute. Practice would be the best father of the law.

CONFIDENTIAL

To assure an appropriate degree of maturity and yet not to limit too severely the potential choice of Chief Executive, the Mission recommends that the qualifications of the Chief Executive should be the same as those of members of the legislature, except that he should be at least thirty years of age. On the matter of salary, in order to provide for comparability with the salaries paid to government personnel -- including United States personnel -- and to provide adequately for the expenses of the office, we recommend that the Chief Executive should receive an annual salary of about \$17,500.

A major question arises concerning the disposition of the operating departments and agencies under the High Commissioner. It would, on the one hand, be possible to continue them under the High Commissioner and not make them part of the Micronesian government. This would mean greater control over the development and management of their programs and the use of the Federal resources involved. However, it would also place us in the strange position of having two governments in Micronesia -- the High Commissioner's government with over ninety percent of the resources and a very minor Micronesian government. The potential for duplication and conflict in that situation would be great. Continuation of the bulk of executive activities under the High Commissioner while having transferred

CONFIDENTIAL

legislative power with respect thereto to the Micronesian legislature would be awkward and would severely limit the concept of self-government in Micronesia.

We, therefore, recommend that, at the time the Chief Executive is established, the executive departments and agencies now in the office of the High Commissioner should be transferred to the government of Micronesia and placed under the general supervision of the Chief Executive with adequate safeguards of the United States interests involved. As noted above, the powers and duties of those departments should be spelled out now in law to limit the discretion of the executive in administering them. In addition to supervising those activities and others that might be added by the laws of Micronesia, the Chief Executive would carry on the generally accepted executive functions of appointing the heads of departments and agencies and the district administrators, approving the enactments of the Micronesian legislature and executing the laws of Micronesia. The need to move Micronesian bureaucrats into more responsible positions and to train them in anticipation of such a change is obvious.

The end product of the shift of the operations and executive powers from the High Commissioner would be a government organization in which the High Commissioner continues as the United States representative with the power to exercise certain controls over the

CONFIDENTIAL

Micronesian government to protect the United States interests.

He would retain a small personal staff to carry out his control functions and probably to provide technical advice to the Micronesian government. We would visualize the continued employment by the Trust Territory government of a cadre of American personnel until such time as trained Micronesians are available. None of these shifts would affect the operations of other Federal agencies in the area.

It is obvious that the transfer to the Micronesian government of responsibility for carrying out a program which is financed for the most part with Federal funds must be accompanied by controls which adequately protect Federal interests, not only in the funds, but also in the government of Micronesia generally. Any number and variety of controls could be visualized. We concluded that the control which would, on the one hand, be the most effective, and, on the other, be the most defensible, would be a control over the Federal funds to be used by the Micronesian government. Without those funds, a government of Micronesia would be impossible. We would envision a continuation of the system of securing the comments and recommendations of the Micronesian government on the budget that is submitted to the Secretary of the Interior -- indeed the Chief Executive and his departments and agencies should be quite directly

CONFIDENTIAL

involved in the preparation of that budget -- and an allocation of those funds once appropriated by the High Commissioner to the local government. However, we would recommend that the High Commissioner should have the authority to review the use of Federal funds by the government of Micronesia and to withhold or withdraw those funds when he believes they are being used improperly. That power standing by itself, we believe, would be enough to compel any Micronesian government to follow the wishes of the High Commissioner in most matters. Withdrawal of funds could certainly be used, for example, to force the resignation of a Chief Executive who might be acting contrary to United States interests. Such power alone, however, might still permit situations which would be highly embarrassing to the United States and inimical to its interests. For example, the legislature might refuse to elect a Chief Executive or to elect one which the High Commissioner would consider appropriate. The legislature might also enact laws which would be in conflict with United States interests or which would so reshape the executive machinery as to create severe problems on the expenditure of funds. To overcome those problems, we recommend that the High Commissioner should have the additional power of appointing an Acting Chief Executive in the event of a vacancy or in case the legislature does not elect a satisfactory Chief Executive within a reasonable period of time. Such an appointed Chief Executive should serve until the legislature

CONFIDENTIAL

CONFIDENTIAL

does elect a satisfactory Chief Executive, with disputes as to the approval of a Chief Executive being referred to the Secretary of the Interior. Further, where United States security or interests are involved, he should have the power to approve the Chief Executive's major appointments and to veto or annul legislation and to remove public officials.

The above views of the Mission regarding the proposed organization of the government of Micronesia and the office of the Chief Executive are embodied in a draft executive order which we have prepared and attached (Appendix B). The extent to which that order spells out the structure of the Micronesian government would, of course, in itself constitute a control over the actions of the Micronesian government. It would also serve to allay certain other fears through the inclusion of a bill of rights preserving local customs and prescribing the manner in which -- if at all -- non-Micronesians can acquire property and business interests.

II. Additional Plebiscite Inducements

In addition to issuing the executive order which would establish the office of the Chief Executive after the plebiscite, as we have mentioned earlier, several other inducements for a favorable vote in the plebiscite should be made known in the appropriate form. The most important of those, we believe, would be the announcement

CONFIDENTIAL

that action will be initiated to secure the status of United States nationals for the Micronesians in the event they choose to affiliate with the United States. The benefits that go with that status as well as its symbolic meaning would go a long way toward assuring a favorable vote if carefully explained. As noted earlier, this is, of course, a matter on which the Congress must be thoroughly consulted beforehand. The Mission believes that citizenship, however, cannot now be considered because of the threat it poses to certain of the vested rights of the Micronesians, particularly their restrictive land tenure system and restrictions of entry of American business. Action must be taken on the latter restrictions before citizenship will be feasible.

Additional inducements that are also appropriate to offer at the time of the plebiscite would be (1) the extension of the social security system to wage and salary earners in Micronesia and (2) the completion of action to equalize American and Micronesian government pay schedules (discussed further in Part III).

The Mission believes it is too early to make a definite recommendation on steps to be taken after the plebiscite and the establishment of a Micronesian Chief Executive. As noted earlier, we do believe that subsequent to those actions consideration could appropriately be given to confirming the then existing organization

CONFIDENTIAL

through an organic act. It is not too early, however, to begin consideration of an eventual merger of Micronesia and the Territory of Guam. In the long run this would be logical because of cultural, racial and other ties between the territories and because it would result in administrative economies and probably stimulate the economic development of both areas.

I. Government at the District Level

Eleoted district legislatures have been established in all six districts of the Trust Territory. The achievement of creating those bodies in the space of half a dozen years, given that lack of Micronesian experience with such institutions and the problems of transportation and communications, deserves great praise. The American administration has been in a tutelary position, taking the initiative in suggesting the chartering of district legislatures, helping in parliamentary procedures, the drafting of bills and giving general counsel on subjects of legislation, appropriations and other legislative matters. The enactments of the district legislatures have been subject to approval by the High Commissioner on the recommendation of the district administrators.

The real problems of the district legislature lie in (1) their lack of any significant revenues with which to work to develop programs of district interest, (2) the lack of an executive

CONFIDENTIAL

counterpart -- their laws being enforced by the district administrator who is a representative of the central government, (3) memberships made up in large part by the employees of the district administration, (4) the non-elective representation of traditional chiefs in some districts, and (5) their general lack of political experience and leadership.

The history of modern legislatures revolves around appropriations by consent. Without power to tax and spend public funds, the role of a legislature is severely limited. The district legislatures of Micronesia have some control over the resources in their areas, but not much. The Marshall Islands district, for example, collected the most taxes in 1962, about \$93,000, while Yap collected only \$31,000. United States funds for just the operations, not the capital improvements in those districts in 1963 ran to about \$825,000 and \$385,000 respectively. All the districts -- and the municipalities in Micronesia -- collected only \$750,000 in taxes and other revenues in 1962 as contrasted with the \$6,304,000 in United States funds appropriated for the area in the same year. In 1963, the \$15,000,000 Federal appropriation will overshadow local revenues even further.

The current circumstances in which the vast majority of the funds spent for governmental purposes in the districts come from the

CONFIDENTIAL

United States and are spent through the machinery of the central government under the control of the High Commissioner can be expected to continue indefinitely, even after a partial shift of responsibility to a Micronesian Chief Executive. Further, because of the small amount of district revenues, it makes little sense to create a distinct district executive arm apart from that of the central government. The Mission recommends, however, that the district legislatures should be consulted and their recommendations should be sought in connection with the preparation of the budgets of the district administrators and on the allocation of funds. Those budgets should cover the use of United States as well as district funds. They should be able to determine how their own funds will be spent, but their appropriations should be included in a consolidated district budget. This would enable the district administrator to secure the legislature's knowledge of local needs and their evaluation of his program. The most important objective is to bring the district administrator and the district legislature closer together in thinking about the needs of the district. Too often the district administrator now seems to be running one government while the legislature is operating another—even to the point of having a district treasurer, selected and paid by the legislature, to collect taxes and, in some cases, to make separate disbursements. This practice, in effect creating a minor executive arm of the

CONFIDENTIAL

legislature, should be stopped. All district tax collections and all disbursements of district funds should be made by the district administrator or his agents. This principle is beginning to receive recognition in some of the districts as exemplified by Public Law 4-63 of the Palau legislature in which a grant of \$4,250 was made to the municipalities "to be administered and controlled by the District Administrator, who is further authorized under this resolution to make any change he sees necessary and justified to insure that public funds are properly handled and used wisely". This practice should be clarified and enforced in all districts.

The scarcest resource in Micronesia is skilled manpower. The lack of administrators and political leaders in the Trust Territory is serious. One consequence has been to extend the lean talents available over two or more responsibilities, asking the few keen men, usually with good English-speaking ability, to serve two masters or to do more than they can realistically manage. The drive to establish legislatures has put a heavy burden on the administration to find competent legislators. The brighter young men, familiar with American ideas of government, are to be found working widely for the district administration and headquarters. These have been the natural candidates to fill many legislative seats in all six districts, but the number of those seats (79 in the Marshalls, 40 in Ponape, and so forth) has drained all the Trust Territory

CONFIDENTIAL

talent. The problem of the oversized legislature is currently being solved through headquarters efforts to reduce the membership in those legislatures, but there is still a premium on talent.

In all district legislatures the number of administration employees runs upwards of 30 or 40 percent of the total membership and in some districts they constitute a majority. In Yap, for example, three members of the legislature work for one private enterprise, three are unemployed and fourteen are either teachers or otherwise work for the government. The domination of a legislature that has the power to tax and appropriate money and which must learn to criticize the use of executive power by men working for the executive is plainly unhealthy. In addition, the administration suffers from the interruption of its work during legislative sessions, from a confusion of roles among some of its key employees and a lack of healthy criticism.

No quick remedy is suggested. If all administration employees were denied seats in district legislatures this year chaos would ensue because the legislatures would be depopulated. The stipends of legislators are so small that no Micronesia government employee would opt for a legislative post. It is not too early, however, to lay down some fundamental principles and planning for the following years. The Mission recommends that (1) no district administrator or assistant district administrator should now be permitted

CONFIDENTIAL

to hold a seat in the district legislature and (2) within two or three years no department heads at the district level should be permitted to hold a seat. Other employees who continue to hold seats should gradually be given a choice between their legislative and executive functions, but for the present should be placed on leave without pay during legislative sessions.

It must be recognized that the development of independent district legislatures in Micronesia, where sessions last one or two months a year, requires individuals who have sources of income from the private sector and who can earn enough from their salaries as legislators to make ends meet. A good legislative system in Micronesia is not conceivable until relatively independent skilled legislators can be found. To help foster that development, the district legislatures should provide for adequate compensation of their members on a per diem basis and, to help ease the burden on the districts, the administration should provide free transportation for members to legislative sessions.

With an increase of power over municipal functions (as is proposed below), greater access to and discussions of the district budget, a continuing reduction in membership, and greater tax resources if the economy thrives, the district legislatures can be raised to

CONFIDENTIAL

a more useful role. (In that connection, note should be taken of the Taxation Policy section, II-B-8, of the Mission report dealing with taxes in which it is recommended that, on the one hand, the districts be barred from taxing exports and imports while, on the other hand, the district's remaining educational functions would be transferred to the central government with the net effect of increasing the amounts of funds available for other district activities.) To help in that direction, it is recommended that each district legislature should appoint an executive committee of three to five members to perform legislative functions during the periods when the legislature is not in session -- to study legislation, scrutinize the budget, investigate executive actions, transmit petitions and prepare the agenda for the sessions of the legislature. The members of such committees should receive additional compensation at a rate equivalent to that of a district department head.

J. Government at the Municipal Level

In June 1963, the headquarters political affairs officer wrote to the High Commissioner:

"Our local governments need attention ... Some confusion and misunderstanding exists on the part of local officials regarding their duties and responsibilities.

Financial problems are present also, due to limited

CONFIDENTIAL

local revenues, relatively high salaries, tax collection difficulties and management. Charter provisions are frequently violated. Elections are often improperly administered. Many municipalities have simply 'gone bad' ... local government is not receiving the support of the people which it must have. Criticism is mounting in the municipalities. Further deterioration will weaken the foundations of our active political development program ..."

Beginning in 1957 in Metalanin, the Trust Territory embarked upon an intensive program of chartering municipalities with an honest desire to bring self-government down to the smallest village. In the previous Japanese administration, of course, neither legislatures nor a democratic expression on policy had existed, with the commands of the Japanese passing to village chiefs for execution. The current chartered municipalities consist of an elected magistrate, an elected council, sometimes an elected treasurer and secretary, and they have the power to pass ordinances, tax and collect revenues subject to the approval of the district administrator. Their power to tax is fairly limitless with the result that they frequently duplicate district and even territory taxes.

With the zeal for pushing the responsibility for local government upon Micronesians, including the responsibility for roads, schools,

CONFIDENTIAL

police, and so forth, some of the plain political and administrative facts that promote government efficiency were overlooked. The largest municipality in the Marshalls, for example, has just over a thousand electors. They elect a magistrate and ten council members from four precincts. Another municipality has only 238 electors voting for a council of 16 with nominations and voting carried out by a primitive house-to-house canvass. Three other municipalities, with potential electorates of 460, 200 and 80 could not even have their elections supervised by the district because the transportation problems were so difficult.

In Ponape district, four municipalities with electorate of a little more than a thousand people in each had to elect 11, 17, 20 and 21 officials. Members of the town council of Kolonia, the district center on Ponape, were elected by precinct, the second precinct having only 57 inhabitants.

In Truk only five municipalities collected revenues of more than \$1,000 in 1962. The municipality of Parem used nine different taxes to collect \$220 of which \$32 was spent for transportation and office supplies, \$36 for police and the rest for the salaries and expenses of the magistrate, council and secretary. The largest municipality of Palau, with a total budget of \$15,502 in 1964, will spend an estimated \$8,062 for salaries of the magistrate, council,

CONFIDENTIAL

clerks, tax collector, high chief, chiefs, and district congressman. In Malekeiok municipality, \$640 in salaries were paid to officials out of \$845 in revenues, and in Ngaruwan the only expenditures made during the year were \$10 for rental of boat or vehicle and \$1.09 for miscellaneous expenses, the rest of the \$394 in revenues going to the magistrate and his council.

Even with this evidence, generalization about municipalities is misleading. Saipan, for example, which was chartered by the Navy as a single municipality, has revenues of more than \$300,000 and a population of about 8,000. Yap has no chartered municipalities yet on the other hand. Nevertheless there is a pattern of too many municipalities for too few people, too many elected officials with too few responsibilities receiving too large a portion of hard-earned tax revenues for salaries. A complicated governmental unit has been imposed upon a paucity of resources. The result is formal elections, meetings, paperwork and little to show as a product in the way of community improvement. The administration is to be congratulated for its sincere effort to include all men and women in a democratic electoral process, but it is the recommendation of the Mission that the chartering of municipalities ought to be halted until the whole institution is reevaluated.

CONFIDENTIAL

funds other than as budgeted by the High Commissioner and the Secretary of the Interior and as appropriated by the Congress shall either include revenue measures to provide the needed funds or shall be based upon the receipt by the Government of the Trust Territory of revenues in excess of those estimated in the annual budget as presented to the Congress.

Sec. 52. Membership. For purposes of representation in the Legislature, the Trust Territory shall be divided into the six districts described in Section 39 of this Code. Of the twenty-one members of the Legislature, three shall be elected by the qualified voters who reside in the Mariana Island District; three shall be elected by the qualified voters who reside in the Palau District; one shall be elected by the qualified voters who reside on the Yap Islands, Yap District, and one by the qualified voters who reside in the remainder of the Yap District; five shall be elected by the qualified voters who reside in the Truk District; one shall be elected by the qualified voters who reside on Kusaie Island, Ponape District, and three by the qualified voters who reside in the remainder of the Ponape District; and four shall be elected by the qualified voters who reside in the Marshall Islands District. Consistent with the foregoing apportionment, the laws of the Trust Territory shall provide for the further division of each district into a number of subdistricts as nearly as possible on the basis of population equal to the number of members to which the district is entitled, and the qualified voters within each subdistrict shall be entitled to vote for the member.

CONFIDENTIAL

from that subdistrict. The number of members to be elected from each district and the boundaries of the subdistricts shall be reapportioned as nearly as possible on the basis of population at intervals of ten years beginning in 1980, but no district shall be entitled to less than two members at any time, regardless of population.

Sec. 53. Qualifications of Legislators. No person shall be eligible to be a member of the Legislature who is not a citizen of the Trust Territory, who has not attained the age of twenty-one years, who is not a qualified voter in the Trust Territory, or who has not been a bona fide resident of the Trust Territory for at least two years next preceding the date of his election. No person who has been expelled from the Legislature for giving or receiving a bribe or for being an accessory thereto, and no person who has been convicted of a felony or of a crime involving moral turpitude, shall sit in the Legislature, unless the person so convicted has been pardoned and has had restored to him his civil rights.

Sec. 54. Franchise. The franchise shall be vested in residents of the Trust Territory who are citizens of the Trust Territory, eighteen years of age or over. Additional qualifications may be prescribed by the Legislature: Provided, That no property, language, or income qualification shall ever be imposed or required of any voter, nor shall any discrimination in qualification be made or based upon difference in race, color, ancestry, sex, or religious belief.

CONFIDENTIAL

Sec. 55. Elections. General elections shall be held every three years beginning in 1964 on the first Tuesday following the first Monday in November and ending not later than three weeks thereafter. Legislators shall be chosen by secret ballot of the qualified electors of their respective subdistricts.

Sec. 56. Term. Each legislator shall hold office for a term of three years, commencing at noon on the third day of January following his election, except as otherwise provided by law.

Sec. 57. Sessions. There shall be two regular sessions of the Legislature held in each year, one beginning on the third day of January and the second beginning on the first day of July, except as otherwise provided by law. Each such session shall be held at the seat of government of the Trust Territory and shall continue for not to exceed forty-five consecutive calendar days.

The Legislature may meet in special session at the call of the High Commissioner, for such period of time and at such place as the High Commissioner may specify in his call, but no legislation may be considered in a special session other than that specified by the High Commissioner in his call for the special session or in a special message to the Legislature while in session.

Sec. 58. Enactment of Laws; Vetoes. The enacting clause of all bills shall be: "Be it enacted by the Legislature of the Trust Territory of the Pacific Islands", and no law shall be enacted except by bill. The High

CONFIDENTIAL

Commissioner may submit proposed legislation to the Legislature for consideration by it.

Every bill passed by the Legislature shall, before it becomes a law, be presented to the High Commissioner. If the High Commissioner approves the bill, he shall sign it. If the High Commissioner disapproves the bill, he shall, except as hereinafter provided, return it, with his objections, to the Legislature within ten days (Sunday excepted) after it shall have been presented to him. If the High Commissioner does not return the bill within such period, it shall be a law in like manner as if he had signed it, unless the Legislature by adjournment prevents its return, in which case it shall be a law if signed by the High Commissioner within thirty days after it shall have been presented to him; otherwise it shall not be a law.

When a bill is returned by the High Commissioner to the Legislature with his objections, the Legislature may proceed to reconsider the bill. If, after such reconsideration, two-thirds of all the members of the Legislature present agree to pass the bill, it shall be presented anew to the High Commissioner. If he then approves it, he shall sign it; if not, he shall within ten days after it has been presented to him transmit it to the Secretary of the Interior. If the Secretary approves the bill within ninety days of its receipt by him, it shall become a law; otherwise it shall not.

In the event that the High Commissioner has submitted to the Legislature proposed legislation which he has designated as urgent, and the Legislature

CONFIDENTIAL

has failed to pass the same in its original form or an amended form acceptable to the High Commissioner at the session at which it was submitted, the High Commissioner may himself, with the approval of the Secretary of the Interior, promulgate such proposed legislation as a law.

If any bill presented to the High Commissioner should contain several items of appropriation of money, he may object to one or more of such items, or any part or parts thereof, portion or portions thereof, while approving the other items, parts, or portions of the bill. In such case he shall append to the bill, at the time of signing it, a statement of the items, or parts or portions thereof, to which he objects, and the items, or parts or portions thereof, so objected to shall not take effect.

Sec. 59. Procedure. (a) Quorum. The quorum of the Legislature shall consist of eleven of its members. No bill shall become a law unless it shall have been passed at a meeting, at which a quorum was present, by the affirmative vote of a majority of the members present and voting, which vote shall be by yeas and nays.

(b) Title. Every legislative act shall embrace but one subject and matter properly connected therewith, which subject shall be expressed in the title; but if any subject shall be embraced in an act which shall not be expressed in the title, such an act shall be void only as to so much thereof as shall not be embraced in the title.

(c) Amendment and revisions by reference. No law shall be amended or revised by reference to its title only; but in such case the

CONFIDENTIAL

act, as revised, or section or subsection as amended, shall be printed and published at full length.

(d) Journal. The Legislature shall keep a journal of its proceedings in English and publish the same. Every bill passed by the Legislature and the yeas and nays on any question shall be entered on the journal.

(e) Public sessions. The business of the Legislature, and of the Committee of the Whole, shall be transacted openly and not in secret session.

(f) Procedural authority. The Legislature shall be the sole judge of the elections and qualifications of its members, shall have and exercise all the authority and attributes inherent in legislative assemblies, and shall have the power to institute and conduct investigations, issue subpoenas to witnesses and other parties concerned, and administer oaths, whether the Legislature be in session or otherwise.

Sec. 60. Immunity. No member of the Legislature shall be held to answer before any tribunal other than the Legislature for any speech or debate in the Legislature, and the members shall in all cases, except treason, felony, or breach of the peace, be privileged from arrest during their attendance at the sessions of the Legislature and in going to and returning from the same.

Sec. 61. Compensation: other employment. Each member of the legislature shall receive for his services an annual salary of \$3,000, payable

at such times as may be provided by law. Each member shall also receive transportation and a per diem allowance at the expense of the Government while on official business within the Trust Territory or in Guam.

No member of the Legislature shall, while on official legislative business, receive any other compensation from the Government.

No member of the Legislature shall, during the year following the expiration of the term for which he was elected, be appointed to any office which was created, or the salary or emoluments of which have been increased, during such term.

Sec. 62. Vacancies. Whenever, prior to six months before the date of the next general election, a vacancy occurs in the Legislature, the High Commissioner shall call a special election to fill such vacancy. In case of vacancies occurring within six months of the next general election, no special election shall be held and the High Commissioner may fill such vacancy by appointment.

2. Pursuant to the provisions of Section 28 of the Code of the Trust Territory of the Pacific Islands, such Code is further amended by the deletion of section 28.

3. The above and foregoing order is subject to and is to be construed in accordance with Presidential Executive Order No. 11021 of May 7, 1963.

4. Existing laws, regulations, orders, appointments, or other acts in effect immediately prior to the effective date of this order shall remain in effect until they are superseded pursuant to the provision of this order.

CONFIDENTIAL

with the United States as administering authority, by the trusteeship agreement between the United States and the Security Council of the United Nations, being the Mariana Islands (other than Guam) and the Marshall and Caroline Islands, shall be known as the Trust Territory of the Pacific Islands (hereinafter referred to as the "Trust Territory"). For administrative and other purposes set forth in this order, the Trust Territory shall be divided into the following six districts:

(1) The Mariana Islands District, consisting of those islands of the Trust Territory, and the territorial waters thereof, which lie within the area north of 14° north latitude, south of 21° north latitude, west of 150° east longitude, and east of 144° east longitude.

(2) The Palau District, consisting of those islands of the Trust Territory, and the territorial waters thereof, which lie within the area beginning at a point 2° north latitude 130° east longitude, thence north to a point 11° north latitude 130° east longitude, thence east to a point 11° north latitude 136° east longitude, thence south to a point 2° north latitude 136° east longitude, thence west to the point of beginning.

(3) The Yap District, consisting of those islands of the Trust Territory, and the territorial waters thereof, which lie within the area beginning at a point 2° north latitude 136° east longitude, thence north to a point 11° north latitude 136° east longitude, thence east to a point 11° north latitude 148° east longitude, thence south to a point 0° latitude 148° east longitude, thence northwesterly to the point of beginning.

CONFIDENTIAL

(4) The Truk District, consisting of those islands of the Trust Territory, and the territorial waters thereof, which lie within the area beginning at a point 0° latitude 148° east longitude, thence north to a point 11° north latitude 148° east longitude, thence east to a point 11° north latitude 154° east longitude, thence south to a point 0° latitude 154° east longitude, thence west to the point of beginning.

(5) The Ponape District, consisting of those islands of the Trust Territory, and the territorial waters thereof, which lie within the area beginning at a point 0° latitude 154° east longitude, thence north to a point 11° north latitude 154° east longitude, thence east to a point 11° north latitude 158° east longitude, thence southeast to a point 5° north latitude 166° east longitude, thence south to a point 0° latitude 166° east longitude, thence west to the point of beginning.

(6) The Marshall Islands District, consisting of those islands of the Trust Territory, and the territorial waters thereof, which lie within the area beginning at a point 11° north latitude 158° east longitude, thence southeast to a point 5° north latitude 166° east longitude, thence south to a point 0° latitude 166° east longitude, thence northeast to a point 4° north latitude 170° east longitude, thence east to a point 4° north latitude 172° east longitude, thence north to a point 16° north latitude 172° east longitude, thence northwest to a point 19° north latitude 158° east longitude, thence south to the point of beginning.

CONFIDENTIAL

SEC. 2. Secretary of the Interior. The responsibility for the administration of all civil government in the Trust Territory is hereby vested in the Secretary of the Interior, and all executive, legislative, and judicial authority necessary for that administration shall be exercised under the general supervision of the Secretary of the Interior in accordance with the provisions of this order. Subject to applicable law, such policies as the President may from time to time prescribe, and, where advantageous, in collaboration with other departments and agencies of the Government of the United States, the Secretary of the Interior shall take such actions as may be necessary and appropriate to carry out the obligations assumed by the United States as the administering authority of the Trust Territory under the terms of the trusteeship agreement and under the Charter of the United Nations: Provided, That the authority to specify parts or all of the Trust Territory as closed for security reasons and to determine the extent to which Articles 87 and 88 of the Charter of the United Nations shall be applicable to such closed areas, in accordance with Article 13 of the trusteeship agreement, shall be exercised by the President: And provided further, that the Secretary of the Interior shall keep the Secretary of State currently informed of activities in the Trust Territory affecting the foreign policy of the United States, and that all relations between the departments and agencies of the United States Government and appropriate organs of the United Nations with respect to the Trust Territory shall be conducted through the Secretary of State.

CONFIDENTIAL

In carrying out his responsibility, the Secretary of the Interior shall be guided by the need to provide for, and encourage the development of an effective and responsible civil government in the Trust Territory, based on democratic principles and supported by a sound financial structure, shall make every effort to improve the welfare and well-being of the inhabitants of the Trust Territory, and shall promote the political, economic, social, and cultural advancement of those inhabitants.

SEC. 3. Bill of rights. (a) No law shall be enacted in the Trust Territory respecting an establishment of religion or prohibiting the free exercise thereof, or abridging the freedom of conscience, or of speech, or of the press, or the right of the people to form associations and peaceably to assemble and to petition the government for a redress of grievances.

(b) Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist in the Trust Territory.

(c) The rights of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons and things to be seized.

(d) No person shall be deprived of life, liberty, or property without due process of law; nor shall private property be taken for public

use without just compensation; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall any person be compelled in any criminal case to be a witness against himself.

In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial, to be informed of the nature and cause of the accusation, to be confronted with the witnesses against him, to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense. No crime under the laws of the Trust Territory shall be punishable by death.

(e) No bill of attainder, ex post facto law, or law impairing the obligations of contracts shall be enacted.

(f) Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

(g) All persons shall be bailable by sufficient sureties in the case of criminal offenses, except for first-degree murder and other offenses for which the punishment may be life imprisonment when the proof is evident or the presumption great. No person shall sit as judge or magistrate in any case in which he has been engaged as attorney or prosecutor.

(h) No law shall be enacted in the Trust Territory which discriminates against any person on account of race, sex, language, or religion; nor shall the equal protection of the laws be denied.

(i) Subject only to the requirements of public order and security, the inhabitants of the Trust Territory shall be accorded freedom of migration and movement within the Trust Territory.

CONFIDENTIAL

(j) Free public elementary and secondary education shall be provided throughout the Trust Territory.

(k) No person shall be imprisoned solely for failure to discharge a contractual obligation or for debt.

(l) The privilege of the writ of habeas corpus shall not be suspended, unless, when in cases of rebellion or invasion or imminent danger thereof, the public safety shall require it.

(m) No soldier shall, in time of peace, be quartered in any house without the consent of the owner, nor in time of war but in a manner to be prescribed by law.

(n) The laws of the Trust Territory may restrict or forbid the acquisition of interests in real property and in business enterprises by persons who are not citizens of the Trust Territory, and shall give due recognition to local customs.

SEC. 4. Office of the High Commissioner. (a) The Secretary of the Interior shall appoint a High Commissioner of the Trust Territory (hereinafter referred to as the "High Commissioner") who shall be the chief representative of the Secretary of the Interior in the Trust Territory, have the powers and perform the duties assigned to him by the terms of this order, and carry out any powers or duties delegated or assigned to him by the Secretary of the Interior. The High Commissioner shall report to the Secretary of the Interior on the operations of his office and the Government of the Trust Territory. The High Commissioner may, in case of rebellion or invasion or imminent danger thereof, when the public safety

CONFIDENTIAL

requires it, suspend the privilege of the writ of habeas corpus in the Trust Territory or any part thereof under martial law, until the decision of the Secretary of the Interior is communicated to the High Commissioner. He shall coordinate and have general cognizance over all activities of a civil nature of the departments and agencies of the United States Government in the Trust Territory, except that the President may, by Executive order, provide that any such department or agency shall not be subject to the coordination or general cognizance of the High Commissioner.

[(b) The Secretary of the Interior shall appoint a Deputy High Commissioner of the Trust Territory who shall carry out any powers or duties delegated or assigned to him by the High Commissioner, and have all the powers of the High Commissioner in the case of a vacancy in the office of the High Commissioner, or the temporary removal, resignation, or disability of the High Commissioner, or in the case of his temporary absence.]

(c) The Secretary of the Interior may from time to time designate another officer or employee of the United States Government to act as High Commissioner and carry out his powers and duties in case of a vacancy in the offices, or the disability or temporary removal or absence, of [both] the High Commissioner [and the Deputy High Commissioner].

(d) The High Commissioner, [the Deputy High Commissioner,] and such other personnel as may be deemed necessary to carry out the functions, powers, duties, and responsibilities of the Secretary of the Interior and

CONFIDENTIAL

the High Commissioner with respect to the supervision and administration of civil government in the Trust Territory shall constitute the Office of the High Commissioner. The personnel of that office, who shall be citizens or nationals of the United States or of the Trust Territory, shall be considered to be officers or employees of the United States Government. The expenses of that office shall be paid with United States funds.

SEC. 5. Trust Territory Government. The Government of the Trust Territory of the Pacific Islands, which shall have the right to sue by that name, shall consist of three branches: executive, legislative, and judicial. The capital and seat of government thereof shall be located at Saipan in the Mariana Islands District. All officers and employees of the Government of the Trust Territory shall be citizens or nationals of the Trust Territory or of the United States: Provided, That citizens of another nation may be employed with the approval of the High Commissioner. The Government of the Trust Territory shall have jurisdiction, including jurisdiction over all persons, in all of the Trust Territory, except those parts which the President may from time to time designate as closed for security reasons in accordance with Article 13 of the trusteeship agreement and those parts which the Secretary of the Interior shall designate as reservations pursuant to section 14 of this order: Provided, That the Government of the Trust Territory shall always have the right to tax persons and corporations, their franchises and property, on the lands in such parts and to serve civil and criminal process within those

CONFIDENTIAL

parts in suits or prosecutions for or on account of rights acquired, obligations incurred, or crimes committed within the Trust Territory but outside the said parts, and that the Trust Territory shall not be prevented from exercising over or upon such parts, concurrently with the United States, any jurisdiction whatsoever which it would have in the absence of the reservation of such parts which is consistent with this order and the United States laws applicable to such parts, and that the persons residing in such parts shall not be denied the right to vote in all the elections in which such parts are otherwise authorized to participate.

SEC. 6. Executive branch. (a) The executive power and authority of the Government of the Trust Territory shall be vested in a Chief Executive, who shall have attained the age of thirty years and who shall have the other qualifications of a member of the Legislature of the Trust Territory. The Chief Executive shall have general supervision and control of all executive departments, agencies, and instrumentalities of the Government of the Trust Territory, and shall faithfully execute the laws of the Government of the Trust Territory. He may grant pardons and reprieves and remit fines and forfeitures against the laws of the Government of the Trust Territory. He shall appoint all officers and employees of the office of the Chief Executive and of the executive branch of the Government of the Trust Territory, except as otherwise provided by law, and shall commission all officers that he may be authorized to appoint. He shall have the power to issue executive regulations which

CONFIDENTIAL

do not conflict with law. He shall maintain his residence during his incumbency at Saipan in the Mariana Islands District in a government house free of rent. He shall receive an annual salary of \$17,500 which shall be paid from the funds of the Government of the Trust Territory.

(b)(1) The Chief Executive shall be appointed by the High Commissioner on the basis of a nomination which is made by the Legislature of the Trust Territory and is acceptable to the High Commissioner. If the High Commissioner does not appoint a person who shall have been so nominated, the Legislature of the Trust Territory shall reconsider its nomination and, if the majority of its members shall again nominate such person, the Secretary of the Interior shall approve or disapprove his appointment. The Chief Executive shall continue in office until removed by a vote of the majority of the members of the Legislature of the Trust Territory, unless he sooner resigns or dies.

(b)(2) In the event a vacancy occurs in the office of the Chief Executive and the Legislature of the Trust Territory does not nominate a Chief Executive within a reasonable time whom the High Commissioner or the Secretary of the Interior will appoint, the High Commissioner may appoint a Chief Executive without a nomination. Such appointed Chief Executive shall continue in office until replaced by a Chief Executive nominated and appointed pursuant to paragraph (1) of this subsection.

(b)(3) In the event a vacancy in the office of Chief Executive occurs at a time when the Legislature of the Trust Territory is not in session, the High Commissioner shall call a special session within thirty days for the purpose of nominating a Chief Executive.

(c). The executive branch of the Government of the Trust Territory shall consist of such executive departments or agencies as may be deemed necessary, but each such department or agency shall be established by law which shall enumerate the powers and functions thereof. The head of each such department or agency shall be appointed by the Chief Executive with the approval of the High Commissioner.

SEC. 7. Legislative branch. (a) The legislative power and authority of the Government of the Trust Territory shall be vested in the Legislature of the Trust Territory (hereinafter referred to as the "Legislature") consisting of a single house of twenty-one members. The legislative power shall extend to all rightful subjects of territorial legislation, except that no such legislation may be inconsistent with (1) the treaties or international agreements of the United States, (2) the laws of the United States applicable to the Trust Territory, or (3) the provisions of this order. The Legislature shall have the authority to select its own officers.

(b) For purposes of representation in the Legislature, the Trust Territory shall be divided into the six districts described in section 2 of this order. Of the twenty-one members of the Legislature, three shall be elected by the qualified voters who reside in the Mariana Islands District; three shall be elected by the qualified voters who reside in the Palau District; one shall be elected by the qualified voters who reside on the Yap Islands, Yap District, and one by the qualified voters who reside in the remainder of the Yap District; five shall be elected

CONFIDENTIAL

by the qualified voters who reside in the Truk District; one shall be elected by the qualified voters who reside on Kusaie Island, Ponape District; and three by the qualified voters who reside in the remainder of the Ponape District; and four shall be elected by the qualified voters who reside in the Marshall Islands District. Consistent with the foregoing apportionment, the laws of the Trust Territory shall provide for the further division of each district into a number of subdistricts on the basis of population equal to the number of members to which the district is entitled, and the qualified voters within each subdistrict shall be entitled to vote for the member from that subdistrict. The number of members to be elected from each district and the boundaries of the subdistricts shall be reapportioned on the basis of population at intervals of ten years beginning in 1980, but no district shall be entitled to less than two members at any time, regardless of population. The Chief Executive shall make recommendations to the High Commissioner with respect to such reapportionment.

(c) No person shall be eligible to be a member of the Legislature who is not a citizen of the Trust Territory, who has not attained the age of twenty-one years, who is not a qualified voter in the Trust Territory, and who has not been a bona fide resident of the Trust Territory for at least two years preceding the date of his election. No person who has been convicted of a felony or of a crime involving moral turpitude shall be eligible to be a member of the Legislature unless such person has been pardoned and has had restored to him his civil rights. The Legislature

CONFIDENTIAL

shall be the judge of the selection and qualification of its members.

(d) All citizens of the Trust Territory, eighteen years of age or over, shall be entitled to vote for the member of the Legislature in the subdistrict in which they reside, except that persons who have been convicted of a felony shall not be so entitled unless they have been pardoned and have had restored to them their civil rights.

(e) General elections of members of the Legislature shall be held every three years beginning in 1964 on the first Tuesday following the first Monday in November and ending not later than three weeks thereafter. Each member shall hold office for a term of three years, commencing at noon on the third day of January following his election.

(f) There shall be two regular sessions of the Legislature held in each year, one beginning on the third day of January and the second beginning on the first day of July. Each of the regular sessions shall continue for not to exceed forty-five consecutive calendar days. The Legislature shall meet in special session at the call of the Chief Executive or the High Commissioner at such time and place as may be specified in the call, but no legislation shall be considered at such session other than that specified in the call or in a special message. All sessions of the Legislature shall be open to the public, and the Legislature shall keep a journal of its proceedings in English and publish the same. Every bill passed by the Legislature and the yeas and nays on any question shall be entered into the journal.

CONFIDENTIAL

(g) The Legislature shall have and exercise all the authority inherent in legislative assemblies, and shall have the power to institute and conduct investigations, issue subpoenas and administer oaths whether the Legislature is in session or otherwise.

(h) No member of the Legislature shall be held to answer before any tribunal other than the Legislature for any speech or debate in the Legislature, and the members shall, except in case of treason, felony, or breach of the peace, be privileged from arrest during their attendance at the sessions of the Legislature and in going to and returning from the same.

(i) Each member of the Legislature shall receive an annual salary of \$3,000, payable at such times as may be provided by law. Each member shall also receive transportation at the expense of the Government of the Trust Territory and a per diem allowance at the same rate as other officers of the Government of the Trust Territory while on official business. The salaries and other expenses of the Legislature shall be paid from the funds of the Government of the Trust Territory.

(j) No member of the Legislature may hold another position, except that of Chief Executive, in the Government of the Trust Territory, the Office of the High Commissioner, or the United States Government during his term as member. If a member serves as Chief Executive, he shall receive only the compensation of the Chief Executive during such service. No member shall, during the year following the expiration of the term for which he was elected, be appointed to any office in the Government

CONFIDENTIAL

of the Trust Territory which was created, or the salary or of which were increased, during such term.

(k) Whenever, prior to six months before the date of the general election of members of the Legislature, a vacancy occurs in the Legislature, the Chief Executive shall, within sixty days, have a special election held to fill such vacancy in the subdistrict in which the vacancy occurs.

SEC. 8. Enactment of laws. (a) The enacting clause of all bills shall be: "Be it enacted by the Legislature of the Trust Territory of the Pacific Islands", and no law shall be enacted except by bill. The Chief Executive may submit proposed legislation and messages to the Legislature for its consideration. No bill shall be passed by the Legislature except at a meeting during a regular or special session, at which a quorum of at least eleven members is present, by the affirmative vote of the majority of members present and voting.

(b) Every bill passed by the Legislature shall, before it becomes a law, be presented to the Chief Executive. If the Chief Executive approves the bill, he shall sign it. If the Chief Executive disapproves the bill, he shall return it, with his objections, to the Legislature within ten days after it shall have been presented to him. If the Chief Executive does not return the bill within such period, it shall be a law in like manner as if he had signed it, unless the Legislature by adjournment prevents its return, in which case it shall become a law if signed by the Chief Executive within thirty days after it shall have been

CONFIDENTIAL

presented to him; otherwise it shall not be a law. When a bill is returned by the Chief Executive to the Legislature with his objections, the Legislature may proceed to reconsider the bill. If, after such reconsideration, two-thirds of all the members of the Legislature present vote to pass the bill, it shall be sent to the High Commissioner. If the High Commissioner approves it, he shall sign it. If he does not approve it within forty-five days after it shall have been presented to him, it shall not be a law. If any bill presented to the Chief Executive should contain several items of appropriation of money, the Chief Executive may object to one or more of such items or any portion or portions of the bill. In such case, the Chief Executive shall append to the bill, at the time of signing it, a listing of the items or portion or portions thereof objected to, and those items or portion or portions shall not take effect. In computing any period of days under this section, Sundays and legal holidays shall be excluded. Copies of all laws enacted by the Legislature shall be transmitted within fifteen days of their enactment by the Chief Executive to the High Commissioner and the Secretary of the Interior.

SEC. 9. United States funds. The High Commissioner shall annually, in consultation with the Chief Executive, develop a budget for the United States funds to be appropriated for the use of the Government of the Trust Territory. That budget shall be submitted to the Legislature for its review and recommendations. The High Commissioner shall adopt such recommendations of the legislature as he may deem appropriate and transmit

CONFIDENTIAL

the other recommendations together with the budget to the Secretary of the Interior. Upon receipt of an allocation of appropriated funds, the High Commissioner shall allocate such funds for obligation and expenditure among the various activities of the Government of the Trust Territory in accordance with the budget and the actions taken thereon by the Secretary of the Interior, the President, and the Congress. He shall take such steps as may be necessary to insure that United States funds are properly used by the Government of the Trust Territory, and he may withhold any or all such funds for such periods of time as he may deem necessary if they are not properly utilized.

SEC. 10. United States interest. With proper regard for the basic liberties of the people of the Trust Territory and the rights of the government and the people of the Trust Territory and the need to encourage the development of an effective and responsible civil government in the Territory, based on democratic principles and supported by a sound financial structure, the High Commissioner, with the approval of the Secretary of the Interior, may, if such action is deemed essential for the fulfillment of the United States responsibility for the security of the Trust Territory, or for the security of the United States: (1) veto any bill or any portion or portions thereof which may be presented to the Chief Executive under section 8 of this order; (2) annul any law or any portion or portions thereof enacted under section 8 of this order within forty-five days after its enactment; and (3) remove any public official from office in the Government of the Trust Territory. With the approval

CONFIDENTIAL

of the Secretary of the Interior, the High Commissioner may assume in whole or in part the exercise of executive and legislative power and authority in the Trust Territory, if such assumption appears mandatory for security reasons.

SEC. 11. The Judicial Branch. The judicial power and authority of the Government of the Trust Territory shall be vested in a High Court for the Trust Territory, a District Court for each of the six districts described in section 1 of this order, and such local courts as may be established by law from time to time. The High Court shall have jurisdiction over the entire Trust Territory, and shall consist of a Chief Justice and an Associate Justice, who shall be appointed by the Secretary of the Interior, and such temporary and special judges as the Secretary of the Interior may designate from time to time. The High Court shall consist of a Trial Division and an Appellate Division. The Trial Division shall consist of the Chief Justice and Associate Justice, except that sessions may be held by either judge alone, and shall have original jurisdiction to try all civil cases where the amount claimed or value of the property involved exceeds one thousand dollars (\$1,000), all admiralty and maritime matters, all civil cases involving the adjudication of title to land or any interest therein, and all criminal cases in which the maximum punishment which may be imposed exceeds a fine of two thousand dollars (\$2,000) or imprisonment for more than five years or both. The Trial Division shall have jurisdiction to review on appeal the decisions of the district courts and to review on the record the decisions of

CONFIDENTIAL

district and local courts in which no appeal is taken. When a murder case is assigned for trial, the judge of the High Court assigned to preside at the trial shall assign two of the special judges appointed for the district in which the trial is to take place to sit with him in the trial thereof. The special judges shall participate with the presiding judge in deciding, by majority vote, all questions of fact and the finding and sentence, but the presiding judge alone shall decide all questions of law involved in the trial and determination of the case. The Appellate Division shall consist of three judges assigned by the Chief Justice from among the temporary judges designated by the Secretary of the Interior, provided that either the Chief Justice or the Associate Justice may also sit as a member of the Appellate Division in a case which he has not heard as a judge in the Trial Division. The Appellate Division shall have jurisdiction to review on appeal the decisions of the Trial Division in all cases originally tried in the High Court, cases decided by the High Court on appeal from a district court involving the construction or validity of any law or regulation or written enactment intended to have the force of law, cases decided by the High Court on review of a district or local court decision in which that decision has been modified or reversed, and cases on appeal directly from a district or local court involving the construction or validity of any law or regulation or written enactment intended to have the force of law. The concurrence of two judges shall be necessary to a determination of any appeal by the Appellate Division of the High Court, but a single judge

may make all necessary orders concerning an appeal prior to the hearing and determination thereof, and may dismiss an appeal for want of jurisdiction, or failure to take or prosecute it in accordance with applicable law or rules of procedure, or at the request of the appellant. Each district court shall consist of a presiding judge and may include one or more associate judges, all of whom shall be appointed by the Chief Executive for a definite fixed term to be prescribed in law. The jurisdiction and manner of operation of the district courts and local courts shall be prescribed in law.

SEC. 12. District government. (a) The chief executive and administrative official of the Government of the Trust Territory in each of the six districts described in section 1 of this order shall be a district administrator who shall be appointed by the Chief Executive with the approval of the High Commissioner. The district administrator shall, under the general supervision of the chief executive, assist in the faithful execution of the laws of the Trust Territory in his district, shall perform such duties as the Chief Executive may assign, and shall be responsible for the coordination of the activities of the departments and agencies of the Government of the Trust Territory in his district. He shall also faithfully execute the laws of the district legislature of his district and shall consult with such legislature.

(b) The legislative power and authority within each district shall be vested in a district legislature which shall be established by law of the Trust Territory. The membership of such a legislature shall be

CONFIDENTIAL

determined by law, but shall be elected in such manner as (will provide for) fair representation of all the people of the district on the basis of population. The power of the legislature shall be set forth in law, but shall not extend to matters which are within the jurisdiction of the Legislature of the Trust Territory nor shall it enact laws which are inconsistent with the laws of the Trust Territory, the treaties and international agreements of the United States, the laws of the United States applicable to the Trust Territory, or the provisions of this order. Every bill passed by the district legislature, before it becomes a law, shall be presented to the district administrator. If the district administrator approves the bill, he shall sign it. If the district administrator disapproves the bill, he shall return it, with his objections, to the district legislature within ten days after it shall have been presented to him. If the district administrator does not return the bill within such period, it shall be a law in like manner as if he had signed it, unless the district legislature by adjournment prevents its return, in which case it shall become a law if signed by the district administrator within thirty days after it shall have been presented to him; otherwise it shall not be a law. When a bill is returned by the district administrator to the district legislature with his objections, the district legislature may proceed to reconsider the bill. If, after such reconsideration, two-thirds of all the members of the district legislature present vote to pass the bill, it shall be sent to the Chief Executive. If the Chief Executive approves it, he shall sign it. If he does not approve it within

CONFIDENTIAL

forty-five days after it shall have been presented to him, it shall not be a law. In computing any period of days under this section, Sundays and legal holidays shall be excluded. Copies of all laws enacted in the districts shall be transmitted within fifteen days of their enactment by the district administrators to the Chief Executive and the High Commissioner. The salaries and expenses of the district legislatures shall be paid from the funds of their respective districts.

SEC. 13. Municipal Government. The Government of the Trust Territory may, by law, charter such municipal governments as are deemed appropriate and desirable based on the wishes of the people concerned and the need to provide for an effective government. Such charter shall provide for the organization of the municipality to exercise governmental, economic, and social functions not inconsistent with this order or the law. The charter shall provide for legislative, executive and judicial instrumentalities as appropriate which shall exercise such powers as may be assigned to them by the charter. Each charter shall provide for the election of a magistrate by the residents of the municipality. The magistrate shall assist the Chief Executive and the district administrators in the execution of the laws of the Trust Territory and the districts, for which he shall receive such reimbursement as may be provided in the laws of the Trust Territory.

SEC. 14. Federal reservations. The Secretary of the Interior is authorized, from time to time to designate portions of the Trust Territory as Federal reservations for the use and purposes of Federal departments and agencies.

CONFIDENTIAL

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SEC. 15. Savings provision. Except as they may be modified, with, the laws, orders, proclamations, regulations, ordinances, and other directives heretofore issued by the Secretary of the Interior, the High Commissioner, the Government of the Trust Territory, or other public officials and bodies in the Trust Territory in effect immediately prior to the effective date of this order shall continue in force and effect until modified, revoked, or superseded under the authority of this order. No proceeding, either civil or criminal pending in any court in the Trust Territory on the date of this order shall abate by reason of this order; and any such proceeding shall be conducted and concluded in accordance with the laws, orders, proclamations, regulations, ordinances, and other directives in effect immediately before the date of this order. Nothing in this order shall be construed as modifying the rights or obligations of the United States under the provisions of the trusteeship agreement or as affecting or modifying the responsibility of the Secretary of State to interpret the rights and obligations of the United States arising out of that agreement.

SEC. 16. Superseded order. Executive Order No. 11021 of May 7, 1962, is hereby superseded.

SEC. 17. Effective date. This order shall become effective _____

THE WHITE HOUSE

CONFIDENTIAL