TTAL DEPARTMENT OF STATE A/CDC/MR 19712 REVIEWED BY B.H. BATE 4/23/87 RDS or XDS EXT. Deschington, D.C. 20520 TS AUTH. REASON(S) ENDORSE EXISTING MARKINGS December 19, 1969 DECLASSIFIED RELEASABLEN advised : 2/24 RELEASE DENIED SECRET PA or FOI EXEMPTIONS The Secretary TO: s/s Rhi THROUGH: IO - Samuel De Palma FROM:

SUBJECT: Micronesia: The Next Step - ACTION MEMORANDUM

The Interagency Working Group met December 17 to consider the next step in the discussions regarding the future of the Trust Territory of the Pacific Islands in the light of the meeting which you had with Secretary Hickel, Dr. Kissinger and Assistant Secretary Nutter the previous day.

Assistant Secretary Loesch still feels that he has a commitment to go to Micronesia and to inform the Micronesian delegation of the fate of the Interior Land Proposal. Mr. Loesch believes, however, that he should also be able to offer the Micronesians something, both to soften the negative aspects of his primary message and to provide a basis for further movement in the negotiations. In view of the decision at your meeting to slow down the pace of the negotiations and the feeling expressed that we should not turn to the Constitutional Convention approach at this time, the suggestion was made that Mr. Loesch offer the Micronesians the complete Political Status Act (sometimes referred to as the revised Organic Act) (Tab A), which was approved by the Under Secretaries at their meeting of August 28. The Act would be amended to:

 Include our last land proposal (attached at Tab B), which would provide for appeal to the 9th Circuit Court of Appeals in cases of dispute. (Condemnation proceedings under eminent domain, even in the United States, are subject to judicial review.)

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 Include alternative proposals providing for Micronesian choice between an elected or appointed executive.

Although Defense is prepared to survey its land needs with a view to developing the further modifications in the US proposal which you discussed, it believes we should make at least one further effort to obtain Micronesian movement in our direction before changing our last offer.

The representatives of Defense, Interior and the NSC approved this approach. Department representatives agreed ad referendum.

It is We believe that this approach is a reasonable one. consistent with the decision of your meeting that the pace of the negotiations should be slowed and that we should not make unwise offers in the interest of trying to achieve rapid agreement. On the other hand, offering the complete Political Status Act package does provide a vehicle for further discussion. Moreover, since it contains all of the elements of the status acceptable to us, the Micronesian reaction to it should help to clarify whether or not the two sides are really talking about the same kind of future for Micronesia. Furthermore, major elements of this package, including the revised land provisions, have already been offered to the Micronesians in piecemeal fashion. Thus, to offer the total package now, not only allows the Micronesians to view the separate issues in their overall context, but is a logical next step in our discussions with them.

RECOMMENDATION:

That you authorize us to agree to the Interagency Group proposal that Assistant Secretary Loesch offer the Micronesians the Political Status Act as amended.

Approve Mm & ADEC (4

Disapprove_

Attachment: Tab A - Political Status Act. Tab B - Land Proposal. cc: U, C, J

1.4.14 L/UNA - Mr. Boyd S/PC-Mr. Rus Clearances: IO/UNP - Mr. Day IO:UNP:SRPeale:NHFrisbie:jkb 12/18/69

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