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THE UNDER SECRETARY OF STATE
WASHINGTON

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NSC UNDER SECRETARIES COMMITTEE

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TO : The Secretary

THROUGH : S/S

FROM : The Under Secretary

SUBJECT : Political Status Negotiations with
Micronesia--Under Secretaries Committee
Review, December 3, 1970

On December 3, the Under Secretaries Committee considered the political status negotiations with the Congress of Micronesia.

As you recall, our offer of last May for a commonwealth permanently associated with the U.S. was not accepted. In essence, the Micronesian status delegation objected that the proposal failed to acknowledge Micronesian sovereignty, reserved large powers to the Federal Government (including, notably, eminent domain), and failed to provide for the right of unilateral termination. Last July the Congress of Micronesia declared the U.S. offer "unacceptable in its present form" and endorsed four "non-negotiable" principles affirming Micronesia's sovereignty and right to independence or unilaterally terminable "free association with any nation"

The Micronesian Congress also adopted a resolution authorizing the establishment of a Congressional Status Committee which would continue the negotiations.

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In reviewing this situation, the Under Secretaries Committee did not reach firm conclusions on next steps but the Committee's general discussion would seem to point toward a tentative consensus of a majority of the agency representatives on the following major points:

- There is no expectation that the Micronesian Congress will accept our commonwealth proposal in its present form--even though the Marianas, where the pro-U.S. sentiment is strong, have elected a new slate of representatives who favor commonwealth status;
- Modification of our commonwealth offer to bring it closer to the "four principles"--assuming this is legally and congressionally practicable--might conceivably result in Micronesian acceptance; but we can by no means be sure of this;
- A termination provision, however hedged and qualified, entails significant risks to our interests--essentially the military exclusion of other powers and access to high priority land areas--inasmuch as we would have no legal hold on a fully sovereign successor state to the commonwealth; there is, however, a risk to these interests in any course we might follow regardless of what legal rights we might be able to negotiate now;
- A district by district plebiscite on the U.S. offer would allow the Marianas to vote for accession--but it would also, in all likelihood, be strongly opposed by the Micronesian Congress and would risk a permanent rupture with the majority of Micronesia's younger political leaders furthermore, it would risk instability in these

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other districts--our existing facilities are in the Marshalls--which quite likely might result in further fragmentation and disarray.

- Maintenance of the trusteeship, accompanied by rapid Micronization of the trust territories' administrative structure, (highly desirable in any case), would meet some of the Micronesians' desires and might strengthen Micronesian interest in association with the U.S.; but while it would help to build up these countervailing interests, it would not solve our political problem with the Congress of Micronesia and might make a solution more difficult in the future.

The Department (and, as far as we know, Defense) had been prepared to recommend modification of our commonwealth offer to bring it closer to the Micronesian four principles. (This might entail long-term lease arrangements, as part of the agreements for a new status, in order to assure possible future land requirements in the territory if we were to agree not to exercise eminent domain.)

On the other hand, Acting Secretary of Interior Russell felt that we should try an "entirely new approach" In his view we should offer the islanders--on a district by district basis--full internal autonomy, including a substantial cash subsidy, while maintaining control over their defense relations and the right to eminent domain indefinitely. The expectation would be that the Marianas--and, possibly, if the Marianas choose to do so, other districts--would agree to enter into a permanent protectorate-type arrangement with the United States which would give the islanders full freedom to pursue their internal affairs. Districts unwilling to enter into this type of arrangement would have to remain under the Trusteeship Agreement.

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In our view, this proposal raises very serious problems not only in terms of its political acceptability in Micronesia, but also in terms of international reactions.

The Interior-chaired working group on Micronesia has been instructed to staff out Secretary Russell's approach and appropriately reflect it in its issues-options paper. The Group has also been instructed to prepare a brief memorandum to the President in which it will attempt to coordinate the several departments' recommendations to the President at staff level.

I plan to take up these two papers at a further Under Secretaries Committee meeting. Prior to that meeting, I would appreciate an opportunity to discuss with you our proposed position.

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Concurrence: IO - Mr. DePalma

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