03 Oct. 25,

REVIEW OF OCTOBER POLITICAL STATUS DISCUSSIONS

General: The Micronesians arrived on September 30 and began negotiations the following day. After a week of discussions it appeared to the US group that the issue of US military use of lands in Micronesia was important in obtaining agreement. During the second week, the Micronesians held a caucus to determine their position on various issues, and presented a number of issue papers to the US group.

During the final week, discussions resumed with further exchanges centered mainly on the land question.

Land Question: The land issue appears to have become central to an agreement by the Micronesian delegation. It involves primarily the question of whether the United States should have the right of eminent domain in Micronesia. Micronesian position is that the United States should not have that right, but that the Government of Micronesia or a body acting by its authority should have the power to permit or reject military acquisition of land in Micronesia. The US position has been that whatever the procedure used. the United States would have the power to condemn land for military or other use. The two positions, as expressed, are irreconcilable; however, it is not yet clear that the position expounded by the Micronesian delegation is immutable.

٠.

On October 16 Assistant Secretary Loesch (the Chairman of the US negotiating team) announced to the US team that he had been directed by Secretary Hickel to make a proposal to the Micronesians without consulting with or informing other team members. He complied with these instructions, notifying the Micronesian delegation that, if it would commit itself to "permanent association" with the United States, Secretary Hickel would "agree to their land position" and attempt to obtain the approval of Secretaries Laird and Rogers. The Micronesians agreed to this proposition, and also that if either side failed to obtain "favorable response" to the proposition (the Micronesians on "permanent association"), then both sides would renew negotiations from the positions held prior to the Department proposal. The Interior proposal was clarified so as to exclude agreement on the totally unacceptable Micronesian position regarding territorial seas. Before departing the Micronesians indicated that they hoped to hear further from Secretary Hickel during his proposed trip to Micronesia planned for November.

Results: The concrete results of the October meetings were limited to the Micronesian concurrence to the tentative Interior proposal and the mutual agreement to continue

meeting. However, for the first time there has been an opportunity for an exchange of views. A channel of communication has been opened for future discussions on both a
formal and informal basis, in both the United States and
the Trust Territory. The United States has learned of
the prime importance of the land issue, at least at this
time.

Obviously a settlement of some kind must be reached on this issue if an overall agreement is to be achieved. The question remains whether the United States can put its land proposal in an overall package of sufficient attractiveness to secure Micronesian acceptance, or whether only our foregoing of the right of eminent domain will suffice.