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Old Executive Office Building  
Room 375  
Washington, D.C. 20500

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Dear Mr. Under Secretary:

Attached herewith is a report on the Micronesian Future Status Negotiations held at Hana Hana, Hawaii, October 4 - 12, 1971.

During the coming weeks I shall be asking the Office for Micronesian Status Negotiations and the NSC's Interagency Group for Micronesian Status Negotiations for assistance in the further evaluation of the results of the third round of talks, for suggestions for further steps, and for actions designed to support the achievement of our objectives.

I shall of course keep the Under Secretaries Committee informed, will seek its advice as appropriate, and will be available for any consultations that may be desired.

Respectfully,

F. Lynn Williams  
The President's Personal Representative  
for Micronesian Status Negotiations

Attachment

The Honorable  
John A. Irwin II  
Chairman  
Under Secretaries Committee  
Department of State  
Washington, D.C. 20520

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ON JUL 10 1985 UNDER PRO-  
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OFFICE FOR MICRONESIAN STATUS NEGOTIATION

REPORT TO UNDER SECRETARIES COMMITTEE:  
NEGOTIATIONS WITH JOINT COMMITTEE  
ON FUTURE STATUS, 4 TO 12 OCTOBER 1971

A. INTRODUCTION

The United States negotiating team, led by Ambassador Haydn Williams and composed of representatives from the Departments of State, Defense, and Interior, met with the Congress of Micronesia's Joint Committee on Future Status at Hana, Maui, Hawaii, from October 4 through October 12, in a continuation of negotiations looking toward the termination of the United Nations Trusteeship over Micronesia. Previous talks had been held in Washington in October 1969 and in Saipan in May 1970.

This report is furnished for information only. The specific proposals advanced by the U.S. Delegation were all within the scope of Position I of Ambassador Williams' Negotiating Instructions of July 28, 1971, and there is no need for any amendments to the negotiating instructions at this time.

It is Ambassador Williams' intention to fully brief the applicable Subcommittees of both Houses of Congress on the Hana talks in the near future. In this regard, it is important to note that the Territorial and Insular Affairs Subcommittee of the House of Representatives is scheduled to tour the Trust Territory for a period of three weeks commencing 26 November.

Section B of this report is furnished to give the reader a quick overview of the outcome of the Conference. Section C goes into more detail and is a summary of the conference proceedings, Section D discusses possible next steps in the negotiating process, and Section E reports on the side-talks with the representatives from the Marianas. Attached to this report is a full record of the proceedings at Hana.

B. OUTCOME

From the American point of view the talks enhanced the prospects for a long-term arrangement--a Compact of Association--which would safeguard our defense and foreign affairs interests, while allowing

for virtual Micronesian autonomy in internal affairs. The problem of U.S. sovereignty over Micronesia, as manifested now by the troublesome termination issue, still needs resolution, but there is flexibility in this respect in that the negotiations did not go beyond the limits set by Position I of our instructions.

The talks had the beneficial effect of surfacing our long-term military land requirements without producing any discernible negative reaction. They also served to point up the special concern of the Marianas for a closer connection with the U.S. than the other districts contemplate and the need for the U.S. to concentrate on an ultimate solution: commonwealth status or integration with Guam would be examples.

To some degree the talks fragmented what was at best a tenuous Micronesian political unity. By proposing acceptable solutions to the lands and laws problems and by reminding everyone of the present large American subsidy to Micronesia--and the best way to ensure its continuance--we gave those who favor close association with the U.S. support for their position and those who want a loose form of association, or independence, some hard economic realities to ponder.

Meanwhile, as these questions are discussed and debated in Micronesia, the U.S. has avoided any direct confrontation and now has a brief period in which to re-examine our position and plan prudently for the next move.

The Micronesians probably consider that the talks moved them considerably along the road towards self-government and that significant concessions were obtained from the U.S. on the lands and laws issues. Their failure to refer explicitly to the Four Principles in their final statement at Hana suggests that they believe the U.S. has at least tacitly agreed with them on three out of the Four. They said quite plainly, though, that the termination issue remains a sticking point and will continue to be one unless the Congress of Micronesia revises its instructions to the Joint Status Committee. While such a change is problematical, the evident division within the Committee on this point makes it a practical certainty that the form of termination will be sharply debated in the Congress in January.

It seems clear that most of the Joint Committee left the Maui talks feeling that some form of Free Association (to use their term) was attainable for Micronesia (except for the Marianas which desires a separate status) and that U.S. financial support could be counted on provided U.S. military and foreign affairs requirements were met. Those in favor of independence clearly lost ground.

C. SUMMARY OF PROCEEDINGS

The talks opened the morning of 4 October on a mildly disturbing note. Contrary to previous understandings with Ambassador Williams, Senator Salii insisted that his side deliver the opening statement. Ambassador Williams agreed, with the proviso that he would then proceed as previously planned. Senator Salii made a brief but rather abrasive statement, which led off with the remark that "independence" was what these negotiations were all about. He went on to say that, while the Marianas wished to become "more closely affiliated with the United States," the other Districts desired Free Association with the United States on the basis of the Four Principles of July 1970. He noted that this would be the "most extensive curtailment of Micronesian sovereignty that we are prepared to discuss." At this point it was rather clear that the Micronesians had come to the table harboring some feelings of hostility and suspicion.

Ambassador Williams followed with his initial statement which was intended to encourage a serious exchange of views. He stressed the need to concentrate on concrete issues rather than on abstract principles and emphasized that the U.S. Delegation was seeking an agreement which would not only satisfy U.S. interests but would also take fully into account Micronesian desires and aspirations. The basic U.S. interests in Micronesia were then laid out: (1) The people of Micronesia and their long-term welfare; (2) the United States moral and legal obligations as the administering authority under the United Nations Security Council; and (3) the United States larger Pacific role and its commitments with respect to the maintenance of peace and stability in the Pacific Ocean area.

That afternoon when the conference reconvened Senator Salii again insisted on reading a short statement. Although a little softer in tone than his opening remarks, his comments contained the assertion that the Delegation's thinking was "based on the concept of Micronesia as a sovereign state" with "full control over both internal and external affairs." The Government of Micronesia would then consider transferring some powers to the United States, under the terms of a Compact that would be unilaterally terminable. He concluded by emphasizing that any understandings which may be reached on individual matters "must remain preliminary until both delegations are fully aware of our respective positions on the full range of issues."

At this point it was clear that there would be no informal exchanges at the negotiating table. This later proved to be attributable to differing views among the Micronesian Delegation and the Joint Status

Committee's desire to appear unified on the official record. As a result, all statements by the Micronesian side were presented by Senator Salii, the Chairman, and except for a few brief introductory remarks, he read all of the Micronesian statements verbatim from prepared texts.

The next seven days were devoted to substantive presentations by both sides. The following is a summary of the U.S. proposals, Micronesian responses, and the current state of play on each major issue-- control of land, control of laws, financial arrangements, and control of change of status.

### Control of Land

In order to mollify Micronesian concerns regarding future control of their land Ambassador Williams proposed a formula whereby the U.S. Government would forego the right to exercise eminent domain in Micronesia, if in return the Micronesians would work out firm arrangements for satisfying the United States' foreseeable needs for land for defense purposes prior to a change of status. The U.S. side also asked the Micronesians to provide a speedy method to negotiate in good faith the temporary use of land by the United States in future emergencies, if it proved necessary. In turn, the U.S. would in good faith agree to the return of their lands as soon as the emergency is over.

To complete this proposal the foreseeable military land requirements were sketched in a very general fashion. It was stated that there was no defense need for land in the Ponape, Truk, or Yap Districts. Ambassador Williams foresaw a continuing requirement for the current facilities being used in the Marshalls. In the Marianas he anticipated perhaps an early need for land--primarily on Tinian. He emphasized that the Department of Defense had no immediate plans for defense activities on Palau, but desired options which would assure the use of certain lands at some future time, if necessary.

There was surprising acquiescence on the questions surrounding land. The Micronesians neither openly questioned the validity nor criticized the size of the land requirements set forth by the U.S. Delegation. In fact, Senator Salii in a press interview following the Hana Conference characterized the U.S. land package as "reasonable." The Joint Committee's formal responses revolved rather around procedural matters and many of these merely answered questions without posing difficulties. Some comments, however, highlighted areas of concern, ranging from mild to serious.

The Micronesians were more than curious about the proposal for obtaining land in emergencies and queried the U.S. Delegation both about the nature of the negotiating machinery and the possible length of future emergencies. All in all, these concerns do not appear to present real difficulties.

More disturbing was the Micronesian proposal that all current land agreements be terminated with the end of the Trusteeship, that areas designated by the Compact be leased to the United States effective with the new status, and that, in the event the Compact is terminated, the U.S. leases and options likewise would cease. The United States replied that this approach suggests a series of future uncertainties in meeting our land requirements and that the American proposal requires, before the Trusteeship is terminated, a binding negotiation of land arrangements which would be enduring through the terms of the leases and options. This problem seems to be negotiable but the Micronesians will very likely push this proposal vigorously.

Perhaps the most serious reservation expressed about land concerned provisions for prior Micronesian consent on storage of dangerous materials on U.S. bases, e.g., nerve gas, nuclear weapons. The Micronesians were informed that the U.S. had not contemplated such a provision. This item was again commented on in Senator Salii's closing statement and will no doubt be reemphasized in future discussions. It could pose serious problems in the future.

Lastly, the Micronesian Delegation proposed, "in order to preserve mutual confidence," that no further alienation of Micronesian land be effected without the consent of the district legislature concerned and of the Congress of Micronesia. This suggestion sounded somewhat like a tactical maneuver and was softly turned aside by Ambassador Williams.

All in all the Micronesian reaction to the U.S. proposals on control of land was remarkably restrained and offered grounds for optimism. Certainly, difficult negotiations dealing with the details of land requirements still lie ahead, but a noteworthy degree of consensus was reached. This impression was strongly reinforced by informal contacts with delegates from both the Mariana and Palau Islands who expressed no concern over U.S. land needs in their districts.

#### Control of Laws

In this area the U.S. Delegation proposed that the people of Micronesia would govern their own internal affairs within the framework of a Compact between Micronesia and the United States. Responsibility in the areas of foreign affairs and defense would remain with the United States. The Micronesians would have the right to write, adopt, and

amend their own constitution. The Micronesian Constitution would not have to be consistent with the U.S. Constitution, and the United States would not have the right of amendment. The Micronesian Constitution would, however, have to be consistent with the provisions of a mutually-agreed status Compact; protection of human rights would be a part of that Compact. In all fields of legislative and administrative law, Micronesian law would apply--except in those areas where by mutual consent U.S. laws would be applicable. This relates in particular to those Federal services which the Micronesian Government might request.

The Micronesian Delegation was obviously pleased with the forthcoming nature of the U.S. proposals and particularly with the degree of internal autonomy envisaged. As with land, disagreements seemed to focus not on the general concepts, but on subsidiary elements.

The Micronesian Delegation on the one hand desired free entry of Micronesian goods and people into the United States, and on the other hand contemplated strictly controlling the flow of U.S. trade and citizens into Micronesia. Ambassador Williams rejected this non-reciprocal reasoning and suggested alternate methods for the Micronesians to achieve their purposes. These issues were not resolved to the Micronesian's satisfaction, but they appear to be negotiable.

The U.S. Delegation had proposed that laws applying to those Federal services which would be extended to Micronesia should likewise be enforceable in Micronesia. Senator Salii countered with the suggestion that a body of Micronesian law should be developed to cover these areas. The U.S. Delegation suggested a further examination of this problem.

In a similar vein, the Micronesians were disturbed as to the means by which the United States would divest itself of all residual powers to legislate in Micronesia. The American Delegation envisaged that the respective rights and responsibilities of both parties would derive from the Compact and that the United States would not possess any powers not embodied in the Compact. Likewise the Compact would contain provisions for review, amendment, and settlement of potential disputes. Such a Compact would not be a treaty (as suggested by the Micronesians), but would be approved by both Houses of the United States Congress, the President, the Congress of Micronesia, and the people of Micronesia in a plebiscite as an exercise of their full rights of self-determination. This logic did not wholly satisfy the Micronesian Delegation, as Senator Salii reiterated his concern about residual U.S. legislative authority in his closing statement. Again, this issue does not appear to be an insoluble problem.

More fundamentally, the Micronesians questioned the extent of the powers that would be required by the United States to carry out its responsibilities for foreign affairs and defense. The Joint Status Committee insisted that any U.S. action in foreign affairs--including treaties and agreements--should not be made applicable to Micronesia without its consent. Ambassador Williams referred to previous Micronesian statements which acknowledged that the United States should have complete powers in these areas and pointed out that just as Micronesia would have full authority in internal affairs, the United States, to fulfill its responsibilities, must have plenary authority in foreign affairs and defense. This argument was bolstered with assurances that the United States Government would closely consult with the Government of Micronesia on any matter which concerned Micronesia and take fully into account Micronesian interests in these fields. These responsibilities would, of course, have to be clearly established by the Compact. In Senator Salii's final statement he again referred to the necessity for the Micronesian Government to concur in all treaties which would directly affect Micronesian interests. Interestingly enough, no reference was made to defense powers. However, there are deep potential differences between the two delegations on this question which might well be the source of future difficulties.

The net effect of the Micronesian comments on control of laws was to adhere to a literal concept of Free Association which certainly comes close to, if not exceeding, Positions I and II of the U.S. negotiating instructions. The task that now lies ahead is to bring the Micronesians to acceptable positions on these various questions.

### Financial Affairs

Neither delegation came to Hana prepared to talk dollar amounts or to negotiate the specifics of the financial relationship. The American approach was to seek Micronesian views on what future role the United States would play in supplementing and providing financial, technical and other forms of assistance to a future Micronesian Government. As an introduction to the subject Ambassador Williams sketched the present scale of U.S. funding. Total U.S. expenditures in Micronesia exceed \$75 million per year. The U.S. Delegation was quick to point out that the desires, needs, initiatives, and resolve of the Micronesian people would be a determining factor in their economic future. While making no commitments, the U.S. Delegation promised to carry Micronesian views back to Washington.

Specifically, Ambassador Williams asked: (1) Through what mechanisms would the Congress of Micronesia hope to have future U.S. financial support? (2) How would U.S. support be channeled to meet Micronesian needs? (3) What financial responsibilities would the central Micronesian Government or the districts expect to undertake?



The Micronesian responses were brief. As to the first question the Micronesian Delegation expressed the view that it was premature to consider specific mechanisms at this stage, and insisted that the U.S. must first give some assurances regarding the level and consistency of U.S. financial support. As to the second question, the answer was emphatic; all future support and compensation will be channeled through the Government of Micronesia. With regard to the third question, all taxes in Micronesia will be imposed and collected in accordance with the constitution and laws of Micronesia. The Joint Future Status Committee does not contemplate having the U.S. Federal income tax extend to Micronesia.

The financial issue is at this stage a secondary one and the search for final answers must await at least preliminary decisions determining the form, substance, and continuity of a future association. This is not to say that this issue will not involve hard negotiating. But encouragingly, there were a number of indications that some members of the Joint Status Committee recognize that U.S. assistance is essential to their future welfare. The fact is that financial support is one of the United States' primary bargaining cards and that this card must be played deliberately in a manner that will have the greatest impact on the Micronesians.

#### Termination

The termination issue is the single most important difference separating the two delegations. Practically every statement presented by the Micronesians referred to their insistence on unilateral termination and to the fact that their mandate did not permit them to negotiate or compromise this principle.

While recognizing Micronesian interests in ensuring that any Compact would be susceptible of later modification or even termination, the U.S. Delegation insisted that fixation on this single element to the exclusion of other considerations would be a serious mistake for either party. For instance, the United States would have to weigh the possibility of precipitate change or termination against the continuing need for political stability in the Pacific Ocean areas. The point was emphatically made that termination could adversely affect the United States ability to fulfill its responsibilities to Americans, to Micronesia, and to the world community for the maintenance of international peace and security. Likewise, termination could diminish Micronesia's capacity to fulfill its own future role in this regard. The logical conclusion of this argument is that some type of arrangement for mutual agreement in modification of the Compact would be the best guarantor of the interests of both parties.

It was patently clear from the outset that this issue would not be resolved at Hana, Maui. This was partially the reason for deferring discussion of termination until other major issues had been discussed. No give was evidenced by either side on this question, although there was informal information available indicating that a number of members of the Joint Status Committee were wavering in their steadfastness. With this in mind, Ambassador Williams appealed to the Micronesians along the following lines. The U.S. Government has shown considerable flexibility in its thinking and has demonstrated a serious concern for Micronesian interests and aspirations. The U.S. Delegation brought with it to Hana a number of significant changes from its prior proposals. The Micronesians themselves recognized in their responses the substantial differences in the U.S. proposals since May 1970. The essence of negotiation is the spirit of accommodation. The U.S. has clearly manifested such a spirit; it is now incumbent upon the Micronesian side to do likewise.

Ambassador Williams then pointed out that the mandate of the Joint Status Committee was based on discussions and decisions taken prior to and subsequent to the May 1970 negotiations. He recommended that the Congress of Micronesia reevaluate the Micronesian Delegation's mandate in the light of the October 1971 discussions and seriously consider the U.S. proposals.

Senator Salii again noted this basic difference on termination in his closing statement, but in restrained terms that did not repeat the hostile tone of his opening remarks. This fundamental disagreement was still outstanding as the talks closed.

From the U.S. perspective this single issue marks the step from Position I to Position II in the negotiating instructions. In future talks it may be necessary to take this significant step. There is, however, some evidence that at least individual members of the Joint Status Committee are reevaluating the Micronesian position and a possibility exists that the Congress of Micronesia may be willing to compromise in some fashion.

#### Concluding Session

The closing session was held on 12 October. Senator Salii summed up the areas in which consensus had been reached, in which agreement had been deferred, and in which disagreement still persisted. His summary was dispassionate and objective. He expressed satisfaction at the genuine effort by both sides to resolve differences and invited the American Delegation to a further meeting in Micronesia (actually in Palau) toward the end of December, just before the convening of the next session of the Micronesian Congress in Palau January 10, 1972. He then read the joint communique into the record.

Ambassador Williams followed with his closing statement, stressing American efforts, as embodied in the new proposals, to meet Micronesian interests. He also emphasized the need for Micronesians to recognize that certain U.S. interests must be met, and requested that the U.S. proposals be carefully considered by the Micronesian Congress and the Micronesian people. His statement concluded by acknowledging and expressing American appreciation for the Micronesian invitation to meet again. The conference then adjourned.

#### D. NEXT STEPS

1. Ambassador Williams plans to offer briefings (hopefully in executive session) to the Territorial Subcommittees of the Interior Committees of both Houses of Congress, and will also give private verbal reports to the Chairmen of both Interior Committees. As noted in the Introduction, some members of the House Subcommittee, including Chairman Burton, plan an extended trip to Micronesia in early December.

2. Plans are being carried forward for an information effort to be directed toward the leaders and the people of Micronesia, including materials for distribution in the TTPI describing the U.S. position as offered at Hana, as well as a series of visits by Americans to the area to talk privately with Micronesian leaders and groups. Interior Department Secretary Morton is tentatively planning a trip to all six Districts of Micronesia (and also to Guam and Samoa) beginning in mid-November. Ambassador Williams hopes that Secretary Morton's trip can be given White House status.

3. Through the Interagency Group general guidance is being issued to the Departments chiefly involved, to request that all actions they may take involving Micronesia should be carried out wherever possible in such a manner that they improve the climate for further negotiations.

4. The question of the means and timing of further negotiation is a difficult one, and needs further study. Ambassador Williams will make his decision on this subject, in accordance with his Terms of Reference, after further information is available concerning attitudes and trends in the TTPI. It appears at this time that it might not be advisable to accept the Micronesian invitation to another negotiating session just before the Micronesian Congress meets in January in Palau, because the Joint Status Committee would not yet have had new instructions from the Congress, and consequently might attempt to force further concessions from the U.S., without modifying their own positions. Possible alternatives to a negotiating session in December could include: a private meeting between Ambassador Williams and the Micronesian co-chairmen, Senator Sali and Congressman Silk, and/or a letter from Ambassador Williams to all members of the Joint Status Committee urging that the Committee's mandate should be re-examined and modified, in the light of the new American proposals. It might be advisable for the U.S. side to make a counter-offer to meet for another negotiating session in Micronesia after the Micronesian Congress has had a chance to re-assess its instructions to the Joint Status Committee.

E. THE MARIANAS.

A separate, private, talk was held between Ambassador Hummel and the two delegates from the Marianas, on which a memorandum of conversation is being circulated through the Interagency Group. Ambassador Williams had prepared the ground for this with Senator Salii, who had no objection to the American initiative, and who had in a sense prepared the way for it by referring in his opening statement to the desire of the Marianas to become "more closely affiliated with the United States."

The Marianas delegates expressed their understanding that any separate negotiations with the Marianas during the Hana negotiations might be misconstrued in Micronesia and in the United Nations, and that further discussions would have to await a better time, in order to avoid accusations that the U.S. was deliberately splitting Micronesia. Ambassador Hummel assured the delegates of American sympathy for their desires for a close association with the U.S. When he asked just what their desires were, they replied that sentiment in the Marianas had changed, and that their leaders and their people no longer desired union with Guam, for fear of Guamanian numerical superiority, and superior economic power. They said they were attracted by the Commonwealth proposal of May 1970, but Ambassador Hummel reminded them that that proposal had been made to Micronesia as a whole, and not to any single District. Ambassador Hummel pointed out that it would be difficult for the U.S. to create a status for the Marianas different from that of Guam and also different from Micronesia. However, he said, the leaders of the Marianas could rest assured that U.S. representatives would be in touch with them at an appropriate time, and the U.S. would not try to force the Marianas into any relationship they did not want.

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