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STATEMENT BY ASSISTANT SECRETARY LOESCH, CHAIRMAN OF INTERAGENCY GROUP ON MICRONESIAN STATUS TO UNDER-SECRETARIES MEETING, DECEMBER 3, 1970

1. BACKGROUND

The President, by memo of April 28, 1969, approved the recommendation of the USC that US sovereignty be extended over Micronesia at an early date, without offering the options of independence or a unilaterally terminable free association. Discussions with the Micronesians in the past 14 months have shown the difficulty, if not impossibility, of achieving this goal, due to the desire of the Congress of Micronesia, and perhaps the Micronesian public, for greater autonomy than that which could be offered under the terms of the President's charter.

The Administration proposed to the Micronesian Status Delegation in May 1970 that Micronesia become an internally self-governing commonwealth, with the US retaining sovereignty and substantial powers. This proposal was rejected in its present form by the Congress of Micronesia in August. The principle objections to our proposal were that: (1) the US reserved the rights of eminent domain; (2) no provision was made for a unilateral termination of the relationship by either party; and (3) US reserved powers and constitutional limitations were too substantial.

2. PURPOSE OF MEETING

The subject meeting was called for the purpose of considering the options available to the Administration with regard to future negotiations with the Micronesians on Trust Territory political status. It

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is expected that the Under Secretaries Committee (USC) will wish to submit its report and recommendations to the President following the meeting for his final decision as to the desired course of action. It is clear that any major modifications of the commonwealth approach toward the Micronesian position would require the President's approval in view of his April 1969 decision.

3. THE FOUR OPTIONS

The Interagency Group has identified and considered four options with regard to future negotiations with the Micronesians. Option 1 would continue the Trusteeship, keep the Commonwealth proposal open, and implement significant organizational and program changes, so as to move the territory toward a de facto commonwealth status with the objective of gaining subsequent formal acceptance. Option 2 is the modification of the commonwealth proposal in order to obtain a compromise agreement. As necessary to agreement, concessions would be offered on eminent domain, unilateral termination, and the extent of Federal supremacy in the commonwealth. Option 3 would attempt to assure permanent association of the Mariana Islands District with the US, by offering the options of commonwealth and independence with each district selecting its own future status, rather than determining results on a territory-wide basis. Option 4 is independence subject to a prearranged treaty relationship assuring US strategic interests in the area.

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4. US INTERESTS

US interests in Micronesia are primarily strategic and political. The three aspects to our strategic interests are: (1) ability to deny access to foreign powers; (2) retention of ICBM/ABM missile testing facilities in the Marshall Islands; and (3) the requirement for other basing options in the future. Our primary political interest is the successful termination of the trusteeship without being painted as a colonialist power.

5. GENERAL ASSESSMENT

a. It will be necessary to make some concessions within the commonwealth proposal if agreement with the Micronesians is to be reached.

b. Time is probably working against the US; Micronesian opinion may harden on a more extreme position if the US does not appear forthcoming, and the emotional appeal of independence is likely to grow in any case.

c. A closer US-Micronesian association and greater cooperation is likely to be the result in the future if an association (even if somewhat looser than we desire, yet protecting our land needs and other strategic interests) can be agreed upon before polarization and emotionalism increase.

d. US strategic interests would be jeopardized in a politically and economically unstable Micronesia; the greater the US presence, probably the greater will be internal stability.