DEPARTMENT OF STATE A/CDC/MR

TO The Under Secretary REVIEWED BY B.H. BAAS DATE 3/25/87

s/s THROUGH:

RDSCOT XDSCEXT. DATE

PRASON(S)

: IO - David H. Popper FROM

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SUBJECT:

Your Meeting with Secretary of the phospics

Udall on the Future of the Trust Territory

of the Pacific Islands, Wednesday, July 19

at 2:00 PM -- DRIEFING IEMORANDUM

You have agreed to meet with Secretary of the Interior Udall to try to reach agreement on an Administration position on the future of the Trust Territory of the Pacific Islands. The hearing by the House Interior Committee has now been tentatively re-scheduled for July 25. Interior understands that Congressman Aspinall plans a short session limited to a statement by Udall to be followed in August by more comprehensive hearings including testimony from the Departments of State and Defense.

State Position - Given the absence of U.S. sovereignty in the Trust Territory of the Pacific Islands and the constraints of the 1947 Trusteeship Agreement, we have concluded that the only feasible way to achieve our full objective of terminating the Territory's trusteeship status would be through a program of accelerated political development leading to an act of self-determination in which the Micronesians would choose between independence and some form of self-government in continuing association with the United States. By standards we ourselves have helped establish, such a degree of self-government would require an elected chief executive. There would be ample flexibility to include necessary safeguards for such matters as foreign affairs, defense needs and Congressional control of Federal funds spent in the area. Moreover, a transitional period of five years would provide sufficient time for political preparations in the Trust Territory of the Pacific Islands, as well as for parallel adjustments in Guam, American Samoa and the Virgin Islands.

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Interior Position - Interior favors extension of U.S. territorial status to the Trust Territory of the Pacific Islands. In flat contradiction to the Department of State's considered judgment, Interior believes we have the latitude under the Trusteeship Agreement to accord such non-self-governing status to the Territory, and that we should in any case be prepared to do so.

Interior's Arguments - Interior has variously stated the following reasons for opposing a self-governing status: (a) the Micronesians are not ready for self-government; (b) the Trusteeship Agreement only obligates the United States to move the people "toward" self-government while taking into account the Territory's special circumstances and the wishes of theppeople; (c) historically, U.S. territories have moved through a progression of slow advances from non-self-governing status to ultimate integration and a self-governing status for Micronesia would leapfrog this progression and the status of other U.S. territories; and (d) the Congress, which supposedly shares Interior's assessment of Micronesian preparedness and historically established procedures for territorial development, would not grant self-government to the Trust Territory for the foresecable future.

Although Interior is opposed to an Executive Branch position which advocates self-government for the Territory in the foreseeable future, it is agreeable to ambiguous legislation and a situation allowing Interior to argue its own case freely before Congress and any Commission. Moreover, it might settle for an arrangement which specifically affirmed the State Department's responsibility for interpreting U.S. rights and obligations under the Trusteeship Agreement in the belief that Interior could still make its case indirectly or though unofficial comments to a sympathetic Congressional committee. In reaching this position Interior seems primarily motivated by an ingrained outlook and by its assessment of Congressional views. In particular it appears unwilling to cross Congressman Aspinall and Senator Jackson who control Interior's politically sensitive budget.

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Suggested Approach to Udall - Ideally, we would still hope to enlist the support of Interior in a joint approach to the Congress with a recommendation calling for the establishment of a Presidential Commission to make proposals for a self-governing Micronesia in the context of our strategic objectives and our international commitments. Failing this we must at a minimum prevent the Department of State and Interior from taking mutually inconsistent positions on this question before the Congress. This could be achieved if Secretary Udall were to agree to a precise division of responsibility in testimony before the Congress, i.e., Interior would address itself to the political situation in the Trust Territory and State alone would interpret our rights and obligations under the Trusteeship Agreement. Ve recognize that this procedure might result in a Congressional conclusion that we cannot achieve our full objective of terminating the Trusteeship Agreement at this time given the legal requirement for self-government and Interior's view that Micronesia is not ready for self-governing status.

We have attached specific talking points for your discussion with Secretary Udall and also prepared a book of background documents.

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#### TALKING POINTS

- 1. Achievement of agreed U.S. policy objectives in the Trust Territory of the Pacific Islands can only be assured if the Administration makes a united, persuasive presentation to the Congress. I am ready to join you and someone from Defense in informal Congressional consultations prior to the Committee hearings in an effort to inform Congress of our defense objectives and the limits within which the United States can act.
- It is the considered judgment of the Department of State that the terms of the Trusteeship Agreement require that we offer some form of self-government or independence to the Trust Territory of the Pacific Islands as the way of terminating the trusteeship status. As for Interior's legal interpretation of the Agreement, we have always concluded that the word "toward", which Interior would emphasize in support of non-self-governing status, describes our obligations so long as the Agreement is in effect but does not apply to the manner in which trusteeship status may be terminated. Termination of trusteeship status, which is our commonly agreed objective, is legally possible only if the peoples of the Trust Territory have freely chosen either self-government or independence. Contemporary political realities also require that they be offered such a choice.
- 3. The Department fully appreciates Interior's assessment of the present political preparedness of the Micronesians and of Congressional sentiment. We believe, however, that it is possible within the five-year transitional period to institute an accelerated program of political development leading to a self-governing Micronesia with necessary safeguards on such matters as defense, foreign affairs, and Congressional control of federal funds spent in the area. The same five-year period would allow enough time for Congress to make any desired changes in the American territories of Guam, Samoa and the Virgin Islands.

4. A forceful presentation of our security objectives, our international obligations, and our ability to safeguard our special concerns might effectively counter the Congressional attitudes which Interior believes exist. In any event, we have not yet approached the Congress in these terms and we would be remiss if we did not try. If Interior's assessment of Congressional attitudes should prove correct, we would re-assess the situation.

If Secretary Udall proposes instead that each Department be free to express its own view to Congress on the various factors involved in the termination of the Trusteeship Agreement, you may wish to make the following points:

- 1. The presentation of Interior's views on the legal requirements for terminating the Trusteeship Agreement would sharply conflict with those which the State Department would be forced to present. Under Executive Order 11021 of May 7, 1962, sole responsibility for the interpretation of U.S. rights and obligations under the Trusteeship Agreement rests with the Secretary of State. The spectacle of conflicting and mutually inconsistent Administration testimony is unacceptable.
- 2. We can avoid the unacceptable situation of divided Administration testimony if the three Departments were to agree on a strict division of testimony:
  - A) The Department of Defense would explain national security considerations.
    - B) The Department of the Interior would explain the political situation in the Trust Territory.
    - C) The Department of State would interpret the rights and obligations of the United States under the Trusteeship Agreement in accordance with Executive Order 11021, of May 7, 1962.

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- 3. It is important that this division of responsibility be adhered to strictly. At the same time we should recognize that the extent to which Interior maintains that the Micronesians are incapable of meeting the political limitations outlined by the Department of State will have a substantial effect on the conclusions of Congress or a Commission as to our ability to meet our policy objectives at this time.
- 4. If the Congress or a Commission were unable to recommend arrangements that would go far enough to permit termination of the trusteeship status, there might nevertheless be some advantage in recommendations addressed to the political, economic and social development of the Territory looking toward a later change in political status.