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TELEGRAM

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SALT-02 E-15 RSR-01 RSC-01 /096 W

R 020228Z JUN 71
FM HICOMTERPACIS SAIPAN
TO SECINTERIOR
INFO SECSTATE
SECDEFENSE
WHITE HOUSE
USMISSION USUN NEW YORK
CINCPAC
CINCPACREP GUAM/TTPI

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DEPARTMENT OF STATE A/CDC/MR	
REVIEWED BY <u>tree</u>	DATE <u>3/17/87</u>
RDS <input type="checkbox"/> or XDS <input type="checkbox"/> EXT. DATE _____	
TS AUTH. _____	REASON(S) _____
ENDORSE EXISTING MARKINGS <input type="checkbox"/>	
DECLASSIFIED/RELEASABLE <input checked="" type="checkbox"/>	
RELEASE DENIED <input type="checkbox"/>	
EA or FOI EXEMPTIONS _____	

SAIPAN HICOM
6/2/71

CONFIDENTIAL SECTION ONE OF TWO
FROM HICOMTERPACIS POLAD. INTERIOR FOR ASST. SECRETARY LOESCH
AND OFFICE OF TERRITORIES. STATE FOR IO/UNP, EA/ANZ, S/PC.
DEFENSE FOR OSD/ISA. WHITE HOUSE FOR MR. HOLDRIDGE (NSC).
CINCPAC FOR POLAD. USUN FOR HICOM JOHNSTON.
SUBJECT: CONGRESS OF MICRONESIA - WRAPUP COMMENTARY
REF: (A) HICOMTERPACIS 241211Z MAY 71
(B) HICOMTERPACIS 241205Z MAY 71
1. REFTELS PROVIDED COMMENTARY ON STATUS QUESTION IN JUST
COMPLETED CONGRESSIONAL SPECIAL SESSION IN TRUK. MNS REPORTS

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OVER PAST WEEK HAVE PROVIDED FURTHER COMMENTARY ON MAJOR
BILLS AND RESOLUTIONS ADOPTED DURING THAT SESSION. FOLLOW-
ING WILL COMPLETE BASIC REPORTING ON SESSION WITH RUNDOWN
ODDS AND ENDS OF IMPORTANCE.

2. MAJOR LEGISLATION. MAJOR LEGISLATION ADOPTED INCLUDED
AMENDMENTS TO SALARIES AND WAGES TAX, A DRASTICALLY RE-
VISED MERIT SYSTEM, AND ADVICE AND CONSENT BILL. ALL THREE
PIECES OF LEGISLATION GO MUCH FURTHER THAN ADMINISTRATION
HERE OR WASHINGTON MAY BE PREPARED ACCEPT, AND THERE MAY
BE STRONG TEMPTATION VETO ANY OR ALL OF THESE MEASURES.
UNQUESTIONABLY IMPLEMENTATION THESE MEASURES WILL BE

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DIFFICULT AND IN SOME RESPECTS HARD TO LIVE WITH. (COMMENTARY ON SPECIFICS BEING COMMUNICATED DIRECTLY BY CONCERNED OFFICIALS HERE TO HICOM AND INTERIOR.) ONE OBSERVATION CAN BE MADE WITH RESPECT HOW FOREGOING MAY BE TIED TO STATUS QUESTION. ANY VETO WOULD COME SHORTLY BEFORE FORTHCOMING STATUS TALKS WITH CONSEQUENT NEGATIVE IMPACT ON ALREADY DIFFICULT MICRONESIAN ATTITUDES. IN CONSIDERING WHETHER OR NOT TO VETO ANY OF THIS LEGISLATION, PERHAPS BASIC CRITERIA SHOULD BE HOW LONG WE

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PLAN CONTINUE DIRECTLY GOVERN THIS PLACE. IF EARLY TURNOVER TO MICRONESIANS CONTEMPLATED, LEGISLATION WILL BE THEIR PROBLEM, NOT OURS, AND WE COULD LIVE WITH IT FOR BRIEF INTERIM PERIOD. ON OTHER HAND, IF WE PLAN CONTINUE PRESENT LEVELS U.S. DIRECTION AND PARTICIPATION ADMINISTRATION FOR SOME TIME TO COME, DIFFERING PERSPECTIVE MAY APPLY.

3. SOLOMON REPORT. FORTUNATELY SOLOMON REPORT NEVER BECAME SUBJECT FLOOR DEBATE, AND WAS COMMENTED ON PUBLICLY ONLY INDIRECTLY WITH REFERENCES IN SEVERAL SPEECHES TO U.S. "PREDETERMINATION OF MICRONESIA'S DESTINY." THERE WAS SOME GRUMBLING AND MUMBLING BEHIND THE SCENES WITH MANY MEMBERS QUESTIONING ME ON CONTENT AND PRESENT STATUS THAT REPORT. I TRIED TO PASS IT OFF AS BIT OF HISTORY, BUT UNDOUBTEDLY DAMAGE TO OUR OVERALL IMAGE WAS DONE BY PUBLICATION THAT REPORT'S CLASSIFIED SUMMARY AND INTRODUCTION JUST PRIOR TO SPECIAL SESSION. DR. GLADWIN DID HIS BEST TO ASSURE THAT MEMBERS FULLY AWARE MOST EMBARRASSING ELEMENTS THAT REPORT.

4. MOST FAVORED NATION CLAUSE. THERE WAS UNFAVORABLE COMMEN-

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TARY IN BOTH HOUSES ON THIS CLAUSE, AND HOW IT OPERATED MAKE MICRONESIA A "PRIVATE RESERVE" FOR AMERICAN CAPITAL. ON RESOLUTION INTRODUCED (BUT DID NOT REACH FINAL PASSAGE) ATTACKING CLAUSE AND DIRECTED AT CIRCUMVENTING OR CHANGING U.S. POLICY UNDER THAT CLAUSE. IN GENERAL, WE GOT OFF FAIRLY EASY CONSIDERING DEPTH FEELING MICRONESIAN POLITICAL LEADERS

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ON THIS SUBJECT.

5. WAR CLAIMS. WAR CLAIMS DEBATE ALMOST ENTIRELY IN EXECUTIVE SESSION AND KEYED TO PROFESSOR HARROP FREEMAN'S FUTURE RELATIONSHIPS WITH CONGRESS. ONLY POSITIVE ACTION TAKEN ON WAR CLAIMS WAS DISPATCH OF LETTER BY CONGRESSIONAL PRESIDING OFFICERS TO HOUSE FOREIGN AFFAIRS COMMITTEE, U.S. CONGRESS, SETTING FORTH MICRONESIAN CONGRESSIONAL VIEWS ON WAR CLAIMS. COPY NOT DISTRIBUTED HERE, BUT SHOULD BE AVAILABLE FROM HOUSE COMMITTEE FOREIGN AFFAIRS CHAIRMAN BY NOW.

6. MARIANAS SECESSIONISM. THIS ASPECT COMMENTED ON AT LENGTH IN OTHER REPORTS EXCEPT FOR FOLLOWING. THERE CLEARLY HAVE BEEN SUSPICIONS IN CONGRESS THAT SOME SORT OF "FIX" ON BETWEEN MARIANAS LEADERSHIP AND WASHINGTON DIRECTED AT EARLY SEPARATION MARIANAS FROM ITPI. GUIDANCE RECEIVED FROM

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WASHINGTON EXTREMELY HELPFUL AND USED WITH KEY LEADERS CONGRESS AND WITH STATUS COMMITTEE. SUSPICIONS PROBABLY NOT COMPLETELY DISPELLED, BUT HAVE BEEN REDUCED TO ACCEPTABLE LEVEL.

7. LOCATION CONGRESS AND MICRONESIAN CAPITAL. WIDE RANGE BILLS AND RESOLUTIONS INTRODUCED CONCERNING FUTURE LOCATION CONGRESS AND MICRONESIAN CAPITAL. SEVERAL PASSED ONE HOUSE OR ANOTHER, BUT ONLY TWO MEASURES FINALLY ADOPTED BY BOTH. ONE CALLS FOR CONGRESSIONAL LEADERSHIP TO SELECT SITE OF NEXT REGULAR SESSION, AND OTHER DIRECTS JOINT COMMITTEE ON PROGRAM AND BUDGET PLANNING TO INVESTIAGE POSSIBLE PERMANENT SITES AND MAKE REPORT TO NEXT REGULAR SESSION. LEADERSHIP PRESENTLY INCLINED TOWARD HOLDING NEXT SESSION ON SAIPAN. PERMANENT SITE IS ANOTHER KETTLE OF FISH. IT MAY TAKE SOME TIME REACH FINAL DECISION, WHICH LOGICALLY SHOULD BE TIED TO STATUS SETTLEMENT AND ULTIMATE LOCATION MICRONESIAN CAPITAL. ASSUMING FIVE DISTRICTS (EXCLUDING MARIANAS) FALL UNDER ONE STATUS ARRANGEMENT, PONAPE AND TRUK PRESENTLY APPEAR BE LEADING CONTENDERS. THROUGHOUT DEBATE THESE VARIOUS MEASURES, MARIANAS REPS OPPOSED CONSIDERATION ANY CHANGE OF CONGRESSIONAL SITE OR SHIFT OF CAPITAL. HYPOCRISY THAT STANCE CREATED MIXED

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AMUSEMENT AND ANNOYANCE AMONG OTHER DELEGATIONS.
8. ECONOMIC DEVELOPMENT. ADMINISTRATION CAME IN FOR CONSIDERABLE CAUSTIC COMMENT BOTH IN COMMITTEES AND ON FLOOR BOTH HOUSES IN CONNECTION VARIOUS MEASURES RELATED ECONOMIC DEVELOPMENT. HOWEVER, NO MAJOR LEGISLATION ON THIS SUBJECT ADOPTED. ONE MAJOR BILL, WHICH PROVIDED FOR ESTABLISHMENT MICRONESIAN DEVELOPMENT AUTHORITY, DID PASS SENATE BUT WAS DEFERRED IN HOUSE OWING MISUNDERSTANDING PURPOSE AND FUNDING OF AUTHORITY. BILL WILL PROBABLY BE REINTRODUCED AT NEXT REGULAR SESSION.
9. EXECUTIVE COUNCIL. RESOLUTION PROPOSING ESTABLISHMENT EXECUTIVE COUNCIL DID PASS SENATE, BUT APPEARS HAVE BEEN ACCIDENTLY LOST IN SHUFFLE IN HOUSE IN LAST HECTIC DAYS OF SESSION. MANY MEMBERS BOTH HOUSES LEFT TRUK CONVINCED RESOLUTION HAD BEEN ADOPTED, BUT CONTRARY APPEARS BE CASE. FINAL CONFIRMATION MUST AWAIT CLOSE EXAMINATION HOUSE JOURNAL FOR LAST TWO DAYS SESSION. THIS SHOULD BE AVAILABLE IN NEXT DAY OR SO.
10. TALKS WITH GOJ ON FUTURE ECONOMIC RELATIONS. SAME THING APPEARS HAVE HAPPENED WITH THIS RESOLUTION ORIGINALLY PASSED BY SENATE IN LAST REGULAR SESSION, AND THEN PASSED BY HOUSE
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FM HICOMTERPACIS SAIPAN
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C O N F I D E N T I A L SECTION TWO OF TWO
IN SPECIAL SESSION WITH MINOR AMENDMENTS. APPARENTLY LOST
IN SHUFFLE AT END OF SESSION WITH HOUSE AMENDMENTS NOT
ACTED UPON BY SENATE. MATTER NOW OF LITTLE CONSEQUENCE
AS STATUS COMMITTEE, AS ALREADY REPORTED, GOING AHEAD
WITH TALKS IN JUNE. (IT IS POSSIBLE RESOLUTION DELIBER-
ATELY DROPPED. PASSAGE WOULD HAVE TIED HANDS STATUS
COMMITTEE UNTIL FORMALITIES OF THAT RESOLUTION HAS
BEEN COMPLIED WITH.)
11. COMPOSITION STATUS COMMITTEE. DURING LAST REGULAR SESSION

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SEVERAL MEASURES WERE INTRODUCED IN SENATE WHICH PROVIDED
FOR SOME DEGREE EXECUTIVE BRANCH PARTICIPATION IN STATUS
COMMITTEE. NONE OF THEM WERE CONSIDERED DURING SPECIAL
SESSION.

12. CONCLUSION. CONSIDERING LEVEL ANTI-ADMINISTRATION, ANTI-
U.S. RHETORIC DURING SPECIAL SESSION, PERHAPS WE CAME OFF
LIGHTLY IN SENSE NUMBER PARTICULARLY EMBARRASSING OR DIFFICULT
RESOLUTIONS AND BILLS DID NOT REACH FINAL PASSAGE STAGE. THIS
WAS IN SOME CASES DELIBERATE WHERE CONGRESSIONAL LEADERSHIP
SIDETRACKED MEASURES WHICH MIGHT HAVE NARROWED OPTION TOO
SOON IN NUMBER AREAS (E.G. LOCATION FUTURE CAPITAL, TRUKESE

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INDEPENDENCE RESOLUTION, ETC.), OR WHICH WERE PLAIN UNWORK-
ABLE. IN SEVERAL INSTANCES INTENT WAS TO HOLD OPTIONS OPEN
PENDING OUTCOME NEXT ROUND STATUS TALKS. IN OTHER CASES,
LEGISLATION LEFT BEHIND BY SLIPSHOD LEGISLATIVE MANAGEMENT.
NEVERTHELESS, TONE OF DEBATE IN BOTH HOUSES AND OF BACK-
GROUND NOISES IN MANY COMMITTEES WAS ONE OF FRUSTRATION,
BITTERNESS, AND IMPATIENCE WITH RESPECT BOTH POLITICAL AND
ECONOMIC DEVELOPMENT OF TERRITORY. ALTHOUGH ORATORY AND MUCH
OF CONTENT OF CRITICAL COMMITTEE REPORTS UNFAIR, UNBALANCED,

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AND OFTEN HYPOCRITICAL, END RESULT WAS SAME. AS EACH SESSION
PASSES BY, CONGRESS APPEARS BE TAKING MORE EXTREME POSITIONS
WHICH HAVE EFFECT NARROWING MICRONESIA'S OPTIONS FOR THE
FUTURE. AS INDICATED IN OTHER REPORTS, MUCH OF RHETORIC
INTENDED FOR EFFECT, AND MAY NOT BE WHOLLY BELIEVED BY
EITHER ORIGINATORS OR AUDIENCE. BUT IMPACT IS CUMULATIVE
AND MICRONESIA'S POLITICAL LEADERSHIP, AT LEAST IN CONGRESS,
IS PUTTING ITSELF SO FAR OUT ON LIMB THAT IT WILL BE
INCREASINGLY DIFFICULT TO RETREAT EVEN IF DESIRE TO DO SO
SHOULD BE THERE.

13. ANOTHER SIGNIFICANT ASPECT OF CONGRESSIONAL SESSION WAS
INCREASED VISIBILITY FRACTURES IN FACADE OF MICRONESIAN UNITY.
ASIDE FROM ALWAYS PRESENT AND HIGHLY OBVIOUS DIFFERENCES
BETWEEN MARIANAS AND BALANCE TTPI, PALAUAN AND TRUKESE
SEPARATIST SENTIMENTS SURFACED ON SEVERAL OCCASIONS IN
FLOOR DEBATES, WITH OTHER OTHER DIFFERENCES IN ATTITUDES
AND OPINIONS BETWEEN VARIOUS DISTRICTS CONSTANTLY POPPING UP
IN VARIETY WAYS OVER WIDE RANGE ISSUES. CONGRESSIONAL LEADER-
SHIP ALMOST RAN OUT OF FINGERS ATTEMPTING PLUG HOLES IN DIKE
OF UNITY. UNDERCURRENTS OUTSIDE PUBLIC SESSIONS IN SOME

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INSTANCES PARTICULARLY BITTER. IF NOTHING ELSE, IT WAS
AGAIN PROVED THAT ABOUT ONLY THING HOLDING MICRONESIA TOGET-
HER AT THIS POINT IS FRAMEWORK OF TRUSTEESHIP AGREEMENT AND
COMMON ADMINISTRATION. WITH RESPECT CONGRESS, LATTER HAS
SOME ELEMENTS OF BEING COMMON ENEMY.

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14. MESSAGE PREPARED MAY 28. DORRANCE.
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