DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY B.H. BAAS DATE 4/23/81

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The Secretary

The Under Secretary,

FROM: Somuel De Palma

· SUBJECT:

Political Status Talks with Micronesia

ACTION - MELORANDIM

Our talks on Micronesia's future are approaching an important watershed.

The NSC Under Secretaries Committee will shortly review proposed next steps. Before proceeding, we need your guidance.

Status of Talks

A new round of talks is scheduled to begin on Saipan on May 4. This will be the last meeting before the Micronesian delegation reports to its Congress, which will consider the status question in July.

As you recall, last December you, Secretary Hickel, Mr. Kissinger and Defense representatives approved presentation of a Political Status (Organic) Act which would make Micronesia an "unincorporated territory" and which spelled out how Micronesians would exercise self-government. Assistant Secretary of the Interior Loesch presented the Act to the Micronesian Status Delegation in January. Micronesian reaction was markedly negative.

Group 3

Downgraded at 12-year intervals; not automatically declassified.

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Proposed Strategy

Our delegation would approach the new round of talks equipped with a draft constitutional convention bill, which would prescribe the main elements of the proposed status, and authorize a Micronesian convention to write a constitution, but only within the parameters provided by the bill.

As regards the nature of this bill, we have carefully examined the risks and benefits of the constitutional convention approach. Working Group members -- Interior, Defense, and State and the White House -- are unanimous that this approach, in its present form, entails minimal risks while offering the only prospect of a constructive dialogue. In the last few months it has become clear that the Micronesian leadership feels it must have a status bill which would permit the Micronesians themselves to define their institutions of self-government and provide a procedure which Micronesian leaders could accept and defend as Micronesian "participation." The Micronesian delegation has stressed that it is unwilling to continue the discussions on any other basis. At the same time, inasmuch as the bill would define all the major elements of the new status, the issue is largely one of procedure rather than substance.

Consistent with the Puerto Rican arrangement, the new bill would term Micronesia's status a "Commonwealth", although it would avoid the ambiguities in our relations which characterize the Puerto Rican status. The bill would reserve to the US essentially the same powers as the earlier draft Political Status (Organic) Act.

To minimize further the risks of a convention, the authorizing act would be submitted to a referendum in Micronesia -- after it has been passed by the Micronesian and US Congress. (A further referendum would be held after the President has certified the new constitution to be consistent with the authorizing legislation.) This two

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step approach would place the President in a strong position if he needed to veto, as unresponsive to the expressed wishes of the Micronesians themselves, a constitution inconsistent with the authorizing legislation.

Prospects for Success

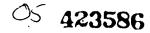
We are unable to say whether this course is likely to succeed. The Micronesian counter-draft to our Political Status Act held out for virtual independence while preserving the benefits of association with the United States. We do not know whether this position has been advanced for bargaining purposes or reflects firmly held Micronesian views. In any event, such an arrangement would be unacceptable. If necessary, our delegation will have to make clear that the only alternative to permanent association is the indefinite continuation of the present status. Even in this worst case, however, our position would have been strengthened immeasurably by our having tried as far as possible to meet Micronesian desires.

Congressional Consultations

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If our position is received favorably by the Micronesian delegation, we would wish to initiate early discussions with key Congressmen. There will be some Congressional reservations relating to the granting of self-government to the Micronesians (whether in a Political Status Act or a constitutional convention bill). However, we believe that the Administration will be able to demonstrate that we have preserved the federal supremacy necessary to ensure our strategic interests while meeting obligations to the United Nations which would otherwise become politically embarrassing with the passage of time. We do not believe that there is a need to review the decision that we should proceed with discussions with the Micronesians prior to Congressional consultations, but the question will be discussed in the Under Secretaries Committee.

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Recommendation:

That you authorize the Department's representatives to concur in the constitutional convention approach.

Approve

Disapprove

Clearances

L - Mr. Greenwald H - MissFolger

S/PC:CWRuser/IO/UNP:JAArmitage:jw Ext. 22026 4/7/70

cc: U, J, C

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