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TELEGRAM

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DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY

DATE FEB. 26 987

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C O N F I D E N T I A L
FROM POLAD 63C • INTERIOR FOR OFFICE OF MICRONESIAN STATUS NEGOTIATION

S
AND ASST • SECRETARY LOESCH • STATE FOR IO/UNP AND S/PC • DEFENSE FOR

OSD/ISA AND JCS • COMTWELVE FOR AMRASSADOR WILLIAMS • WHITE HOUSE FOR

MR • HOLDRIDGE (NSC) • CINCPAC FOR POLAD •

SUBJECT: TTPI ~ CONGRESS OF MICRONESIA

1. IT IS SOMEWHAT FARLY TO PREDICT WITH ACCURACY PRECISELY WHAT ACTIONS CONGRESS OF MICRONESIA MAY TAKE DURING 50-DAY REGULAR SESSION WHICH WILL COMMENCE JANUARY 10 IN PALAU. HOWEVER, OBSERVERS CLOSE TO CONGRESS, MOST MEMBERS THEREOF, AND MOST CONGRESSIONAL STAFFERS AGREE

PAGE TWO RUHJOSA0490 C O N F I D F N T I A L
ON ONE BASIC POINT. FOR VARIETY OF REASONS,
SESSION WILL BE ROUGHEST AND TOUGHEST (FROM OUR POINT OF VIEW)
OF ANY SINCE CONGRESS ESTABLISHED FEW YEARS AGO. CONGRESS WILL BE
IN UGLY MOOD, AND SESSION WILL BE HELD IN EMOTIONALLY-CHARGED
ATMOSPHERE. IN A SENSE, BASIC ISSUE WILL BE SELF-GOVERNMENT -- BOTH
NOW (IN TERMS OF TRANSITIONAL STEPS IN THE REMAINING MONTHS AND
YEARS OF THE TRUSTEESHIP AGREEMENT) AND IN FUTURE (WITH RESPECT
CONSIDERATION OF REPORT OF CONGRESSIONAL STATUS COMMITTEE). TO





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MAJOR DEGREE, ACTIONS TAKEN WILL BE IRRATIONAL AND PROMPTED BY EMOTION, BUT ALSO DESIGNED BUILD FIRES UNDER US ON STATUS QUESTION. WHATEVER THE CAUSES, WE CAN BE CERTAIN ALMOST EVERY ASPECT OF OUR ADMINISTRATION AND OUR POLICIES WILL BE UNDER LEGISLATIVE ATTACK.

- 2. TO EXTENT PREDICTIONS CAN BE MADE AT THIS POINT, THEY FALL INTO THREE BASIC CATEGORIES: (A) ACTIONS THAT ARE CERTAIN TO BE TAKEN: (B) ACTIONS THAT PROBABLY WILL BE TAKEN: (C) ACTIONS THAT MAY BE TAKEN. FOLLOWING IS A LISTING OF BASIC ISSUES CRITICAL TO US AND AFFECTING (EITHER DIRECTLY OR INDIRECTLY) STATUS QUESTION, AND WHICH FALL INTO THOSE THREE CATEGORIES. (STATUS QUESTION ITSELF NOT TOUCHED UPON IN THIS REPORT.)
 - 3. ACTIONS CERTAIN TO BE TAKEN BY CONGRESS.

PAGE THREE RUHJOSA 0490 C O N F I D E N T I A L

- A) THREE BILLS (ADVICE AND CONSENT, MERIT PLAN, AND PUBLIC DEFENDER) VETOED EARLIER THIS YEAR WILL BE REINTRODUCED, POSSIBLY WITH SOME CHANGES.
- B) MEASURES RELATING TO ECONOMIC DEVELOPMENT AND ADMINISTRATION PERFORMANCE IN THAT FIELD. HOUSE RESOURCES AND DEVELOPMENT COMMITTEE HAS BEEN TOURING TTP: DISTRICTS FOR OVER A MONTH HOLDING HEARINGS ON THIS SUBJECT. ALL SOURCES (INCLUDING COMMITTEE CONSULTANT) AGREE COMMITTEE REPORT AND RECOMMENDATIONS WILL AMOUNT TO BITTER CONDEMANA-TION U.S. ADMINISTRATION AND POLICIFS. SHOPPING LIST OF GRIEVANCES WILL BE LONG AND WILL INCLUDE FOLLOWING: OUR FOREIGN INVESTMENT POLICY, INADEQUACIES AND INCOMPETENCE U.S. PERSONNEL: DISTRICT ROADS, INTER-ISLAND TRANSPORTATION, AND MILI: INSUFFICIENT ATTENTION TO AND ACTION ON AGRICULTURAL AND MARINE RESOURCES DEVELOPMENT: ALLEGATION U.S. POLICIES DIRECTED AT ENCOURAGING U.S. CAPITAL INVESTMENT WHILE IGNORING MICRONESIAN DESIRES TO DEVELOP MICRONESIAN ENTERPRISES, PARTICULARLY IN FISHERIES; PUBLIC LANDS POLICY: ABSENCE OF SHORT OR LONG-TERM POLICY AND PROGRAM PLANNING RELATED TO MICRONESIAN REALITIES AND PRIORITIES AND SO ON. NOT YET CLEAR WHAT LEGISLATIVE ACTION WILL BE RECOMMENDED IN COMMITTEE REPORT OR TAKEN WITH RESPECT THESE COMPLAINTS.

PAGE FOUR RUHJOSA0490 C O N F I D E N T I A L
C) RESOLUTIONS RELATING TO INCREASED BUDGETARY AUTHORITY FOR
CONGRESS OF MICRONESIA. NOT CLEAR WHAT FORM THEY WILL TAKE.

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- D) LEGISLATION ON NEW SITE FOR CONGRESS OF MICRONESIA. PONAPE SEEMS TO BE LEADING CANDIDATE AT MOMENT.
- E) FURTHER RESOLUTIONS ON U.S. POLICY PELATING TO "MOST FAVORED NATION CLAUSE."
- F) "MICRONIZATION" OF POLICY PROCESSES. WE CAN EXPECT WIDE RANGE RESOLUTIONS AND BILLS DESIGNED "MICRONIZE" EXECUTIVE BRANCH. THESE COULD RANGE FROM NOW FAMILIAR EXECUTIVE COUNCIL CONCEPT TO EXTREME OF REQUESTING ESTABLISHMENT ELECTIVE HIGH COMMISSIONER AND DEPUTY HIGH COMMISSIONER.
 - 4. ACTIONS THAT PROBABLY WILL BE TAKEN BY CONGRESS.
- A) ON DECENTRALIZATION THERE LIKELY BE LEGISLATION DIRECTEBD AT DEFINING AND EXTENDING FUTHER DECENTRALIZATION OF POLICY-MAKING PROCESS WITH INCREASED AUTHORITY FOR DISTRICT EXECUTIVE AND LEGISLATIVE

BRANCHES.

- B) IN CONNECTION ABOVE, THERE PROBABLY WILL BE INTRODUCTION LEGISLATION DIRECTED AT ESTABLISHMENT SYSTEM OF ELECTED DISTADS.
- C) THERE PROBABLY WILL BE FURTHER EFFORTS DIRECTED AT INTRODUCING UN AGENCY ASSISTANCE TO TTPI.
 - 5. ACTIONS THAT MAY BE TAKEN BY CONGRESS.

PAGE FIVE RUHJOSAØ49Ø C O N F I D E N T I A L

- A) THERE MAY BE NEW LEGISLATION DIRECTED AT TURNING CONTROL OF PUBLIC LANDS OVER TO DISTRICTS, OR AT LIMITING TTPI ADMINISTRATION'S RIGHTS OF EMINENT DOMAIN.
 - B) THERE MAY BE RESOLUTIONS CALLING FOR "RETURN OF ENIWETOK".
- C) THERE MAY BE INTRODUCTION OF RESOLUTIONS CALLING FOR RESIGNATION OR REPLACEMENT OF SOME SENIOR U.S. OFFICIALS.
- 6. MESSAGE PREPARED NOVEMBER 11. DORRANCE

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