

UNITED STATES GOVERNMENT

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY B.H. BATES DATE 4/23/82

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# Memorandum

TO : MEMORANDUM FOR THE FILES

FROM : IO/UNP: Samuel R. Peale *SRP*

SUBJECT: Micronesian Political Status Act - Assistant Secretary Loesch's Offer to the Micronesians

On the morning of December 29, 1969, IO/UNP received two copies of the revised Political Status Act which was to be offered to the Micronesians by Assistant Secretary Loesch during his trip to the TTPI commencing December 30. The two copies were accompanied by a chit, dated the same day, from Tom Whittington of Loesch's office asking for comments, if any, immediately in view of Loesch's imminent departure.

Sam Peale reviewed the bill and, in addition to several relatively minor points, discovered the following major problems:

1. In describing the "after 1981" portion of the appointed governor alternative, the draft used the language of the Constitutional Convention proposal which would in effect leave most of the structuring of the executive and the definition of its powers to the Constitution of Micronesia. Since this process would presumably involve a Constitutional Convention, it appeared completely contrary to the decision taken by the Secretaries December 16. The Political Status Act as originally drafted described the "after 1981" situation in terms almost identical to the Guam and Virgin Islands Elected Governor Bills. This was satisfactory and what we had expected.
2. In describing the powers of the appointed governor, the revised draft had borrowed several sections from the Legislative portion of the earlier draft. While this presented no problems during the term of the appointed governor, it meant that either in 1981 or immediately (depending on the choice of the Micronesians) these provisions would no longer apply. This was unacceptable so long as the "Organic Act approach" was being used.

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3. Instead of being included in the provisions for an elected governor, either now or in 1981, the Comptroller provision was moved to the Fiscal Section and was written to become effective immediately. This point had been discussed at some length in drafting the original bill and to change it now without discussion seemed unacceptable.

4. Section 107 of the Elected Governor alternative, dealing with the future of Federal employees in the TTPI, had been included in the Miscellaneous Section in the earlier draft - where it still belonged.

5. The entire Legislative Section had been removed - for no apparent reason.

6. The Fiscal Section had as its second provision an authority for the Micronesians to levy their own duties on goods coming into the Territory. This was an entirely new provision seemingly quite inconsistent with the proposed status of unincorporated territory. In fact it sounded just like language the Micronesians themselves might have drafted.

7. The provision included in the first draft for a referendum to seek Micronesian approval of the bill had been dropped - again for no apparent reason.

In view of these major problems, Sam Peale called Tom Whittington to describe UNP's views and to learn the thinking behind these changes. Whittington was, to put it mildly, slightly taken aback. He said that he had received the revised bill on Wednesday, December 24 (the job of revision had been given to an assistant in the Solicitor's office) and that he had sent it for reproduction without reading it. Sam Peale's was the first reaction he had received, and he had still not looked at the revised text.

He agreed entirely that the problems pointed out were valid ones and that the revision was not consistent with the Agreement of the Inter-agency group. Whittington and Peale agreed that it was their understanding that the Political Status Act

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as approved at the end of August by the Under Secretaries was only to be revised so as to include (a) provisions for US nationality instead of citizenship; (b) two alternatives for the Executive; and (c) the last agreed proposal on the land issue. While other minor changes could be made, there had been no mention of major revisions and none was intended at this time. Whittington specifically agreed that Assistant Secretary Loesch did not have authority to present a draft bill with such changes to the Micronesians at this time - and Whittington was sure it was not Loesch's intention.

With considerable gnashing of teeth and a few moans, Whittington blamed it all on bumbling and expressed his thanks for having the problem brought to his attention.

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