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INR	E	P	10	SECRET CA-2678 (with UNCLASSIFIED enclosures) No.	
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USIA	NSA	CIA		TS AUTH. REASON(S)	
				LIMDIS NO DISTRIBUTION OUTSIDE THE DEPARTMENT OF THE DEPARTMENT O	1
SUGGESTED DISTRIBUTION				PA or FOI EXEMPTIONS Department May 1 called in representatives of British	
[·			(Spendlove), Australian (Woodard) and New Zealand (Plime Embassies to provide relatively candid background brieff on our intentions regarding TTPI and to put misleading press stories in proper perspective.	mer) ing
	POST. R	OUTING		In addition to points made reftel, Department officers	S
TO:	Action	Info.	Initials	reviewed history of our efforts to resolve future of Territory and in particular fate of the legislation to	
PO DCM				establish US Status Commission. We explained need for action at this time involved both our own interests and	 ,
POL ECON				those of Micronesians. In addition to political drawbac	cks
CONS				of maintaining trusteeship in this era, US desired more	
ADM				definitive status because of strategic importance of are Although there were no immediate plans for redeployment?	
AID				into Territory, we were increasingly conscious of post-	<u> </u>
USIS				Okinawa and post-Vietnam requirements, with consequence that our desire to formalize our ties with Territory had	a P
				increased.	g. E
FILE				For their part, the Micronesians were displaying far	<u>.</u>
Action	Taken:			greater interest in their future. This was reflected in activities of Micronesian Status Commission, which seems likely to recommend "free association" as first choice w	ed
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independence as second best alternative, Commission's Pacific trip, petitions to Trusteeship Council, and so on. Although there was some uncertainty about Micronesian attitudes, Micronesian views were clearly in a state of fairly rapid evolution and, if we failed to act soon, they might get out of hand.

In reviewing purpose of Secretary Hickel's visit (see paragraph reftel one) we pointed out that, although many of reforms he would mention were not really new, his commitment to them was important new factor, as was his personal involvement in terms of this visit and his address to Congress of Micronesia. Thus his visit should be a significant step forward.

As for the future status, we said Secretary Hickel would propose that a representative group of Micronesians meet with a group representing the US Government to work out a mutually acceptable status. It was too early to define the contents of such a status or predict how the Micronesians would be given a chance to express their views. Thus the implication some recent newspaper stories (see enclosures 1 and 2) that a number of points had already been decided in advance, or that we simply planned to "annex" the Territory, were inaccurate.

Following additional points were made in response to questions:

- 1. There had been no decision simply to transfer all US military facilities from Okinawa to the Trust Territory. Future utility of Okinawa remained to be determined and TTPI could not serve exactly same purposes in any case. Thus future deployments in TTPI would involve much broader considerations.
- 2. Activities of the Micronesian Status Commission acting alone had proved a problem, but we saw little prospect of US status commission, and we would have to proceed in less formal fashion. As to the attitudes of Commission members and Micronesians as a whole, we felt they were not anti-American, although there were probably a wide range of views -- and a variety of motives. On the whole we thought leadership had pragmatic attitude toward United States, including subject of bases. They realized their problems and their main concern was to ensure that they received reasonably fair treatment and increasing share in control of

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their own destiny. We acknowledged role of not-altogetherhelpful outside influences such as some Peace Corps volunteers, Professor Davidson, and an American lawyer. However, these people seemed well intentioned, and we could hardly blame Micronesians for using tools at hand.

- 3. Although some Micronesians have been speaking in terms of a unilateral right to end their association with US (such as the Cook Islands obtained from New Zealand), there was no constitutional precedent for such step within US system and it was hard to conceive such a status being offered to the Micronesians.
- 4. We could not envisage a block grant of funds to the Territory such as New Zealand gives the Cook Islands. The first emphasis would probably be on increasing local revenues, possibly followed by a small block appropriation, which might be gradually increased in size. Thus we admitted there would be some limits on degree of self-government granted -- at least in immediate terms. We could never satisfy extreme critics at United Nations, but Micronesians realized that they had to go through stages and work within our system.
- 5. US practice with other territories involved a gradual progression of status and there was strong opposition to changing the procedures. Nevertheless, there was flexibility within the system and if we could avoid the use of old labels with fixed meanings we could work out suitable arrangements.
- 6. Finally, we declined to project an official time frame for our program, noting that there were differing views and a need for more information as to Micronesian views.

In general all three representatives seemed to understand our problems and to sympathize with them. They agreed with our estimate that the road ahead was likely to be bumpy, but they gave no signs of wishing to make it more so.

Enclosures:

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ROGERS

- 1. "Washington Daily News" Article.
- 2. "The Washington Post" Article.

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