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Talking Points for Briefing of Secretary,
Tuesday, 11:30

1. Purpose of your meeting tomorrow is essentially to decide how next to proceed in discussions with Micronesians concerning their future political status.
2. As you know, this spring the Administration decided to move forward rapidly to resolve the Territory's status by extending US sovereignty over the islands and ending the Trusteeship. It was felt that the Micronesian expectations were actually getting ahead of our actions and that time would only serve to make things worse; that our future strategic posture in the Pacific required the resolution of transitory trusteeship status of the islands; and that Congressional concerns over Micronesian attitudes and outside influences were growing.
3. The issues you will be dealing with tomorrow grow immediately out of our initial talks with the Micronesians in October. We intended to proceed in those talks as agreed by Under Secretaries Committee in August, by offering piecemeal an organic Act which would be passed by the US Congress and would cover all aspects of the future status.
4. Micronesians did not respond to this approach, however, and put forward papers of their own on certain aspects of the status. The talks were thus very inconclusive, but we got two significant impressions:
 - a) Micronesians' principal concern is land. They put forward a proposal providing that US would give up all right of eminent domain. All property owned, controlled or used by the Trust Government or the US would be transferred to the new Micronesian Government in a maximum of five years. The US could acquire land in the future only through arrangements providing for Micronesian Government concurrence.
 - b) Micronesians appeared to envisage a far greater degree of independence than we contemplated.

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5. Secretary Hickel was sufficiently impressed with their focus on land, and apparently concerned at their far-reaching ideas of independence, that at the end of the talks he agreed to accept their land proposal in return for their agreement to an undefined permanent association. Each agreed to seek approval within his administration.
6. This is the first issue for your consideration tomorrow. The proposal put forward for consideration by Interior actually represents a modification of the one the Micronesians gave us (although Interior has not set forth the specifics of the changes they contemplate). Interior considers that it is implicit in a territorial relationship that the President has emergency powers of land acquisition. What we would be surrendering therefore is the right to acquire land by condemnation. Although Interior has not specifically mentioned the Micronesian proposal that we relinquish all our current holdings in the Territory within five years, they apparently have in mind solving this problem through other means of acquiring land. Specifically, Interior contemplates provisions allowing the USG to rent and buy land where agreement can be reached with the Micronesians. Furthermore, Interior believes that the right of land disposition should be vested in district legislatures rather than in the Territorial legislature, since the former would be more inclined to make land available, particularly in certain key districts.
7. You have informed Secretary Hickel by letter that you do not concur in acceptance of the original Micronesian proposal because it does not assure our being able to acquire land for national security purposes. We do not believe the modified version differs enough to call for a different judgment. In fact, we seriously question whether the Micronesians themselves would accept it since it calls for retention of eminent domain rights of an emergency nature.
8. Thus the dilemma we face is the obvious conflict between our desire on the one hand to acquire sovereignty over Micronesia (not just to deny it to others, but because we envisage the need to utilize the Territory for strategic purposes), and the Micronesian desire, on the other, to ensure that their interests in their lands are protected. The need

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therefore is to continue probing to determine possible areas of accommodation in the two positions. We think it is reasonable for the US to stick with our land proposal put forward during the recent talks. This provides that if the US wants land and the Micronesian legislature does not agree, appeal shall be made to the US 9th Circuit Court of Appeals, whose judgment shall be binding. Since it does not meet Micronesian desires, however, the interagency group agreed that it should be presented as part of a package that had other features attractive to the Micronesians.

9. This package is your second issue tomorrow, presuming the Interior land proposal is not agreed to. The package proposed by the Interagency Working Group is a plan providing for a Micronesian constitutional convention to draw up a constitution within quite narrow limits. It is a modification of a plan recommended by the Interagency Group to the Under Secretaries Committee in August as a fallback -- but never actually considered or approved by the Committee. The package actually consists of an Enabling Act to be passed by the US Congress authorizing the Micronesians to hold a constitutional convention and defining the parameters within which the resulting constitution must fall. The constitution would be referred to the President, who would determine if it did conform to these parameters. If satisfied, the President would authorize the High Commissioner to hold a referendum to seek Micronesian approval of the constitution. If approved, the constitution would take effect.

There are two primary issues raised by the Interagency Group recommendation to offer this package:

a) Should we at this stage give the Micronesians, whose position is still so unclear, a complete status plan which is close to being as forthcoming as we would want to be?

b) And, if we do put it forward: should the plan provide for an elected or an appointed executive, or should it offer both as alternatives?

10. Regarding the first question, the working group concluded that the October discussions carried us past the point where the earlier piecemeal negotiating tactic was relevant. Not only was it based primarily on the concept of an Organic Act,

but isolating issues seemed to encourage far-reaching positions from the Micronesians and highlight our disagreements. A more forthcoming proposal would have the advantage of regaining the initiative from the Micronesians, hopefully pulling them back from extreme positions, and would give us a chance to balance the restrictions in our position against the more positive aspects in other parts of the overall status. As for the constitutional convention format, it meets a Micronesian request apparently second only in importance to the land issue.

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Finally, as a total package clearly indicating the type of association we are contemplating, such an offer should elicit from the Micronesians a response which will clarify the basic nature of their intentions. We feel that these advantages justify our presenting this proposal, even though we recognize that a convention may produce unacceptable proposals which we would have to reject publicly.

11. The question of the executive has throughout been a controversial one within the Government. Aspinall, believing that a period of tutelage is necessary prior to self-government, desires an appointed executive for a period of years and opposes immediate provision of an elected executive. Interior and Defense are primarily influenced by the need to obtain Aspinall's approval for any arrangement before it can succeed. State has argued that an elected executive is the minimum necessary to meet the Trusteeship Agreement requirements for self-government. (Jack Stevenson will go into this in more detail). The Under Secretaries Committee decided in August that, after an initial round with the Micronesians, the Executive Branch should approach Aspinall in an endeavor to persuade him of the need for an elected executive. The round provided no insight into Micronesian views on the question, however. *Aspinall's view is in these documents*

12. It was not possible for the Working Group to agree on either the appointed or elected executive in presenting the constitutional convention package at this time, and Defense suggested putting both as alternatives.

*Let the
decision be
made by
the WG*

13. There are disadvantages in either of the two alternatives, as well as in presenting the choice. If the Micronesians opt for the elected executive, we still have to sell it to Aspinall and conceivably would not be able to deliver. This

possibility will have to be indicated in advance to the Micronesians. If by any chance they choose the provision for a period with an appointed executive -- and this is not inconceivable -- we shall have serious problems selling this in New York, though the fact that they were offered an elected executive will help. Depending on the circumstances, it is quite possible that the risks of such a course would be judged unacceptable. In this case termination would have to be delayed until the end of the appointed governor period.

14. We see no better way, however. If we do not present our concept of a political status in a realistic and reasonable form, we risk losing the initiative still further and encouraging the Micronesians to lock themselves in with forms that we could not accept. The executive question is too important to leave out of the initial presentation of such a package. From State's point of view, it would be most unwise to offer only an appointed executive, since it is less than the minimum acceptable position for meeting our trusteeship obligations to offer self-government. And failing to meet this requirement could very well, over time, through the international criticism leveled against us, stimulate Micronesian discontent, thus endangering our basic objective of a secure and loyal base on which to anchor our strategic interests.

On the other hand, Interior, with Defense accepting the Interior view, will not agree to present only the elected form, since this would in effect rule out Aspinall's preference without even a push from the Micronesians.

Thus the offer of both choices keeps options open and in effect continues the Under Secretaries Committee's decision -- albeit in more direct form -- of exploring Micronesian thinking on this issue before taking any further steps with regard to either our Congressional or international interests.

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