UNDER SECRETARY OF STATE FOR POLITICAL AFFAIRS

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NSC UNDER SECRETARIES COMMITTEE

MEMORANDUM FOR THE PRESIDENT

Subject: Political Status of the Trust Territory

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<u>Introduction</u>: No appreciable progress has been made in the negotiations with the Micronesians in resolving their future political status. A reconsideration of our options and our strategy is therefore appropriate.

of the Pacific Islands (Micronesia)

<u>Background</u>: On April 28, 1969, you approved the <u>recommendation of this Committee</u> (USC) that the Trust Territory be brought under U.S. sovereignty at an early date, preferably by means of an organic act. In view of the overriding strategic interests, no option of independence, or of a unilaterally terminable free association was to be offered. An action program was to be undertaken to improve the U.S. image and promote Micronesian educational, economic, political and social development.

An exploratory round of discussions with a Micronesian Congressional Delegation in October 1969 and a trip to the Territory by the Chairman of the U.S. Delegation in January 1970 produced no agreement but rather made clear that the organic act approach, with no provision for a constitutional convention, stood no chance of acceptance. At the second round of talks in Saipan in May 1970, the U.S. Delegation proposed a permanent

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association with the United States as a commonwealth, internally self-governing under a Micronesian drafted constitution, approved by the residents of the islands, and consistent with U.S. enabling legislation. The U.S. Congress has been kept informed since the May talks.

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The Micronesians were not enthusiastic about the U.S. Commonwealth proposal, objecting primarily to the lack of a unilateral termination provision, as well as to U.S. retention of the power of eminent domain. Rather, they set forth the following "non-negotiable" principles of any "free association".

- "(a) That sovereignty in Micronesia resides in the people of Micronesia and their duly constituted government;
 - (b) That the people of Micronesia possess the right of self-determination and may therefore choose independence or self-government in free association with any nation or organization of nations;
 - (c) That the people of Micronesia have the right to adopt their own constitution and to amend, change or revoke any constitution or governmental plan at any time; and
 - (d) That free association should be in the form of a revocable compact, terminable unilaterally by either party."

In July 1970, the Micronesian Delegation submitted to its Congress a report on three alternatives: Independence, free association, and the U.S. proposal of commonwealth. Rejecting the last, but without specifically

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endorsing either of the other two options, the Delegation stressed "free association", based on the four "nonnegotiable" principles. The full Congress subsequently adopted resolutions: (1) endorsing the above four principles; (2) declaring the U.S. commonwealth proposal unacceptable in its present form; (3) inviting the U.S. Government to continue discussions with them; and (4) establishing a congressional status committee. At the same time, Assistant Secretary of the Interior Loesch, Chairman of the U.S. Delegation, traveled to Saipan at the invitation of the congressional leadership to discuss status. The Micronesian Senate reneged on the invitation, however, and refused to give Loesch a forum.

<u>Future Events</u>: (1) The entire House and one-half of the Senate of the Congress of Micronesia face elections on November 3, 1970. (2) Secretary Hickel plans to make a six-day visit to the islands shortly after the elections. (3) The USC believes that the status question should be re-examined prior to the Secretary's projected trip. Under the direction of the USC, an options paper is now in preparation to serve as the basis of such a re-examination within the Administration.

U. Alexis Johnson Acting Chairman



