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THE WHITE HOUSE
WASHINGTON

November 24, 1971

Dear Mr. President:

I am pleased to report that the third round of talks on the future political status of the Trust Territory of the Pacific Islands was held with the Joint Committee on Future Status of the Congress of Micronesia at Hana, Maui, Hawaii, on October 4-12, 1971. A summary of the talks and a full record of the proceedings are enclosed.

Within the framework of negotiating instructions, which you approved, a number of new proposals were introduced by the American Delegation for the consideration of the Micronesian Joint Status Committee. In keeping with your concern that agreement on a new status for Micronesia should serve the long-term welfare and needs of the Micronesian people, our new proposals centered on those issues which the Micronesians themselves had said were of the greatest importance to them and to their future.

~~At Hana, the U.S. Delegation did not present a comprehensive American plan or blueprint for Micronesia's future political status. To the contrary, we stated that Micronesia's future should indeed derive from the thought, the discussion, and the will of the Micronesian people.~~ What was discussed was a Compact of Association which would be freely entered into by the people of Micronesia through a sovereign act of self-determination. This Compact would define the terms of association between the United States and Micronesia, including the rights and responsibilities of both parties.

The United States stated that in accordance with the Compact, the rights of the Micronesian people to govern their own internal affairs would be fully recognized and protected. This would include the right to write and adopt their own constitution and their own laws. U.S. responsibilities, laws, and programs would apply to Micronesia only as agreed to by the Micronesians and as detailed in the Compact, or as subsequently agreed upon by mutual consent.

In the areas of foreign affairs and defense, the American position was similar to the statement contained in the July 1970 Report of the Political Status Delegation of the Congress of Micronesia which had proposed that "the responsibility for external affairs and defense

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would be handled by the United States and it would therefore be necessary for the United States to retain sufficient powers in those areas to enable it to fulfill its responsibilities." These powers would be defined in the Compact.

The vital importance of land to the Micronesians was fully recognized and acknowledged in the new proposals put forward by the U.S. Delegation. ~~Under the terms of the proposed Compact of Association, all Micronesian land would be under the control of Micronesians, and the U.S. would commit itself not to exercise any powers of eminent domain.~~ The U.S. further proposed that private ownership of land by non-Micronesians should be determined by the Micronesians and that any future acquisition of land would only be in accordance with Micronesian law.

With respect to the continuing need for land in Micronesia to meet our defense responsibilities, the ~~American~~ Delegation outlined the foreseeable limited and definable U.S. requirements which included the continued use of the present military land holdings in the Marshalls, additional land needs in the Marianas, and options for possible future use of some land in Palau. It was stated that the U.S. had no needs for land for military purposes in the other three Districts--Yap; Truk; and Ponape--and had no other military land requirements not outlined at the Hana talks.

The U.S. proposed that land lease arrangements and options to meet the limited military land use requirements be concluded as part of the Compact of Association. The U.S. Delegation also stated that after the Compact comes into force the United States would acquire land, including the emergency use of land to meet future contingencies, only in accordance with the Compact, with Micronesian laws, and with mutually agreed procedures. It was further stated that the U.S. expected to pay fair compensation for all leased land and that all such land not being used would be made available to Micronesians under lease-back arrangements.

The talks did not define specific levels of financial need or potential sources of income or funding, but concentrated instead on general questions of possible future financial relationships between Micronesia and the United States, and certain procedural matters. Future financing will be determined in part by the extent to which a Micronesian government may request the extension of U.S. services and programs to Micronesia and future authorizations and appropriations to cover such activities.

The Micronesian Delegation asked what assurances could be given that U.S. financial support would be maintained over a period of years. Understandably, they stated that such assurances would be necessary to orderly budget and development planning and requested that agreement on this matter be incorporated as part of the Compact of Association. Consideration of this important question will certainly be taken up at the next round of talks as well as other matters relating to Micronesian economic self-development.

We stated our belief that the future direction of Micronesian growth should derive from their own ideas, initiatives, and wishes, and that economic progress should be for the benefit and well-being of all Micronesians. Our proposals envisaged that under a new Compact of Association control over financial and budgetary affairs and foreign investment in Micronesia would reside in Micronesian hands.

In the concluding session, the Micronesian Delegation stated: "We believe there has been a genuine effort on both sides to resolve existing differences." In the words of the final Joint Communiqué ending the talks "both sides expressed appreciation for the spirit and atmosphere surrounding the Third Round of Talks on Micronesian Future Political Status," and

"Both the Micronesian and the American sides found the open exchange and the exploration of each other's points of view highly useful and both agreed that substantive progress was made in narrowing differences and in reaching preliminary understandings in some important areas."

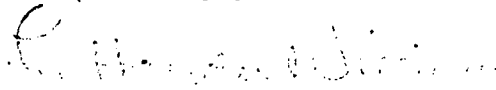
Both parties also agreed, however, that there were certain remaining divergencies to be resolved prior to the conclusion of an agreement that would form the basis for the termination of the present trusteeship, and would fulfill our responsibilities under the Trusteeship Agreement between the U.S. and the Security Council of the U.N. The principal issue yet to be resolved concerns the method by which a future relationship between Micronesia and the United States might be modified or terminated. This matter undoubtedly will be one of the most important questions to be taken up in subsequent negotiations.

The American Delegation appreciated your personal interest, encouragement and guidance. This enabled us to present new proposals which were designed to meet the understandable desires of the people of Micronesia to control their own destiny, to govern themselves in the future, and to preserve and protect their own cultural values and traditions.

We believe that the basis for a mutually beneficial and enduring relationship between the United States and Micronesia exists. We will, therefore, continue to work for an agreement which will recognize, respect, and further the long-term interests and welfare of the people of Micronesia and which will also serve our own requirements and obligations in the Pacific Ocean Area in the years ahead.

If you have no objection I plan to arrange for reproduction and public distribution of this letter and its enclosures, for the information of interested persons in Micronesia and in the United States.

Respectfully yours,


Franklin Haydn Williams

Enclosures

The President
The White House
Washington, D.C.

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THE HANA TALKS: BACKGROUND AND SUMMARY
OF U.S. PROPOSALS

I. BACKGROUND

For a number of years both Micronesians and Americans have been working towards ending the unique strategic Trusteeship under which the United States administers the Trust Territory of the Pacific Islands. In 1967 the Congress of Micronesia created a Political Status Commission to make recommendations to the Congress and people of Micronesia on Micronesia's future political status. After careful study, the Commission in 1969 recommended:

"That the Trust Territory of the Pacific Islands be constituted as a self-governing state and that this Micronesian state--internally self-governing and with Micronesian control of all its branches including the Executive--negotiate entry into free association with the United States."

The Commission realized that "To turn this recommendation into reality, we must face long and complex negotiations." At the same time, it recognized "two inescapable realities; the need for Micronesian self-government and the fact of long standing American interest in this area," and noted that it sought, "not an end but a re-definition, renewal and improvement" of its partnership with the United States.

The U.S. side responded to these recommendations by inviting the Micronesians to exploratory talks in Washington in October 1969. In May 1970 still another round of discussions was held in Saipan, at which the U.S. Delegation invited Micronesia to become a permanent and self-governing member of the American family as a Commonwealth. The Micronesian Delegation, and subsequently the Micronesian Congress, was unable to accept the American Commonwealth proposal in the form presented. They suggested instead a self-governing state of Micronesia in free association with the United States by means of a Compact of Association revocable by either party.

After these talks the U.S. Government carefully examined the problems and issues which separated the two sides so as to develop a fresh approach. In March 1971 the President appointed Ambassador Franklin Haydn Williams as his personal representative for status negotiations with instructions to work out an accommodation that preserved Micronesian interests as

well as those of the United States. Shortly afterwards Ambassador Williams met and exchanged correspondence with the Chairman of the Micronesian Joint Committee on Future Status to agree on the time, place, and format of the next round of meetings. The representatives of both parties reached an understanding that the third round of talks would be held in October 1971, in a private and informal atmosphere and would be centered on an exchange of views on major issues and areas in need of resolution. The site selected was Hana, Maui, Hawaii.

II. U.S. PROPOSALS

The American Delegation in its opening statement said that the United States understands and respects the natural desire of Micronesians to control their own affairs and sympathizes with this legitimate objective. It had come to Hana in the hope of laying the groundwork for a future association between Micronesia and the United States, one that would be freely entered into and fully representative of the will and wishes of the people of Micronesia. "Basically," we said, as the Micronesians themselves had said, "the future status of Micronesia should indeed derive from the thought, the discussion, and the will of the people of Micronesia," and, therefore, the U.S. Delegation had not brought an American blueprint or a new draft legislative bill to serve as the basis for the talks.

The United States proceeded to outline a number of new American positions on those specific issues which the Micronesians had said in July 1970 were central to any agreement on the future political status question. The new American proposals resulted from a close examination of previous Micronesian statements and were designed to satisfy Micronesia's desire for:

1. Full internal autonomy and self government;
2. Full control over their own land and other resources; and
3. Full protection for their own values, traditions, and cultural heritage.

At the same time, the basic interests of the United States in the area, already recognized by the Congress of Micronesia and the United Nations, were put forward:

1. Continuing interest and concern for the long-term welfare of the people of Micronesia;

2. Moral and legal obligations as the Administering Authority of the Trust Territory of the Pacific Islands; 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.

A. Compact of Association

It was suggested by the United States, as it had been previously by the Micronesian side, that the interests of both parties could be accommodated within the terms of a Compact of Association which would govern the future relationship. ~~The Compact, the United States proposed, would embody the agreement between the peoples of Micronesia and the United States.~~ It would be subject to the advance approval of the people of Micronesia by means of a sovereign act of self-determination.

~~Under the Compact the people of Micronesia would have the right to draft, adopt, or amend their own constitution, which would contain a commitment to protect fundamental personal rights and freedoms. The new Micronesian constitution would not have to be patterned after, or be consistent with, the U.S. Constitution, and the United States would have no right of amendment. The government and people of Micronesia would have full authority to enact, amend, or repeal their own legislation in accordance with the Compact and there would be no right of the United States to modify or change those political rights.~~

The Status Committee Report of July 1970 had envisioned that under a new relationship "the responsibility for external affairs and defense would be handled by the United States," and it would be necessary for the United States to retain powers in those areas. The U.S. Delegation at Hana agreed with this view and recommended that the Compact define the responsibilities of the United States in foreign and defense affairs.

B. Land

Recognizing the critical role of land in Micronesian history and society, the United States proposed a formula by which the U.S. Government would formally bind itself not to exercise eminent domain to acquire land for U.S. uses. Under the new relationship, all public lands held in trust would revert to the new government of Micronesia. Thus, all lands would be under the control of the people of Micronesia. To satisfy the security requirements of the United States in the Pacific region--requirements already recognized in principle by the Micronesians--certain limited military needs were outlined. These needs would be negotiated

prior to a change in status, and would be recognized in the Compact. It may be noted, parenthetically, that the total land in use or reserved by the U.S. military represents 3.8% of the total land in the Trust Territory of the Pacific Islands. Over the years 21,140 acres of retention lands have been returned to the Trust Territory Government and the U.S. military no longer holds any retention land in Ponape, Yap, Truk, or Palau Districts.

U.S. security requirements for land were limited and were specifically identified. ~~The Department of Defense does not have any requirements for land in the Districts of Yap, Truk, or Ponape.~~ In the Marshalls there would be a ~~continuing need for the existing missile testing facilities at Kwajalein, but no new requirements.~~ In the Marianas some land on Saipan could be returned to Micronesian control, while some additional needs were foreseen on the island of Tinian. ~~In Palau, there are no immediate needs for land; potential U.S. military requirements could be covered by options. Such options would include the right to establish a small facility in Malakal Harbor (about 40 acres of fill land), the use of land on Babelthiap on which to build structures and store materials, the right to hold intermittent training exercises ashore for ground units, and an arrangement for joint use of the civilian airstrip.~~ The U.S. side made it clear that the United States expected to pay fair and adequate compensation for all such privileges. It also proposed that under a new political status the United States would acquire lands only with the consent of Micronesians and in accordance with Micronesian laws and mutually agreed procedures.

~~In order to complement this arrangement, the Micronesians were asked to be prepared to negotiate promptly the temporary use of land for security purposes in the event an emergency necessitated such a request.~~ The U.S. Delegation emphasized that even under this procedure no land could be taken without the express prior consent of the Micronesian Government and that all such lands would revert to Micronesian control as soon as the emergency was over.

All in all, the U.S. land proposal contained assurances that the Micronesians would have complete and final control of their land, at the same time making provision for minimum U.S. needs. Special assurances were also given with respect to Micronesians' right to control the sale of their land to aliens.

C. Laws

The United States proposed that, under the terms of the Compact outlined above, the government and people of Micronesia would have full authority in all areas of internal self-government. This would include the right to choose their own form of government, adopt their own constitution, enact their own laws, and exercise full control over the future of Micronesia.

Areas which would be within the purview of U.S. responsibility would include foreign and defense affairs. The American position was similar to the statement contained in the July 1970 Report of the Political Status Delegation of the Congress of Micronesia which had proposed that "the responsibility for external affairs and defense would be handled by the United States and it would therefore be necessary for the United States to retain sufficient powers in those areas to enable it to fulfill its responsibilities." These powers would be defined in the Compact.

D. Future U.S. Services and Programs

There are many U.S. Federal services and programs, it was suggested, which Micronesians might wish to take advantage of under a new relationship. These might include programs in education, health, transportation and public works, and such services as the Postal Service, the U.S. banking and currency system, the Federal judiciary, and the like. These decisions would naturally be up to Micronesians. The Compact would, in any case, specify the legal methods by which these U.S. programs would be put into effect and would also provide a mechanism by which desired changes could be effected in the future.

E. Financial Affairs and Economic Development

~~The talks at Hana on future financial relationships were of necessity rather general since it was obvious that the form, substance, and continuity of a future association would have a direct bearing on a long-term financial relationship. For the time being, financial questions had to be subordinate to the broader issue of how a future relationship would evolve, but the U.S. side did take the opportunity to review the scope and funding of present U.S. programs--in excess of \$70 million annually--and to inquire what mechanisms the Micronesians would expect to employ in administering future U.S. financial support that might be required.~~

As for future economic development, the responsibility for determining priorities among economic needs would rest with the Micronesians themselves. The United States would stand ready to help, but the future direction of economic growth and the relationship of that growth to traditional cultural values would be for the Micronesians to debate and decide on.

F. Termination

Provision for possible future amendment or termination of the Compact to meet changing conditions and circumstances was an issue which the U.S. Delegation dealt with at some length. The U.S. proposed that the interests of both parties would be better protected in future years by the following flexible procedures based on mutual consent:

- After an agreed period of years during which the association could be given a practical test, either party could propose amendments or termination of the Compact.
- The party to which such proposals were directed would agree to consider them promptly, to respond to them within a specified time, and to negotiate differences between the parties in good faith.
- Procedures for such negotiation could be agreed upon in advance in order to expedite the resolution of any differences that might arise.

Such procedures would guarantee the flexibility that both sides seek, and would, moreover, offer a valuable measure of security for both Micronesia and American interests in meeting their respective responsibilities.

III. AREAS OF PRELIMINARY AGREEMENT

The U.S. proposals were put forward in the belief that they would satisfy the desire of the people of Micronesia to govern their own affairs; to control their own land; and to protect and preserve their own unique cultural traditions and life patterns. It was hoped that they could serve as the foundation for a future status agreement which, in turn, would lead to the termination of the Trusteeship.

That the U.S. proposals succeeded in bringing the two sides closer together was evidenced by the Micronesians' closing statement which said, in part:

"We believe that there has been a genuine effort on both sides to resolve existing differences. Our delegationwishes to note its appreciation for the views and positions which you have expressed within the course of our discussions. We wish to note especially the recognition on the part of your delegation of the many concerns which have been expressed by the Congress of Micronesia, by the Future Status Delegation, and by this Joint Committee with respect to Micronesian desires for self-government and for the opportunity to define our own future and identity in accordance with our wishes and desires."

The Micronesians welcomed the degree of internal autonomy envisaged by the U.S. proposals--the right of the people of Micronesia to choose their own government and to write, adopt, and amend their own constitution--and the idea that the Compact of Association should set forth the respective powers of the two parties. Similarly, the Micronesian Delegation was pleased with the U.S. proposals regarding land. Especially did they welcome the forgoing of the right of eminent domain by the United States, thus giving the Micronesians full control of their lands under the proposed new relationship.

IV. QUESTIONS NEEDING CLARIFICATION AND FURTHER NEGOTIATION

While there were significant areas of agreement, there were also unresolved problems and questions. With regard to a future legal relationship, the Micronesians sought clarification or further explanation of a number of points: for example, jurisdiction over U.S. servicemen in Micronesia, the character of U.S. Micronesian official representation in the future, the impact of U.S. international obligations on Micronesia, nationality and citizenship questions, and authority over tariff and customs regulations. The Micronesians sought non-reciprocal privileges, such as the free movement of Micronesian people into the United States and duty-free entry of Micronesian goods. The U.S. Delegation agreed that arrangements for free movement and duty-free entry should be included in a Compact, but reiterated the U.S. position that these provisions be based on reciprocity. With regard to the other items, there appeared to be tacit understanding that these would be negotiable and would be held over for discussion at forthcoming sessions.

As to the control of land, Micronesian comments focused not so much on the general principles as on the implementing arrangements. In its response the Micronesian Delegation proposed that all current land agreements be terminated with the end of the Trusteeship, that areas designated by the Compact be leased to the U.S. effective with the new status, and that the U.S. leases and options would cease in the event of the Compact's termination. In reply the U.S. Delegation said that this approach suggested a series of future uncertainties in meeting U.S. land requirements; the U.S. Delegation called instead for a negotiation of land arrangements which would be enduring through the terms of the leases and options.

The Joint Committee asked about provisions for prior Micronesian consent to storage of dangerous materials on U.S. bases in Micronesia. The U.S. Delegation replied that it had not contemplated such a provision and

that advance notification of movement and storage of such materials is against U.S. policy. It stressed that only research and development were contemplated in the Marshalls and that future military activities in the Marianas would be concentrated on Tinian. The U.S. emphasized further that in Palau there were no immediate requirements and that there was no way to tell if there would, in fact, be future contingencies which would call for the exercise of the desired options.

The Joint Committee suggested that emergencies which required the use of land be limited in time, and the Americans responded that this item could be negotiated with the Micronesian government at the time of the emergency; that the very nature of emergencies makes it impractical to apply such rigid rules. The U.S. side repeated that the use of such land would be temporary, that the land would be returned as soon as the emergency was over, and that, in any event, such land would only be acquired with the consent of the Micronesian government and according to agreed procedures.

V. AREAS OF REMAINING DIFFERENCES IN NEED OF RESOLUTION

~~As the final statement of the Micronesian Delegation at Hana put it, "the single most important area where basic disagreement still exists between our delegations is--in the area of termination of any future political relationship between Micronesia and the United States."~~

The American Delegation maintained that, while the U.S. Government would agree that a workable Compact should embody enough flexibility in substance, form, and procedure to suit and meet changing circumstances and future conditions, it was important that the United States have a voice in any decision which might seriously alter the Micronesia-U.S. relationship and stability in the area--a stability which is in the interest of Micronesia, the United States, and all Pacific nations. The U.S. therefore stressed that the Compact should be amendable and revocable by mutual consent. At the same time, the U.S. Delegation made it clear that it was prepared to listen to Micronesians' views on this subject at Hana or to take this important question up at future talks.

The U.S. Delegation noted that the mandate of the Joint Status Committee was based on discussions and decisions taken prior to and subsequent to the May 1970 negotiations. Since the May 1970 U.S. proposals had been superseded by new proposals made at Hana in October 1971, the U.S. Delegation suggested that the Congress of Micronesia might wish to consider these new proposals, weighing carefully all the advantages and disadvantages, and relating these proposals to the future welfare of the Micronesian people.

VI. CONCLUDING STATEMENTS FROM BOTH SIDES

In its concluding statement the American Delegation reviewed in detail the fruitful exchanges that had been made with the Micronesians and underscored the very great effort by which the United States had sought to introduce flexibility and concern for basic Micronesian interests into its proposals--in short, the spirit of accommodation of basic interests important to both sides. The U.S. proposals, it seemed reasonable to say, had satisfied the basic Micronesian requirements as to sovereignty, self-determination, and the right of the Micronesians to adopt and amend their own constitution. The exchange had brought to light conceptual differences, particularly with regard to the termination issue. It was hoped that further consideration in Micronesia and a new look at this particular problem might suggest new ideas as to how the conceptual differences which remain might be bridged. The U.S. made it clear that it invited further exchange on this substantive question.

In his concluding statement the Chairman of the Joint Micronesian Status Committee voiced his appreciation for the views and positions expressed by the United States. After noting the progress that had been made in reaching preliminary understandings and reviewing the areas still in need of resolution in order to satisfy the desire of Micronesians to "maintain our own identity...to remain Micronesians...(and to) have full control over our internal affairs," an invitation was extended to the American Delegation to meet again before the end of the year.

It was requested that at the fourth round of talks the United States be prepared to discuss further those areas in need of clarification, to negotiate the terms of those areas of substantial agreement, and to give serious consideration to the remaining basic difference over termination.

The talks ended by the reading into the record by the Chairman of the Joint Committee of a final communique:

"The Members of the Joint Committee on Future Status of the Congress of Micronesia and the United States Delegation met at Hana, Maui, Hawaii on October 4 to 12, 1971 to exchange views on the future political status of the present Trust Territory of the Pacific Islands.

Senator Lazarus Salii of Palau and Congressman Ekpap Silk of the Marshalls served as the Co-Chairmen of the Micronesian Delegation. The President's Personal Representative for Micronesian Status Negotiation, Ambassador Franklin Haydn Williams, headed the American Delegation.

"Other participants included:

The Micronesian Joint Committee

Sen. Lazarus Salii - Chairman
Rep. Ekpap Silk - Co-Chairman
Sen. Roman Tmetuchl
Sen. Isaac Lanwi
Sen. Andon Amaraich
Sen. Tosiwo Nakayama
Sen. Petrus Tun
Rep. John Mangefel
Sen. Bailey Olter
Rep. Olter Paul
Sen. Edward Pangelinan
Rep. Herman Guerrero

The American Delegation

Amb. Franklin Haydn Williams
Amb. Arthur W. Hummel, Jr.
Capt. William J. Crowe, Jr.
Mr. Lindsey Grant
Mr. Thomas Whittington
Mr. Ronald F. Stowe
Mr. John C. Dorrance
Col. Athol Smith

"Both the Micronesian and the American sides found the open exchange and the exploration of each other's points of view highly useful and both agreed that substantive progress was made in narrowing differences, and in reaching preliminary understandings in some important areas. Both also agreed there are remaining problems and divergencies that must be bridged and resolved prior to reaching an agreement in order to terminate the Trusteeship Agreement between the United States and the United Nations.

"Neither side presented at the talks a single proposal nor a detailed and comprehensive plan for the other side to consider. The talks, rather, centered on issues and principles. The Micronesians set forth their views and the United States outlined a range of new American positions on such key questions as Future Control of Micronesian Laws and Micronesian Lands. Both delegations agreed that any

future political status for Micronesia should be approved by the people of Micronesia in a sovereign act of self-determination.

"The Micronesian Joint Committee on Future Status responded to American statements and asked for further clarification on some issues as well as substantive questions. The same process was followed by the American side, and in this manner areas of preliminary agreement as well as disagreement were more clearly defined.

"It was agreed that further talks will be necessary before final understandings and agreements can be reached. Both parties agreed that all understandings reached at Hana were preliminary in nature and would be subject to further review by both Micronesia and the United States.

"The Micronesian Delegation extended an invitation to the American Delegation for a further meeting in Micronesia.

"Finally, both sides expressed appreciation for the spirit and atmosphere surrounding the Third Round of Talks on Micronesian Future Political Status."

UNITED STATES - MICRONESIAN

FUTURE STATUS TALKS

Hana, Maui, Hawaii

October 4-12, 1971

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(The meeting of the U. S. Micronesian Status Talks convened at 10:18 a.m., Monday, October 4, 1971.)

AMB. WILLIAMS: I would like to open these talks by just saying one word of welcome. I'm delighted that we're all here together.

Senator Salii has asked that the Micronesian Delegation make an opening statement, and so we will now hear from him and I will then follow with my remarks.

Senator Salii.

SEN. SALII: The Micronesian Delegation has an opening statement which I would like to read now.

We have come here to talk about independence. For that, we feel, is the real subject of these negotiations.

Much can be said about our times -- about our travails, dangers and stresses. But we can be proud of at least two achievements: the nearly universal recognition that all peoples and all nations have the right to control their own destinies, and the consequent demise of colonialism.

The people of Micronesia, in this respect, are not exceptional. We wish to be free -- to govern ourselves, to deal with the rest of the world on our own terms, to make our own mistakes. We are fully aware that independence, if it comes to Micronesia precipitately, will bring its burdens. We are prepared to bear these burdens if we must. We are confident that our colleagues in the Congress

and the people of Micronesia, as soon as they have discussed the issues fully, will be prepared to bear those burdens.

We recognize the aspiration of the people of the Marianas District to share in the benefits that independence bestows on your great country by becoming more closely affiliated with the United States. And we recognize that the people of the other districts will prefer to live in a Micronesian state.

In 1969, the Congress' Status Commission recommended Free Association to the Congress. It did so with the thought that the Free Association proposal was in accordance with the four principles which the Congress believes are the foundation on which our political future must be built. And if you will pardon the repetition, I would like to restate those principles:

1. That sovereignty in Micronesia resides in the people of Micronesia and their duly constituted government.
2. That the people of Micronesia ~~possess the right of self-determination and may, therefore, choose independence or self-government~~ in free association with any nation or organization of nations.
3. That the people of Micronesia have the right to adopt their own constitution and to amend, change or revoke any constitution or governmental plan at any time; and
4. That free association should be in the form of a revocable compact, terminable unilaterally by either party.

Moreover, the Congress believes that Free Association

offers an acceptable compromise between the desires of our people and the exigencies of the situations in which Micronesia and the United States find themselves.

~~It would afford Micronesia a status with most of the characteristics of full independence and a status which could be translated into independence if and when we chose.~~ It would minimize the economic dislocation that America's unfortunate economic policies in Micronesia have made inevitable. It would offer the United States optimal protection of any interests it may have in our islands, whatever they may be.

The four principles still stand as the basis of our thinking; and the proposal for Free Association, therefore, represents the most extensive curtailment of Micronesian sovereignty that we are prepared to discuss.

~~To date, the United States has responded negatively to the Free Association proposal.~~ We Micronesians at this table would like to think that you who represent the United States have reassessed that position and are here to discuss how such an association could be developed. If this is the case, let us get to work.

~~If, on the other hand, the United States position has not changed, then there will be no point in focusing our discussion on any question other than the transition to independence.~~

Time, we know, is on the side of self-determination.

Colonialism is dead, even though vestiges still remain. But we find it difficult to place the United States in the same category as Portugal. The United States has publicly disassociated itself from such futile policies. And it is clear to us that the United States will not long stand against the condemnation of the world as embodied in the United Nations and will not violate its own traditions by persisting in the denial of freedom to Micronesia, a small land that wishes to transform a relationship which has been marked by goodwill.

In summary, Mr. Ambassador, we are here to secure independence for our people. ~~We are willing to discuss arrangements wherein that independence has minor limitations placed upon it -- limitations as contained in the Free Association proposal.~~ We are not interested in discussing more limiting arrangements.

We are hopeful that the days before us will be fruitful and that all of us can leave Maui proud of what we have done here.

Thank you.

AMB. WILLIAMS: Thank you very much, Senator Salii. And we too look forward to valuable exchange of ideas and free discussion of the problems that will be before us during the next several days. We share your desire that these meetings be productive and the hope that progress will be made in reaching mutual understandings on the future political

status of Micronesia.

We are aware of the time and the thought that have been given the question by the Congress of Micronesia and, more particularly, by the Joint Status Committee since the last round of talks in May 1970.

We are also very conscious of the importance which the people of Micronesia themselves attach to these discussions and how they will relate to their long-term future and welfare. We recognize that, in the past, Micronesians have been caught up against their will many times in events which they did not control. We understand full well and respect your natural desire that, in the future, Micronesians should control their own affairs. We are fully sympathetic with this legitimate objective and the aspirations of your people to determine their own destiny.

Since the meeting of May 1970, my Government has carefully studied the various issues that were identified in those talks and the subsequent Report of the Status Committee to the Congress of Micronesia. Serious consideration has been given to your concerns as well as to our own interests. Discussions and consultations within the Executive Departments and with the Congress of the United States have been held, and I have been enjoined by my President to work steadily with you in the search for an amicable agreement which will be mutually satisfactory and beneficial.

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You will see on our side of the table new faces. While we are all aware of our newness, we have been benefitted from the valuable advice and counsel of those who have preceded us. While we may be limited in past experience, we are not limited in our desire to work closely and cooperatively with you. My delegation shares my hope and my confidence that we can in the end, through patience and goodwill, find solutions which are eminently fair and which meet both of our interests.

If I may, I would now like to say a few words about what we hope will result from these meetings.

We have come here to explore further and, hopefully, to lay groundwork for an association between Micronesia and the United States, freely entered into and fully representative of the will of the people of Micronesia. It is my understanding that you also have come to seek such an association through a further exchange of views. I do not look on these talks as a new beginning but, rather, as the resumption of a continuing process leading to the termination of the Trusteeship Agreement.

I do not -- I repeat: I do not -- bring an American blueprint or a new draft bill to present to you. Basically, the future status of Micronesia should indeed derive from the thought, the discussion and the will of the people of Micronesia. However, I do bring some new ideas on several of the issues which you have described as

important. Hopefully, a thorough discussion of these matters will eliminate differences and out of our understanding on these issues, one by one, will come a jointly drawn draft compact which will be consistent with the wishes of your people and subject to their ultimate approval.

One week here on Maui may not, and probably will not, be enough to complete this task. We are certainly willing to extend the talks or to meet again. We will be doing well if we can reach a broad meeting of the minds in the days ahead on the essential practical issues that must be resolved prior to the framing of a final agreement, against which your fundamental principles and our interests can be measured.

~~At the close of these meetings, I hope we will be able to issue a joint communique reflecting the broad agreements that have been reached and the progress that has been made.~~ Moreover, we hope that we can arrive, over the next several days, at some shared ideas as to next steps and how we should proceed after the conclusion of this round of talks.

Our discussions and agreements will undoubtedly require further negotiations on many details which could be delegated to sub-negotiating teams for both sides. As we proceed, we will be looking to your views on this subject and to your wishes with respect to further meetings of our two delegations and other follow-on negotiations.

In this regard, I would like to assure you that my Government is taking the matters which we will be discussing seriously -- and will continue to do so. The new Office of Status Negotiation recently created in Washington, stems from the President's interest. It is headed by Ambassador Hummel, and it is one bit of concrete evidence of our genuine concern. ~~This office will remain in being with one single purpose -- and that is: to work continuously and cooperatively with you until our mutual objectives have been realized.~~

I turn now to some suggestions as to the manner in which these hopes and expectations might best be achieved.

It is our recommendation that our talks be focused initially on specific issues. In the May 1970 talks, these key issues were surfaced and later pointed out in your report to your Congress. It would appear to our side that rather than a full preliminary review or survey of all the issues to be resolved, our time might best be spent on concentrating our attention on those key questions which have already been identified and which must be resolved before the Trusteeship Agreement can be terminated.

In considering what were the most important questions, we have concluded that there was no better place to begin than with the three issues singled out in your Status Report of July 1970, their being of central importance to any

agreement. They are:

1. The future control of Micronesian land.
2. The future control of laws applicable to Micronesia.
3. The control of any further consideration or change of political status.

In addition, there is another related issue. This is the question of future funding. While I expect that remarks on this subject will necessarily be general at this stage, I believe that there are a number of questions concerning future financial relationships which we should begin to explore at this time.

We would like to begin our discussions with a free exchange of views on each of these issues. The outcome and hoped-for understandings on these specific, yet broad, issues will go a long way towards determining the actual content and substance of any future compact detailing the rights and obligations of both parties. These issues, in short, are the ones which we also believe are the most important ones to be resolved; and they are the ones on which our new ideas may be of most interest to you.

We are certainly aware that there are additional questions that will need to be aired and still other issues which you will wish to raise.

For example, we are aware of and have taken serious note of your four principles and the importance which you attach to them. We assume that you will be testing the

understandings reached on the specific issues mentioned, which you have indicated are of priority importance against these broad principles, and whether or not Micronesia's fundamental interests have been met. In fact, I think we may find, when we have completed discussion of the specific issues, that both sides will agree that Micronesia's basic interests have indeed been satisfied.

It is ~~my hope that by concentrating on the specifics of the problems that need to be resolved, we can avoid becoming bogged down in semantics, legalisms and titles. Once we have agreed on the fundamentals and the actual substance of a new status for Micronesia,~~ I feel certain that we can agree on a name for the new relationship. What I am suggesting is an inductive approach, rather than a deductive one -- ~~a process of building, block by block or issue by issue, the framework for a mutually satisfactory settlement--~~ one that gives full weight and protection to your interests as well as ours.

As we progress in our discussions, I hope you will ask me questions, and I shall do my best to respond directly and candidly. I shall be asking questions of your side also. It seems to me important that we explore the questions fully -- that is to say, that I share your hope for a real exchange of views here, for a spirit of give-and-take, and for real negotiations towards our mutual goals.

At this point, I would like to briefly review

basic U. S. interests in Micronesia. Before mentioning them, I should say that they are interrelated and concern, first, our interest in the people of Micronesia themselves and their long-term welfare; secondly, our moral and legal obligations as the administering authority under the United Nations Security Council; and, third, our larger Pacific role and our commitments with respect to the maintenance of peace and stability in the Pacific Ocean area.

It has been argued that strategic considerations alone have dictated the American view of Micronesia. But this is not so. As stated above, we do have other important interests. Yet it is undeniable that the wide expanse of the Pacific embracing your islands is indeed a strategic area. This has been formally recognized by the United Nations, and the history of this century has already recorded that in fact the area has been used for strategic purposes to control the sea lanes of the Pacific and as staging and jumping-off points for armed aggression against neighboring Pacific nations. The United States, as a founding member of the United Nations, as the administering authority of the Trust Territory of the Pacific Islands, and as a member of Pacific and Asian regional security arrangements, has an obligation for the maintenance of international peace and security and to guard against the Pacific Ocean area being used in the future as a base for aggression against the people of Micronesia or against other friends and allies.

We have this obligation.

To this end, we do have real -- but limited and definable -- requirements for access to Micronesian land for these common defense purposes which we look forward to discussing with you in the days ahead. But to stop there and assume that our interests are confined solely to strategic considerations would be a distortion of American interests and motives in Micronesia.

Beyond this, and of more enduring significance, is our genuine and special interest in the well-being of the people of Micronesia themselves, a concern for assisting them and the peoples in the less-developed world with their own advancement. This is not lip-service. This is a fact supported by a 25-year record of American economic assistance to ex-enemy countries, as well as to our allies and to developing countries -- large and small -- in every part of the world.

With respect to the United Nations and as the administering authority, our responsibility and obligations toward Micronesia are particularly direct and embodied in the history of the very concept of Trusteeships. It was an American President who spawned the idea resulting in the League of Nations system of mandates. It was the United States, as one of the principal drafters of the United Nations Charter and the articles pertaining to trusteeships, that voluntarily decided after World War II to limit its role

in Micronesia to one of Trusteeship. We thus share with your Joint Status Committee and the Congress of Micronesia a continuing concern for the further political, economic and social development of Micronesia which takes into account both our obligations as the administering authority and the desires of your people to preserve at the same time their cultural identity, their traditions, their values, and their control over their own land and their own political institutions.

I, therefore, suggest that our interests in Micronesia are broad ones and certainly not limited to defense considerations alone. It must be kept in mind that strategic requirements change, and I think it would be a mistake to assume that they will always remain the same. While I cannot predict what our other Pacific and Asian defense requirements will be in the coming decades, what I do wish to convey is that there is as good reason to think that they will decline as to think that they will increase. As for Micronesia itself, I hope that over the next several days we can make clear our limited and definable land needs, our desire that they be kept to a minimum, and our primary concern that your own land interests be fully protected.

As we enter these talks, we on our side recognize that there are political realities and other considerations that must be kept in mind.

We recognize that the ultimate political decision with respect to the future of Micronesia rests with the people

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and their right of self-determination. Our task is to see that their wishes -- their wishes -- as well as their rights -- their rights -- are respected and served.

We also recognize that any understandings that we may reach will be subject to the review of your Congress and the Congress of the United States. Within the authority of my instructions from the President, I can commit the Executive Branch to certain courses of action. It goes without saying that I cannot speak for the American Congress. However, I will be reporting to the U. S. Congress on the outcome of these talks and consulting further with appropriate Committees on further steps to be taken.

I, therefore, hope that it will be possible for our two delegations to reach the kind of common agreement that will permit each of us to steer our understandings successfully through our respective legislatures. When the final proposition is put to your people, it is my hope that it will have the joint endorsement and support of the Congress of Micronesia and the United States Government.

While these realities, other practical considerations and our respective and mutual interests should be kept in mind as we proceed step by step toward agreement, I also believe that we -- all of us here -- should never lose sight of the challenge that lies before us and the exciting opportunity provided for the building of a framework of understandings between us that will bring true self-government to Micronesia

and a sound future partnership between Micronesia and the United States.

I close my opening remarks by stating that my Government subscribes fully to the belief expressed in the July 1970 Report of the Political Status Delegation of the Congress of Micronesia that the means must be established to enable the people of Micronesia to preserve their identity and individuality, to obtain full self-confidence and human dignity, and to protect their own values, traditions and cultural heritage.

We admire this resolve. We have deep respect for your people and your traditions. As a result of our close association over the years, we have also enjoyed the privilege of your friendship.

It is my sincere desire that this spirit will undergird our efforts, as we seek together to find the means that will best enable you to preserve what is best in your past, to change at a pace of your own choosing and to progress as you see the need. We also hope most sincerely that the understandings that will come out of these talks will lead to even stronger bonds of mutual respect and friendship in the years ahead.

Thank you.

SEN. SALII: I would suggest from our side that we think of a recess and a convening sometime this afternoon, if you are prepared to go into a discussion of your position

on land or any of these points as you indicated.

AMB. WILLIAMS: Fine. Should we set a time
now?

SEN. SALII: Would 3 o'clock be all right with
you?

AMB. WILLIAMS: 3 o'clock would be fine.

The opening session is adjourned.

(Whereupon at 10:50 a.m., Monday, October 4,
1971, the meeting was recessed, to reconvene at 3:00 p.m.)

SENATOR SALII

3:00 p.m. October 4, 1971

We welcome the U. S. Delegation's statement that it is prepared to discuss in detail some of the major issues relating to the status question. As, however, we do not have the detailed knowledge of your thinking that you already have of ours, that discussion cannot begin until we have the benefit of information regarding your views.

To begin, we should like to have your views on what we consider the key to these negotiations -- sovereignty. ~~Micronesian thinking~~, as you are aware, is based on the concept of Micronesia as a sovereign state:

To clarify this point, we hold to the standard definition of sovereignty. That is: full control over both internal and external affairs. ~~At the same time, we remain willing to discuss a free association between our countries which would entail the transfer of some powers to the United States. Our willingness to effect such a transfer, I must emphasize, is founded on these principles:~~

1. That the relationship between our countries be based on a compact revocable unilaterally by either party.
2. And that the powers surrendered be limited to those delineated in the compact itself.

From this statement of our position, you will realize that of the subjects mentioned by our this morning, the third and second -- considerations of control of change of future status and control of laws -- are primary, with the former taking precedence. ~~The other two subjects, land and the funding,~~

are subordinate. We therefore welcome the opportunity to listen to an elucidation of the U.S. position on these two primary issues, with the hope that this will lead us to the point where a discussion would be fruitful.

Finally, we should like to make a procedural point. We assume and imagine you do as well, that any understandings that 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.

D. Land and Eminent DomainOpening Remarks

The control of Micronesian land has been a prominent, if not the most important, issue in previous status discussions, and has yet to be satisfactorily resolved.

It is often difficult for Americans to appreciate how strongly island peoples feel about their land. But I can assure you that the policy-makers in the United States who deal with Micronesian status and the members of my delegation fully recognize the importance which Micronesians attach to their land.

In the Trust Territory land is not only vital for survival's sake, but it also furnishes the basis for your ^{cultural} social/and political structures. The disposition of land in Micronesia is more than an economic matter; it can simultaneously influence the quality and character of Micronesian life. Under the circumstances it is only natural that you are deeply concerned about the laws governing your land and particularly your ability to control your land once the trusteeship is terminated. In turn, the U.S. delegation is sincerely desirous of fashioning an agreement that will allay your apprehensions.

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Likewise, we realize that land problems in Micronesia have been compounded by your history, and a variety of factors — some of which you have had no control over. In many areas the ownership of land is in both confusion and dispute. It will take considerable effort and time to sort out some of these land problems. The ultimate solution of these difficulties, however, should be in your hands and one of our main desires is to work out a status agreement that will not further complicate these problems and will allow you to resolve them to your own satisfaction.

To understand your land concerns and problems is not to say that the United States has no stake in future Micronesian land arrangements. The strategic value of Micronesia is widely acknowledged and is recognized in the trust agreement itself. It is for this reason that the building of military facilities is permitted and that the agreement cannot be amended or terminated without U. S. consent. While it is impossible to foresee with clarity future security needs — and they are constantly changing — we believe that Micronesia will retain its strategic value for the foreseeable future and we do see a continuing U. S. requirement for the use of some areas in Micronesia for common defense purposes.

In passing, it might be well to emphasize that such land would be used not only to assist the United States' defense readiness but to enhance peace and stability in the Pacific. We believe that working out a satisfactory agreement with you on land usage is an important step in maintaining the United States current and future responsibilities in the Pacific which will benefit Micronesia as well as other peoples in the

Pacific area.

In previous status discussions the Micronesian delegation has acknowledged that the U.S. may require land for military activities after the Trust is terminated and indicated that a future Micronesian government would be willing to enter into serious negotiations endeavoring to meet the American needs. On the assumption that those views are still held, the U. S. Government has taken a fresh and searching look at the differences which have separated us in the past. I sincerely believe that we can work out an accommodation which will set your fears to rest and simultaneously satisfy our needs.

LAND PRESENTATIONS

I propose to proceed in the following manner. First, in order to put the broad land issue in proper perspective, I would like to ask Mr. Tom Whittington of the Department of the Interior to review very briefly the current public land situation in the Trust Territory and to speak to the general types of administrative problems which we expect would face a future Micronesian government. Following his brief statement, I would like to ask Captain Crowe of the Department of Defense to summarize the present status of military lands in the Trust Territory. With this background out of the way I then propose to take up successively eminent domain, land alienation, and our future land requirements.

WHITTINGTON PRESENTATION

-- A great deal of attention has been given over the years to the question of what would happen to the so-called "public lands" of the Trust Territory upon Micronesia attaining a new status. It may be worthwhile at this point to briefly review the nature and extent of these lands.

-- The "public lands" of the Trust Territory are defined in the Trust Territory Code as being "those lands ... which were owned or maintained by the Japanese Government as government or public lands, and such other lands as the Government of the Trust Territory has acquired or may hereafter acquire for public purposes."

-- Trust Territory courts also include in this definition the alien property formerly owned by Japanese individuals, agencies, corporations and so forth.

-- It is recognized that there are many claims outstanding against these public lands, based on the circumstances of their/^{original} acquisition as well as subsequent management. In almost every aspect, public lands questions manage to be extremely controversial.

-- Nevertheless, according to official statistics, the amounts of public land vary greatly from district to district, as does the percentage of the total land area in each district represented by public land. Public lands are 4% of the total

land area of Yap, 13% of the Marshalls and 17% of Truk. These percentages are higher in Ponape (66%) and Palau (68%); 90% of the land area of the Marianas is classed as public lands.

-- Overall then, public lands amount to 60% of total lands in Micronesia, and the largest part of these lands correspond generally with the large islands in Micronesia--Ponape, Saipan, and Balbethuap--primarily because these larger island areas were acquired and used by the Japanese for agricultural and industrial purposes well before World War II.

-- At the present time, both the Congress of Micronesia and the District Legislatures have legislative authority over TT public lands. The Congress has taken one major step toward resolving the many land problems--the Land Commission Act of 1966--but has not sought to determine whether public lands should be administered by the central, or district, or even municipal governments.

We are aware of efforts by various groups to have such a dispersion of administrative responsibility, and assume that this question would continue to be of interest, particularly where there is evident district or municipal capability. Decisions as to the continuation of land cadaster and registration programs will be made, as well as analysis regarding whether or not to continue other existing land policies.

For example, Policy Letter P-1, concerning land acquisitions prior to 1935 by the Japanese Mandate Administration has received substantial criticism. In time you may wish to reopen these cases for administrative or judicial re-examination of the circumstances in which land was acquired by the Japanese for various uses.

In short, the ultimate solutions of the public land issues in Micronesia will be your responsibility.

CROWE PRESENTATION

-- There is certainly a great deal of confusion at least in the popular mind about the United States' retention lands in the TTPI or to be more accurate the lands either reserved or used by the U.S. Government.

-- You have just heard Mr. Whittington outline the status of public lands which are held in trust for the Micronesian people by the Trust Territory Government. The amount segregated out for the public purposes of the United States is insignificant in comparison with the total public lands.

The available detailed records are sometimes at variance, but agree on the general figures.

-- The Department of Defense, of course, leads the list of U.S. Federal agencies.

-- First, there are no lands being used or retained for defense purposes in the districts of Truk, Ponape, Yap, or Palau.

-- In the Marshall Islands the United States has signed a number of Use and Occupancy Agreements which cover areas in the Kwajalein, Eniwetok, and Bikini atolls. The total area is 3,031.08 acres.

-- In the Marianas, the U.S. holds 8,881.95 acres of military retention lands on Tinian and 4,943.31 acres on Saipan. The total is 13,825.26 acres.

-- There are no other lands held in reserve or being used by the U. S. military in the TTPI. The total land in use or reserved by the U. S. military represents 3.8% of the total land in the TTPI.

-- Over the years the United States military has steadily released and returned land to the TTPI Government. All the DOD land has been returned in the Palau District, in the Truk District and in the Yap District. In the Marianas a total of 19,756.39 acres has been returned and in the Marshalls 1,383.9 acres. The grand total is 21,140.51 acres.

-- Of the lands currently held for military use 4,441.85 acres are licensed out for civilian use. This is about 25% of the total lands used or reserved for the DOD.

-- Other Federal agency holdings are broken down as follows:

U. S. Coast Guard has small areas in the Palaus, Yap Islands, Marianas, and Marshalls--they total about 500 acres.

Post Office has small parcels of land in each district--they total less than one acre.

National Weather Service has land in all districts but the Marianas. Its holdings total--13.06 acres.

It is clear that lands held in public trust represent a major portion of the total land area. I should repeat that these lands are being held in trust for the Micronesian people. Consequently, the U. S. Government believes strongly that upon termination of the trust these lands, subject to the terms of a new status compact, should become the property of the Micronesian Government to be used or disposed of in accordance with the wishes of the Micronesian people. In other words, ultimate control of these lands should and would rest with Micronesians..

In contrast to the total public lands, the lands used or retained by the U. S. Department of Defense represent only a small portion of the total land area, about 3.87% and for that matter only a very small percentage of the total public lands. Moreover, the total size of these lands has steadily shrunk over the years and today the U.S. military no longer holds any retention lands in the Ponape, Yap, Truk, or Palau districts. With these encouraging precedents in mind, let us now turn to the future.

EMINENT DOMAIN

As I understand it, your first and foremost concern regarding land is whether the United States would have the power to acquire, after termination of the trust, Micronesian land for public purposes of the United States without Micronesian concurrence. In May 1970 my Government proposed a unique form of eminent domain that would have provided many safeguards and would have been extremely difficult for us to implement over local opposition. In this instance the U.S. position was based on the belief that it was impossible

to predict, with certainty, military contingencies which might require Micronesian land. Therefore, rather than reserve land in advance, unknown, essential future needs could best be satisfied by retaining the power of requisition. However, the Micronesian response made it quite clear that even this carefully qualified procedure caused considerable difficulty and that the eminent domain issue was a major stumbling block in reaching accord.

The United States Government has reevaluated its position on this question in an effort to resolve the issue. The objective was to devise a formula which would better take into account the central position of land in Micronesian life and at the same time offer a reasonable prospect for satisfying U. S. and Micronesian security requirements. I suggest the following guidelines as the basis for resolving this matter:

(a) ~~We would state specifically in advance our foreseeable land needs and work out firm arrangements for these areas prior to a change of political status.~~

(b) ~~Under a new political status, the U.S. would acquire land only in accordance with Micronesian laws and mutually agreed procedures.~~

(c) The Micronesian Government would, by its own laws, provide a speedy and efficient way to negotiate in good faith the temporary use of land by the U.S. in emergency situations. In turn, the United States would in good faith agree to return of these lands as soon as the emergency is over.

Let us examine these recommendations for a moment. This proposed formula would achieve several things. From your perspective it offers Micronesians complete and final control of their lands. Future needs could not be met by unilateral acquisition on the part of the U.S. but only with the approval of Micronesian authorities within the context of

Micronesian law. From our standpoint, certain limited and definable lands would be reserved for defense purposes to meet our foreseeable needs. In short, once we arrived at a satisfactory status agreement which provided for the United States' foreseeable land needs, we would also have agreed that, after the ~~termination of the trust~~ the United States would not ~~have the legal right to exercise eminent domain~~ in Micronesia.

The ~~agreement~~ would require us both to undertake some obligations. ~~The uncertainties of international politics may make it necessary that the United States have some prospect for obtaining the temporary use of land in emergency situations.~~ While we would under our advance agreement have some lands retained for security purposes from the outset, there is no guarantee that these will meet all unforeseen defense contingencies. ~~In the event of an emergency which could not be met with existing facilities,~~ we would expect that the appropriate Micronesian authorities would speedily negotiate with us in an effort to make the necessary land available. The exact procedures, of course, would be a matter for Micronesians to work out. It should be emphasized that even when this unusual proviso came into play the ultimate control of your land would reside with Micronesians.

It is appropriate at this point to deal with one other facet of Micronesia's future control of its land. In May 1970 your delegation made it clear that under any change in status, the Micronesian Government must be able to control the sale of land to non-Micronesians.

We have reviewed this issue and, in light of the special and important role of land in your social, economic, and cultural systems, your desire to determine your own policies and your own requirements with respect to alien ownership of your land can and should be accommodated in a compact between the U.S. and Micronesia. I would prefer to deal

with this in more detail later when we focus on the legal aspects of a future relationship. But I do wish to assure you that the U.S. appreciates your apprehensions regarding this subject.

~~This proposal to forego the exercise of eminent domain represent a significant and sweeping change, from our earlier position and goes to the heart of our previous disagreement over land control.~~ At the talks in May 1970 in discussing the question of eminent domain your delegation stated that Micronesians could not agree to any compromise where the control of land is concerned. The proposal I have just outlined will give you the future control you seek, should allay any fears you have about arbitrary seizures of land by the U.S. Government, and should offer a solid cornerstone for a mutually satisfying future relationship.

I have now stated our views on the importance of land. I have also touched on the public lands which the Micronesian Government would fall heir to and exercise executive control of after termination of the Trust. Moreover, I have also assured you that in a change of status the right to control the sale of your land to aliens can and should be in the hands of Micronesians. Most importantly, I have suggested a proposal whereby the eminent domain would be eliminated as an issue in these discussions.

LAND REQUIREMENTS

I have already suggested that the U.S. has future land needs in Micronesia and that these should be negotiated as an integral part of the change in status and in advance of the termination of the Trust Agreement. These land needs would most likely cover both military and non-military requirements. In ~~the event you desire some non-military services of the Federal Government, for example, post offices or weather stations, we envision that any land needs associated with these services would be negotiated within the status compact.~~ However, due to the small size of these requirements we do not see any serious difficulties here. Land required for security purposes is another matter, however, and in an effort to facilitate agreement, we have gone to considerable effort to keep our requirements to a minimum.

What are our general defense land needs? First, we do not have any requirement for land in the Yap District, Ponape District, or Truk District.

Marshalls

~~In the Marshalls we see no new needs for land.~~ We could describe our present land holdings and our usage agreements in this district. But they are a matter of public record and I am confident that the members of the Status Committee are familiar with the details. The significant point is that we have a continuing legitimate need for the existing missile range facilities in the Marshalls. They are an important and integral part of the

military research and development effort and significantly contribute to the free world's defense. There is no prospect that the need for missile testing will disappear, or even diminish, in the near future. However, it may some day become possible to consolidate our testing activities in the Pacific and concurrently reduce our land interests in the Marshalls. That, of course, depends on future developments in the scientific and technical spheres and in the world situation.

Marianas

Now let us move to the Marianas. In this district we have definite requirements--primarily on the island of Tinian. We would like the flexibility to rehabilitate some of the airstrips on the island and to build supporting structures and other facilities. While our planning is not complete, we believe at this stage that the more we can concentrate our activities on Tinian, the less disruption we would cause the rest of the Marianas District. We are fully conscious of the local problems that a concentration would pose and contemplate working hand-in-hand with your authorized representatives to work out ways for achieving our objectives with the maximum harmony and minimum of trouble to the people of the Marianas. For example, we could under certain conditions make all land not being immediately utilized available for leasebacks, if desired.

On Saipan we currently have over 4,000 acres in military retention lands. Some of this land is highly suitable for local developmental purposes. We have only a limited need for this land in the future and are prepared to release a significant portion of it. In this regard the close proximity of Tinian and Saipan becomes an important factor. By consolidating any future activities, mainly on Tinian, it may be possible for us to release even more of the military retention land on Saipan. This possibility, of course, will be explored in detail when we sit down to talk specifics.

A Use and Occupancy Agreement with the TTPI Government is currently pending regarding Farallon de Medinilla Island. It is essential that we have the use of that island after termination of the trust. I see no particular problems here. We have no other requirements in the Marianas.

Palau

~~In Palau, our requirements are not immediate and I would like to underscore that point. However, we would want to agree in advance on areas in which we would have options to use lands at some future time, if necessary.~~
There are four separate options on which we need agreement:

- (1) We desire an option on about 40 acres of submerged land and adjacent lands to establish by means of land fill a very small naval support

facility in the vicinity of Malakal Harbor. It would be configured to support naval ships calling at Palau periodically. We would be willing to use fill land in order to avoid taking any of the very limited land in the harbor area. We would prefer to site the facility in Malakal Harbor, but are open to your views on the best location. This option (up to the time of construction) would be reviewed periodically to ensure that it did not unnecessarily inhibit the civilian development of the harbor.

(2) We would require an option that will permit assured use of land on Babelthaup to build structures and store material. We do not have any immediate needs for such a site but agreement as to availability of such land will be necessary to safeguard our contingency requirements. Current site planning is only general, and the exact location would be subject to negotiations.

(3) Next, we require an option that would permit the intermittent holding of training exercises ashore for ground units. If the option was exercised, this land would be used only a few limited periods every year. At the time of the maneuver, compensation would be paid for land and property use and for damages to property. This procedure would fully protect the inhabitants and the land. We carry on similar

exercises throughout the world using this legal arrangement. The specifics of such arrangements would be subject to local negotiation.

(4) Finally, if we undertook to exercise any of the foregoing options, it would be necessary to support the above facilities with an airstrip capable of supporting military aircraft. In this event, we would require an option to use the existing civilian airport on an adequate compensation basis. As an alternative to the joint use of the present airport, we need an option to build or to participate in any project to build a new reef airport in the Koror/Babelthaup area. In either event, we would envision an airport shared by the civilian community and the military with the appropriate share of the costs being borne by the U.S. Government.

GENERAL

Three comments are in order, looking over land requirements as a whole. If we build military facilities in the Marianas, or perhaps some day in Palau, it will no doubt be necessary to construct some associated infrastructure which would likewise benefit the local area. For example, U.S. naval use of harbors would perhaps necessitate some dredging and other improvements. Similarly, road and communications improvements of value to the civilian community might well follow on the establishment of shore facilities.

Similarly, it should be reemphasized that the U.S. would attempt to make the land in question, which is not being used immediately, available for private and other Micronesian uses. This would have to be worked out to the mutual agreement of both parties and would be subject to the reservation that any such arrangement would not disqualify the land for defense purposes.

Lastly, I ~~want to emphasize that in negotiating our~~ ~~foreseeable~~ requirements, the United States ~~expects to pay~~ fair and adequate compensation in return. We will, of course, desire your extended views on the subject of compensation and the exact details will, I assume, be the subject of extended talks. But I stress we are prepared to fully meet our obligations in this regard.

In summary I have outlined a U.S. proposal which is designed to meet your deep concern over the control of land under any future Micronesian Government and at the same time to satisfy U.S. and Micronesian Security requirements. ~~In essence, the United States would agree to forego~~ ~~the legal right to exercise~~ eminent domain, ~~if in return~~ the Micronesian Government would work out firm arrangements ~~for satisfying our foreseeable land needs prior to a change~~ of status. Likewise, you would provide a way to negotiate in good faith the temporary use of land by the U.S. in future emergency situations, and, in turn, the U.S. would

in good faith agree to the return of these lands as soon as the emergency is over. To supplement this proposal I have sketched our foreseeable defense land requirements which are an integral part of the basic proposal.

In fact we have no need for land in the Ponape District, Truk District, or Yap District. We foresee a continuing need for the facilities we are currently using in the Marshalls. In the Marianas we anticipate perhaps an early need for land. We anticipate concentrating activities on Tinian, but overall we do not contemplate a requirement that greatly exceeds the size of our current retention holdings in the Marianas.

~~In Palau we have no immediate plans for defense activities, but desire options which are designed to cover future contingencies.~~ In each instance we would attempt to fashion our requirements so that they disrupt the local community as little as possible and, of course, we are prepared to work out financial arrangements which will offer eminently fair compensation for land^{or} land options we receive.

We believe this proposal should more than allay your fears regarding the arbitrary seizure or alienation of your land. Certainly this proposal could eliminate eminent domain as an issue between us and furnish a solid basis for an agreement in principle on the overall land issue.

No doubt some of you would like to hear more details regarding our land requirements, but I don not believe that there is a great deal to be gained by going into further specifics at this time. My colleagues and I feel strongly that, before attempting any negotiations for precise pieces of land and opening the door to real estate speculation and building up unwarranted public hopes we need the Status Committee's views on key procedural items and answers to several crucial questions which would influence the character of such talks and the final terms of the agreement.

This may very well mean that we would confine these talks to broad issues and then retrun at a future time to talk in a more specific vein. For instance: (a) We would be interested in how you envision the next steps regarding land; (b) Is your delegation empowered to negotiate specific land requirements? If not, what type of body would we deal with? In any event, this appears to us to be an important decision which must be made before detailed negotiations can take place; (c) Similarly, we would be interested in your views on the method of compensation. Do you anticipate that payments would be made directly to a central Micronesian authority which would in turn make the necessary payments to owners, ex-owners, or to some level of government? If not, how would payments be made?; (d) Certainly another important facet of the same problem is how you envision the amount of compensation would be determined; and (e) The method of making land available is likewise a problem which must be confronted. This list is by no means exhaustive and I am

confident you have additional questions. Senator Saliu, at this time I would like to invite you and your colleagues to comment on the U.S. proposal, perhaps to address some of the foregoing questions, and, of course, to pose your own questions.

Afternoon Session, October 5, 1971
Amb. Williams

I. Introduction

This afternoon we would like to share with you our thoughts on another major issue mentioned in your July 1970 list of important questions which had to be resolved prior to the drawing up of a compact which would establish a new relationship between us, a new status for Micronesia and a termination of the Trusteeship Agreement.

You have called this major issue Control of Laws. Under this broad subject heading we would like to address our attention to the following important questions:

1. Self-government.
2. Constitutional questions.
3. The development of Micronesian legislative and administrative laws.
4. The future application of U. S. Services and Programs and laws relating thereto, if such services and programs were desired and mutually agreed upon.
5. Future relationships and understandings in the fields of foreign affairs and defense.

We welcome this opportunity to express our views on these important matters. Our comments will touch on several vital issues of great concern and consequence to you.

As I proceed, I will assume that you will be relating our new ideas to your own fundamental interests and concerns. After you have had time to consider the matters ^{that} /I will be covering this afternoon, we will be looking forward to your response, your own ideas, and your questions.

The Future Government of Micronesia

The people of Micronesia could and would have full rights to govern their own affairs within the framework of a new compact which would come into force at the end of the Trusteeship Agreement. This is the foundation upon which my following remarks will be based. The exercise of this power of self-government assumes the right to establish, adopt or amend your own constitution and your own domestic legislation.

We would expect that the ultimate form, structure and substance of a new Micronesian Government would be based on a Constitution, written by your duly elected representatives, and finally adopted by the vote of the Micronesian people.

The U. S. Government would be willing to be consulted during the drafting of the Constitution. It has noted with pleasure your statements of May 1970 that this was indeed your intent. It would be our hope that the future drafters of your Constitution might wish to take full advantage of the experience of our own constitutional

development--not necessarily as a model, but as a useful guideline.

This is not to say that your Constitution must be consistent with ours. We do not request such consistency. We recognize that there are numerous aspects of the American system of government that may not be appropriate to the history and the culture of the Micronesian people, and other special circumstances relating to your situation. We are aware, for example, that you are considering ideas somewhat different from ours concerning the structure of your government, which take these factors into account. Without referring to the merits of any particular proposal, let me say that we would consider this sort of final decision to be fully within the discretion of the Micronesian people--including the right to alter or amend that system in the future.

At this point I would like to assure you that our understandings would mean that the U.S. Congress would not, repeat not, have the right to amend your Constitution.

~~Although we do not propose a standard of consistency of your new Constitution with ours, we would seek a mutual agreement that your Constitution and any amendment thereto be consistent with the basic understandings and terms of the compact which we would conclude.~~

With respect to your Constitution, I have one more point to make. I feel confident that it will not raise any substantive differences between us since you share equally with us the desire to protect fully the fundamental human rights of your own people everywhere.

This could be accomplished by the terms of a compact recognizing the responsibilities of your government to offer protection for those fundamental personal rights which are considered to be basic and essential to any democratic form of government. I refer here to such rights as freedom of speech, of press, of worship and of peaceful assembly, freedom from cruel and unusual punishment, slavery and involuntary servitude, and freedom from deprivation of life, liberty or property without due process of law. Each of these rights is recognized in our own Constitution.

It would be nearly impossible to expect the U. S. Congress to consent to any future relationship which we might agree to in the form of a new compact unless these fundamental rights are protected. This I see as no problem since you have already expressed the view that it is indeed your own intention that the rights of your people will be protected within your new Constitutional system.

Assuming that it will be your wish to include recognition of the need to protect these rights as one of the elements of a compact and that constitutional amendments

will not violate these terms, then in fact, we will be able to assert to the U. S. Congress that your laws, like ours, protect these human rights.

You will have the power to amend the Micronesian Constitution, limited only by a requirement of consistency with the terms of the compact, which would be freely entered into with the approval of the people of Micronesia.

In summary, this proposal clearly satisfies the three key points you described in Appendix A of your 1970 Report as essential to an acceptable change of political status. You requested assurance (1) that your Constitution as adopted by the Convention would not be amended by the United States; (2) that your Constitution should not be required to be consistent with the Constitution of the United States; and (3) that the power of amendment of your Constitution should not be limited by a requirement of consistency with the Constitution of the United States.

We have said today (1) that your Constitution would not be subject to amendment by the United States; (2) that your Constitution need not be consistent with the

Constitution of the United States, ~~although it would have to be consistent with the Compact,~~ and (3) that the power to amend your Constitution need not be limited by a requirement of consistency with the Constitution of the United States. Our proposal squarely satisfies the three conditions you posed to us last year as the basis for an acceptable/^{process for}change in Micronesia's political status.

MICRONESIAN LAW

I would now like to turn to the question of your right to develop independently an authoritative body of Micronesian law through your own future legislative and administrative processes. We have since the last round of talks taken seriously your views and concerns with respect to the possible areas of relationships between your laws and our laws under a new agreed status. We have examined our past position in this regard and have had intensive consultations within the U. S. Government on the question of how we could most effectively meet your concerns. We now feel that we can satisfy your interests in this area.

This is not to say that we do not face a difficult task of negotiating and agreeing on the particular areas of future responsibilities of each party. We propose now that once such an agreement is reached, the U. S. Government would then make a binding, legal commitment to apply its laws only in the specific areas agreed to in the Compact, or as otherwise agreed to subsequently by mutual consent.

Such a commitment would not preclude later joint agreements to enlarge or diminish the scope of those areas, but the commitment would guarantee, for example, that neither the present, nor any future U. S. Congress could modify the political rights vested in Micronesia by the new status agreement.

The United States would recognize that the Government and people of Micronesia would have full authority, including the right to enact, amend, or repeal your own legislation, over all areas of self-government except those exercised by the United States pursuant to our Compact and agreed by mutual consent. For example, you have understandably sought full control over your own land and the right to regulate, by your own laws, ownership and transfer of this land to non-Micronesians. A new Compact would clearly recognize this principle. Thus, in accordance with the terms of the agreed compact, regulation and control of your land would be clearly the prerogative of the Micronesian people and their duly constituted government. Likewise it would be recognized that full authority over other internal matters would be in Micronesian hands.

U. S. Responsibility

A new compact would also include areas of U. S. responsibility as mutually agreed by both parties. It would be our clear understanding that except by future mutual consent no other present or future U. S. legislation or other legal authority would apply to Micronesia. I would now like to review for your consideration the role the United States would play as we envisage it under the mutually agreed terms of a new compact and a new relationship between us.

First, I turn to foreign affairs and defense. Your Report of July 1970 stated as part of your proposal for a new relationship that:

"The responsibility for external affairs and defense would be handled by the United States, and it would therefore be necessary for the United States to retain sufficient powers in those areas to enable it to fulfill its responsibilities."

It is also our understanding that you considered the area of external affairs to be an important part of a future compact. You suggested that to understand your concept of our proposed relationship in this area we should look to the allocation of authority under the West Indies Act of 1967. We look favorably at that Act and certain others as helpful models. They will be useful as we discuss the particular draft language in these areas to be included in a new compact.

Secondly, I would like to raise for your consideration, the question of what U. S. Services and Programs you might desire in the future. Your thinking and response to this general question will have a direct bearing on the extent to which U. S. legislative and administrative law might apply in the future to Micronesia. I would note that this is a matter for you to decide initially. We are open to your suggestions and I can assure you that my government is sympathetic to the extension of U. S. services and programs of benefit to the people of Micronesia if such are desired and available.

As I believe you are aware, there are many U. S. Federal services and programs in education, health, public works and other areas, whose applicability to Micronesia is up to you to request, since we have no reason to urge either their inclusion or exclusion. Therefore, we suggest that you may wish to consider carefully what future U. S. services and programs you would like to see extended to Micronesia.

If I may, I would like to touch briefly on some areas in which you have previously expressed interest--and I cite the following only as general examples which might clarify how our relationship would operate if you wanted to take advantage of these/^{particular}U. S. programs and services.

First, I should say that

-- Extension of any U. S. programs and services would require the consent of the appropriate Micronesian authorities, as well as legislative or administrative action by the U. S. Government. Further, insofar as a particular program or service might be made applicable to Micronesia, the appropriate U. S. laws and regulations which govern that program or service would also have to be made applicable, at least to whatever extent they would be relevant in Micronesia.

-- For example, if we both were to agree that the U. S. Postal System should service Micronesia, you would have to agree that, insofar as relevant, U. S. postal laws and regulations would be applicable in Micronesia. This is understandably necessary both for your protection and for effective operation of the Postal Service. Those U. S. laws and regulations thus applicable in Micronesia would, however, be initially subject to your consent, and later subject to change. Practical aspects of such applicability would have to be worked out on a case by case basis.

-- Let us look in more detail at the example of the U. S. Postal Service. If you were to decide that you did not wish to invest your own capital resources in order to establish and operate your own postal system, then you

might consider requesting that the U. S. Postal Service continue to operate in Micronesia. Continued extension of the U. S. postal system would link you directly into the international postal system through our already existing machinery, without the substantial cost which is involved. In this way you could, if it were your desire, be kept in touch with the latest developments in efforts to improve the efficiency of postal service, and international developments in the area of standards and regulations without establishing and maintaining a separate system of your own. The principal kinds of U. S. laws that would accompany service by the U. S. postal system would be criminal prohibitions against mail theft, fraud, or forgery or counterfeiting postage stamps or envelopes, etc., as well as those laws which empower the Postal Service to establish and maintain offices, delivery systems, etc., most of which are contained in Title 39 of the U. S. Code.

2. Banking and Currency

If you were to decide you did not wish to establish and administer your own currency, you could request inclusion within the U. S. currency system. You might similarly consider inclusion in the U. S. banking system. The potential value to you of using a U. S. currency system is substantial: Any new currency

could have difficulty in gaining acceptance in international commerce, and might have substantial valuation problems. The decision whether you would use the U.S. currency system is clearly yours, but if you chose to do so, this would require a legal agreement making the U.S. dollar the official currency of Micronesia, and application of U. S. laws such as those regarding forgery, fraud, counterfeiting, and misuse of money.

With respect to banking there are actually few U.S. Federal laws which necessarily would operate in Micronesia. Therefore, the primary responsibilities in Micronesia would necessarily be borne by the Micronesian government. U.S. Federal laws in this field of banking largely involve voluntary rather than mandatory subscription. For example, laws relating to the Federal Reserve System would apply in Micronesia only if you wished to establish a "national bank" and if that bank wished to become a part of the Federal Reserve system. You would also be free to establish and regulate local banks which the Federal Reserve and National Banking Acts do not affect.

In essence, therefore, the Government of Micronesia would have control over operational standards and policies of local banks, and would have to defer to U. S. legislation only if you desire the special services those laws provide.

3. Judiciary

-- In earlier discussions Micronesian representatives expressed an interest in having access for judicial review from local courts in Micronesia to the U.S. Court of Appeals in the Ninth Circuit. Depending on the compatibility between your new legal system and ours, we could seek amendment of the present statute setting the jurisdiction of the Ninth Circuit in order to expand that jurisdiction to include appeals from final decisions of the highest court of Micronesia. Depending again on our particular judicial relationship, we would presume that access to the U.S. Court of Appeals would be principally limited to cases involving controversies arising under the compact, and grievous errors under Micronesian law.

For Micronesia, access to the U.S. courts would require a commitment to be bound by the decisions of that court, and during the process of an appeal would require adherence to the rules of procedure of that court. While the cooperation of Micronesian and U.S. Courts would be fostered by similarity of judicial procedures, this is a matter for your decision, as is your initial request for inclusion in the U.S. Court system.

4. Maritime Shipping

-- Another field which may be of major interest to you is that of maritime shipping laws. Although we would expect in this field that Micronesian laws and regulations would

play a preponderant role, we do feel that application where relevant of the various U.S. shipping and merchant marine acts and the services and authority of the Federal Maritime Commission could be of considerable importance and benefit to Micronesia. The Shipping Act of 1916, for example, protects customers from a number of unfair, predatory and discriminating practices, and directs the Commission to investigate complaints of unfair acts and unequal treatment by foreign governments of U.S. vessels, which presumably would also cover Micronesian vessels if the Act applied and if you so desired.

5. Public Health and Education

-- You will undoubtedly wish to establish, fund, and maintain your own public health and public educational systems. You may, however, desire in addition the special technical training and service programs that the U.S. Department of Health, Education and Welfare, the Department of Labor, and other U.S. agencies and departments could offer to Micronesians.

-- I refer in particular to such programs in the health field as grants and services for comprehensive health planning, for prevention and suppression of communicable diseases, and grants for mental health services.

-- In the education field there are a number of particularly valuable programs, including those offered under the Elementary and Secondary Education Act, the Library

Services and Construction Act, the Adult Basic Education Act, the Manpower Development and Training Act, the Education Professions Development Act, the Vocational Education Act, and the National Defense Education Act. These legislative acts could be extended to include Micronesia if you so request and subject to Congressional approval and funding. In this area as well as the others mentioned above it would be essential that the laws establishing and regulating those programs be respected in Micronesia if the programs were to operate there.

-- There are many other governmental programs and functions I could mention, but I merely wished to pose for your consideration and your response a few examples of the areas in which we might mutually agree that the United States would have a role in a future political relationship between us, and in which we might offer the Micronesian people some valuable and perhaps otherwise unattainable assistance. At your request we would be prepared to recommend to the U.S. Congress that as a part of agreement on an acceptable compact between us favorable consideration be given to your requests. We are most willing to be as helpful in this regard as possible, and look forward to discussing this aspect of our relationship with you in greater detail when we can have the benefit of your ideas and feelings in this area. Again; I reiterate that these U.S. programs and services would be provided only upon your request.

Summary

In this session I have covered a number of most important matters which relate to your basic interests and to the possible nature of our future relationship. Let me summarize some of the essential points:

1. The people of Micronesia and their duly elected representatives have the right to govern their own affairs, within the framework of a compact between Micronesia and the United States.
2. The Micronesian people have the right to write, adopt and amend their own Constitution. Agreement with respect to the protection of human rights would be a part of the new compact.
3. The Micronesian Constitution would not have to be consistent with the U.S Constitution. It would have to be consistent with provisions of a mutually agreed new compact. The United States would not have the right of amendment of the Micronesian Constitution.
4. In all areas 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 and Programs which the Micronesian Government may request.
5. Responsibility in the areas of foreign affairs and defense would be covered by the new compact.

6. Finally, all agreements reached and included in a new compact would be subject to the approval of the Congress of Micronesia, the U.S. Congress and subject to the final approval of the people of Micronesia as an exercise of their full rights of self-determination.

THE FUTURE FINANCIAL RELATIONSHIP

In my opening remarks on Monday, I included in the list of issues which we would like to explore with you, the broad question of funding and future financial relationships. This is a very practical matter to us both--and to your people. We have no proposal to lay before you covering this question--no dollars and cents figures in mind. The specifics, the amounts, are not important at this stage. What is needed and what we seek are your views on how you envisage our possible financial relationships under a new status agreement and under a future Micronesian government.

We believe that our future relationship should not be dictated by financial considerations. This is not our intent and we are positive that it is not yours. Nevertheless, we feel that it would be useful to us to have your preliminary thinking on a number of questions which I will raise later in this presentation. At the same time we believe that for practical reasons, you may have a legitimate interest in knowing what some of our views are on this general subject.

As I have already indicated and as I hope to make clear in my further remarks, we will not be thinking in terms of amounts.

More important to you are questions such as (1) what are your future budgetary needs, (2) how will funds to meet these needs be raised, (3) and how will such funds be distributed and administered; these are, of course, internal matters to be determined by your own future legislation. Of most importance to us will be your views on what future role you see the United States playing in supplementing and providing financial, technical, and other forms of assistance as may be needed under the form of relationship between us.

I have sketched out in previous meetings our views as to the land and legal aspects of a mutually beneficial future relationship. I shall go on later today to share with you our views on provisions for amending or changing, in the future, the compact which

would form a new association between us. Financing is, of course, intimately involved in the land use question as it relates to fair compensation. As pointed out yesterday, financial implications would also be related to the extent to which you might desire an extension of Federal services and programs to Micronesia under a new relationship. Therefore it is clear that the form, substance, and continuity of a future association will have a direct bearing in the long term on our financial relationship. It is thus our view that such considerations should be discussed prior to our later views on termination procedures.

We agree that financial questions are subordinate to other questions to be decided. It was for this very reason that we have not come to these meetings to describe a specific form of financial relationship or to offer or promise specific amounts of future levels of U. S. budgetary support. Such ^{specifics} could not possibly have been arrived at in Washington in the absence of a mutual understanding between us as to the nature of a future association, and without your views on what you might seek and expect in terms of a future financial relationship.

It might be useful to keep in mind the present scale of U. S. funding. The current level demonstrates the present willingness of the U. S. Congress to appropriate funds to Micronesia. It is the only tangible indicator we have concerning the level of support that might be anticipated in the future. Even this figure is of course subject to the annual budget process and to Congressional review. I can, however, speak for the Executive Branch, and it would be the intent of the latter to assure that in the future, the U. S. financial obligations that it assumes under any future relationship would be met.

During the past fiscal year, the budget for the Trust Territory as appropriated by the U. S. Congress to the Department of the Interior, was approximately \$60 million. Local revenues of the Congress of Micronesia provided further available resources of/^{over}\$1 million, and a similar amount was available for appropriation by the six district legislatures.

In addition, some \$7.4 million was provided by a number of U. S. agencies for specific purposes and programs, such as Peace Corps, Community Action programs, U. S. Department of Agriculture food programs, HEW programs in education, and OEO Legal Services.

The operations of other Federal agencies, in addition to direct appropriations and grants, have contributed to Micronesia's economy. The U. S. Post Office, for example, spent a net amount of \$1.8 million in Micronesia in FY 1971, providing postal services in the islands. The Coast Guard expended \$1 million, and the Weather Service nearly \$500,000, in providing their services, at least some of which directly benefitted Micronesia.

In addition to the above there are a number of expenditures which are difficult to calculate but may be significant. These expenditures of the Department of Defense, for example, are difficult to put a dollar figure on, but include excess materiel programs, the transfer and loan of ships and other craft, Civic Action Teams, and search and rescue and medical evacuation operations. In addition, the economy of Micronesia is served by Kwajalein's Micronesian payroll--over \$2.5 million annually--as well as sales and income taxes of over \$2 million^{in FY 1972} as a result of operations there.

Another example might be the activities of the Office of Emergency Preparedness, which has been able to provide rapid assistance in times of emergency and tragedy in Micronesia.

While such assistance cannot undo an unfortunate situation, it can help to minimize the extent of loss and suffering.

Total U.S. expenditures on Micronesia thus exceed \$75 million per year.

This speaks of the present. The future is another matter. Under a new government, responsibility for determining your priority and overall economic needs will be yours. The questions of what future direction Micronesia will wish to take in terms of its economic growth; the relationship of this development to your own cultural and traditional values; the pace of change and other considerations affecting the quality of life for your people will be for you to debate and to decide. Certainly your own desires, your own needs as you see them, and your own initiative and resolve will be the determining factors in your economic future.

Current policies related to economic development may indeed be in need of review. We and the leadership of Micronesia should reassess these policies and inquire whether they have or are leading to desired results, and if not, why not. The problem may not be the level of funds allocated but rather their use. However, as you understand far better than I, the basic costs of meeting the needs of your people, dispersed as they are and separated by distance, adds a burden of cost not faced by continental or more compact island groupings. Nevertheless, what I am saying is that your further economic and other needs, and how they can best be met are not unimportant questions and we realize that you have already given thoughtful consideration to this very practical question.

Any future relationship between us should certainly take into full account your thoughts on these problems. On our side, we are prepared to listen and to work further with you on how the United States can be of assistance. We are further prepared to carry your views back to Washington in order to seek understandings in both the Executive and the Legislative Branches of my Government as to how your needs and wishes may be accommodated in the future.

In order to assist us, we will need your preliminary thinking on questions such as these:

(1) Through what mechanisms would the Congress of Micronesia hope to have U. S. financial support? Would you seek a matching formula? or some form of lump sum subsidy-- and what would be the basis on which we would justify such a lump sum payment? Would you seek support from specific U.S. agencies to specific programs in Micronesia? Would you seek a continuation of the present budgetary support provided by the U. S. Congress through the Department of the Interior? Or would you look to some combination of these mechanisms?

(2) How in your view would the U. S. support be channeled to meet Micronesian needs? Would the Congress of Micronesia anticipate that most U.S. funds would be channeled through a central Micronesian government? Or would they go in part to the District governments? or to individuals in compensation for land and services provided in support of specific U. S. needs in the area?

(3) What financial responsibilities would the central Micronesian government or the districts expect to undertake?
What proportion of Micronesia's budgetary needs would Micronesia expect to develop from Micronesian resources? Would it, for instance, plan to expand its own income tax system, or would it wish to have the U.S. Federal Income Taxes extend to Micronesia, with the revenues to be returned to Micronesia?

(4) Another aspect of Micronesian responsibilities involves certain issues already raised concerning land. Would the Congress of Micronesia envisage that it would be responsible for making the arrangements for meeting the minimum and definable U.S. land needs as previously discussed? Would it then undertake the responsibility for compensation to the districts or private landholders?

These are of course very difficult questions. I do not anticipate that you will be able to answer them in detail or authoritatively at this session, but I would be interested in any preliminary reactions which you may have. I will of course provide a copy of this presentation to you, so that you may read and study the questions at greater leisure.

As I have said, I am not able to commit my Government at this time to any particular sum or formula, and we should discuss this subject in a separate forum after we have agreement on the broad outlines of your future status. At this stage, we cannot go further, without your participation, your thoughts on the questions we have posed, and your overall views on how you envisage a possible future relationship with respect to the financial questions involved. This concludes my informal statement on this subject.

CHANGES IN OUR FUTURE POLITICAL ASSOCIATION

This question goes to the very heart, the spirit of what we are talking about, to your underlying approach and to ours. We have noted with sincere gratitude past statements by your Status Committee and by other Micronesians that your attitude toward the kind of compact that you would consider entering into is the expectation that such an association created by mutual understanding and good will would be enduring.

This is also our hope and the spirit in which we have come to Hana-Maui. Our objectives are based on our sincere desire to build on the friendship that has already been established, a new relationship which would offer full respect for your wishes. A future bond between your people and mine--not based on dependence--not based on uniformity, and not based on unequal advantage.

Rather than any of these--we see a future of true friendship, of concern for one another, for mutually beneficial relationships which would provide for meeting your own aspirations, and for developing your own potential in a manner of your own choosing. We recognize the need for protecting, for preserving your own culture, your own traditions, your own style and ^{your own} quality of life. We do not seek conformity with the American way of life. We instead

encourage diversity which has and will continue to enrich the value of human endeavor and achievement, culturally speaking and otherwise.

We look also at the desires of your peoples. We do not wish to impose our friendship upon them against their will. We do want an association, not based on ^{narrow} the/limits of legal, political, and economic considerations--but rather a relationship which your people would fully understand, which they would want, and which they would freely enter into as an expression of their own individual sovereign right of self-determination.

Having said this--let me turn directly to the question that is before us.

-- The United States fully recognizes Micronesia's interest in ensuring that any political agreement we might enter into now would be susceptible to later modification or even termination if changing circumstances make such changes appropriate. If we are to write a viable, enduring compact we must write an agreement which will embody enough flexibility in substance and in form to suit future changing circumstances. We too would not wish to enter into an association which was not susceptible to change or even termination, should that be warranted by change in our interests and other conditions.

-- Fixation on the single element of future change and flexibility to the exclusion of other considerations could for either of us be a serious mistake, however. Precipitate change or termination of a future pact could affect either or both of us in various ways. It could seriously modify those respective interests which led us both to this effort to negotiate a new association in the first place. This I know is not your intent.

However, precipitate change or termination against the will of the United States would have to be weighed against the continuing need for political stability in the Pacific Ocean Area. Termination could adversely affect our ability to fulfill our responsibilities to ourselves, to Micronesia, and to the world community for the maintenance of international peace and security, and could diminish your capacity to fulfill your own future role in this regard.

On the other hand, sudden or early termination of the compact by the U. S. against the will of your future government and peoples could have consequences for Micronesia.

-- We do not contemplate any such abrupt change in our proposed future relationship. Otherwise there would be no honest point in our negotiating the nature of that relationship now. We do, however, regard the provisions and requirements for amendment or termination of the compact as extremely important for both sides.

-- With the various interests of each party in mind, we continue to believe that some specific arrangement for mutual agreement on modification of the form of our association would be by far the best protector of all of our interests, yours as well as ours.

-- We believe that there should be specific provision in our Compact stating that after a certain period of years during which the association could be given a practical test either party might propose amendments or even termination of the Compact. Such a provision would contain an express pledge that the party to which such proposals were directed would agree to consider them promptly, to respond to them within a reasonable and specified time, and to negotiate those proposals for amendment, modification or termination in good faith. We would propose in addition that as part of the Compact or as a supplementary agreement we might establish efficient procedures and machinery for such negotiations so that their later creation would not be a cause of delay.

-- This suggestion clearly contains a significant capacity for flexibility to meet the interests of either party, guaranteeing the option for revision or abandonment of part or all of the Compact. This new proposal also entails a guarantee that the recipient of a request for amendment or termination of the Compact will promptly consider and respond to such a request, and a guarantee that both

parties will proceed to negotiate any differences speedily and in good faith. I can assure you that my Government would make such a commitment.

-- I would like to emphasize that we believe that your major interests would be satisfied by the proposals we have made during this and recent meetings, and that in our opinion our proposal on termination would satisfy your substantive concerns on this subject, would offer the flexibility each of us desires, and would in addition offer security for your present and future interests as well as ours in the new relationship which we are exploring.

-- Every negotiation by definition assumes that there will be accommodations by both sides in order to reach a commonly desired goal. If either side could reach that goal without the cooperation of the other party to the negotiations then there would obviously be no point to efforts to reach an agreement. We have made a serious and a sincere effort to adjust our positions to meet your basic interests in these negotiations. In the past you have repeatedly recognized the importance and the validity of our interests. We hope and anticipate that your position will reflect those conclusions and that accommodation on both sides will be made to allow satisfaction of both of our interests. We appreciate this.

-- In the relationship we have proposed, you would have full and complete authority to govern your own affairs except for areas for which the U. S. would be responsible by mutual consent/ You would have the right to write, adopt,

-- I repeat, by mutual consent.

and amend your own constitution, to pass, amend, and repeal your own laws, to request and with the consent of the U. S. Congress to take advantage of numerous and possibly valuable U. S. federal services and programs. You would have the right of full control over use and alienation of your lands, without fear of outside interference.

-- You would have exercised your inherent right of self-determination by your own free choice to enter into such a relationship.

-- This agreement would be revocable and amendable. Each party would agree to respond promptly to any proposal for change in the agreement, and to negotiate any differences between the parties in good faith. This is a sincere, serious commitment by my Government and should be so considered.

SUMMARY AND CLOSING REMARKS

I should now like to make my final remarks, which will include a summary of what I have been describing and on which I hope we can agree; I shall also offer a few concluding comments.

My government has taken very seriously indeed the expressions of views by Micronesians at every previous stage in our Status discussions. I regret that we have not been able to meet sooner to proceed with this, the third stage of negotiations. It has taken my government some time to formulate our response to your stated views.

That it has taken time is a clear indication of the seriousness of our purpose, and our determination to go as far as possible toward meeting your expressed requirements. By discussion, and by the final action of the highest levels of our Executive Branch we have formulated the agreed proposals that I have been authorized to put before you here. We have come a long way--a very long way--in all the critical areas you are interested in. In short, the previous talks have borne good fruit, and have produced our present negotiating response. I am sure you will not over-look the significant modifications in previous U.S. positions that are represented here.

Let me recapitulate what we have proposed and examine the proposals in the light of what we understand to be your principal interests.

First of all, I have not brought a blueprint or draft law that my government asks you to accept. I have instead concentrated in sequence on the issues of greatest importance. If we can agree on the issues and on the future shape of a new status and relationship, we will have established the basis for a preliminary blueprint for further action. This blueprint would be jointly drafted before we leave Hana.

From such an agreed ^{preliminary} plan and after further refinement and negotiation of any remaining questions, we can jointly work out a Compact that would define in more specific terms our future relationship.

There is one point that needs explaining here, however. If we are able to reach an understanding, we should go ahead at this time to arrange for more detailed negotiations on these subjects--which would form the nucleus of the compact of association: control of laws, control of future change in political status, and control of land. We consider these proposals to be interrelated and that subsequent negotiation of the detailed aspects would not contemplate any major revision or re-negotiation of the separate elements contained in them to which we would have agreed.

I believe it is clear, as I said earlier, that your three issues found in your July 1970 Report have been dealt with in a manner that should satisfy your expressed needs and fundamental interests.

On LAND, I have described the reasons why we need to have assurances of land for our defense needs. I have linked those needs to our fundamental responsibilities in the Pacific area in which you in Micronesia should also have a close interest. I have outlined the scope of those land needs, which involve only three of your districts and do not involve Yap, Truk and Ponape. In two of the other three districts we foresee the need for options or other arrangements that require additional lands beyond those now held. I wish to go back to that sentence and underline the word "options".

I think you will agree that these future land requirements are considerably smaller in scope than many of your people had feared. I have also indicated that substantial areas of present military retention land would be released.

Moreover, this exposition of our military land requirements constitutes the first specific and limited formulation that we have ever been able to propose and constitutes a significant new move on our part. If some of your people have felt that our needs might be excessive, or that they might be vague and open-ended, I hope that our new formulation shows that they are not. On the contrary, they are finite, and are genuinely limited to our requirements. We will be able to delineate them further in later, more specific, discussions, after you have established a mechanism on your side through which we can work to make legal arrangements for future options and leases for needed lands.

I have also assured you that Micronesian lands will, under a new status, be fully under your own control. Most important of all, I have assured you that the United States Government, in a Compact for Association, can and will legally bind itself not to exercise eminent domain to acquire more land. This is another very significant change in our position and taken together with other elements in our presentation should allay any apprehensions about your full control of one of your most important and precious assets--your land.

On laws, I have delineated another significant series of new steps toward your announced desires. ~~In a future relationship, we would not require that your constitution be consistent with the U.S. Constitution, but only with the Compact for Association.~~ Most important, we would guarantee that your constitution would not be amended by any U.S. action.

We have delineated some areas in which, by your own choice, U.S. laws might be effective in Micronesia in connection with U.S. services and programs that you might choose in the fields of health, education, banking, postal service, judiciary, etc. In all other areas we have offered to safeguard your autonomy, and we consider that this amounts to full self-government, except in the agreed fields of foreign affairs

and defense. All these and other understandings would be expressed in a compact between us.

As for the question of future change in your status, I have described today a procedure by which your new status could at some future time be changed through amendment or termination.

In addition, I have said what can be said at this stage on the subject of future financing of Micronesia's requirements. This topic has necessarily been difficult for me to deal with. I have not brought any firm figures for levels of our future support, nor can I commit the U. S. Government at this time to any particular level of financing. More specific negotiations would be needed on this subject, after my discussions with the Executive Branch and the U. S. Congress and after I have heard your views.

Such discussions with my Congress will, in turn, have to be preceded by clear indications of the kind of relationship that will exist between us after your change of status. I have assured you that in the association we propose Micronesia would continue to receive support for its governmental and developmental needs.

I have pointed out also the means by which our understandings on all these matters would be effectuated, that is by a compact between us. That compact would define all relevant

aspects of the future relationship between us. It would be freely entered into and would be adopted by your government and your people. That adoption would constitute a sovereign act, taken by the people of Micronesia. It would be a sovereign act by which they would freely choose their future political status.

At this point I should also comment on one further matter not yet considered at these talks--the question of assuring a smooth transition from trusteeship to self-government. Clearly a number of steps will have to be taken which will assure that preparation for self-government is adequate from your point of view, and that such a transition is not an abrupt one.

The nature of such steps, or what is needed, probably will affect many facets and policies of administration during the remaining period of the trusteeship. Such steps could be better defined after the nature of your new status is known. How quickly such changes should be implemented would also be clearer.

I can, however, assure you that as soon as we have a basic understanding or agreement on Micronesia's future status, the U. S. Government as a whole will want to assist you in transition toward that status. We would be in close consultation with you to determine what early changes you desire, and a timetable for them. In short, I assure you that at that time, I and others at high levels in the Executive and Legislative Branches

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of the U. S. Government will do our utmost to see that rapid progress toward your future status is achieved.

I come now to the subject of your Four Principles, which I realize have been extensively discussed and ratified by your Congress, after due debate including some differing opinion. I would now like to summarize how we have come to accommodate our position to their most important aspects, after long and serious consideration in Washington. That consideration, which has been chiefly within the Executive Branch, has also necessarily taken account of the attitudes in our Congress, and of the American people, and I would be less than candid if I did not say to you now and with emphasis that I believe our various new positions offers the best basis for realistic REPEAT realistic negotiation.

Your first principle has been met in spirit. What we propose is that your people would make a sovereign act of self-determination, in their formulation and ratification of a Compact that would form the basis for a new relationship. Such a choice would be a sovereign act which we would have recognized.

Regarding your second principle, let me reemphasize any proposed compact would be submitted in a plebiscite to the people of Micronesia. This plebiscite in itself would constitute a sovereign act of self-determination.

The third principle, concerning your constitution, has been addressed in the proposals I have made yesterday under the heading of control of laws. We would ask that your constitution should be consistent with the compact between us, but we would not require your Constitution to be consistent with the U.S. Constitution. As for amendment or change in your Constitution, you would similarly be free to accomplish that at any time. And let me re-emphasize that the compact would have been adopted by your own sovereign act.

The fourth principle, concerning a revocable compact I have also addressed, and have urged you to consider agreeing to a compact that would safeguard the interests of both sides by provisions for revocation by mutual consent.

It is also of importance to note that, in addition to the four principles, we have given serious consideration to the eleven points raised by your delegation during the first round of status talks in Washington, in October, 1969. Without going into detail, I think we can all agree that these points have either been met by our new proposals, can be met during further negotiations, or are presently in the process of being met by U.S. Congressional action.

In any negotiation there must be give and take on both sides, or the process cannot logically be called negotiation. After I close these remarks I shall have completed my presentation. We would, as the next step, look forward to your response, to listening carefully to your views and to your questions.

I shall also hope that in addition to asking and responding to questions, we may shortly begin the true process of negotiation in order to reach agreement. The very significant modifications on our part, beyond the positions of my Government in the talks last year are in themselves evidence that on my side we are attempting to adhere to the true spirit and meaning of negotiation. If my hopes for real negotiations are realized, then we are on the way toward refining and sealing an agreement, in the form of a new compact which would be the basis for our new relationship, and the ending of the Trusteeship.

We are thus at an important point in our talks. Both sides strongly hope for agreements that will facilitate, and in fact will implement, the ending of the Trusteeship and the entering upon a new status for Micronesia. Because it is recognized that the trusteeship can be terminated only by mutual consent, agreements are essential. I now urge you, with all the seriousness of which I am capable, and with, I hope, some measure of understanding of the difficulties on your side, to consider the advantages of the new

ideas I have presented to you over the past three days.
I am sure you will be weighing them carefully against
your present and future interests and the wishes and desires
of your own people.

Afternoon Session,
October 6, 1971; 87
Salii Question

JOINT COMMITTEE ON FUTURE STATUS
CONGRESS OF MICRONESIA
Saipan, Mariana Islands, 96950



Lazarus Salii, Chairman
Ekipop Sikk, Co-chairman

Tadwo Ndi
Arthur
Henry
Luis Pangelinan
John Mangual
Herman Q. Guerrero

October 6, 1971

AMBASSADOR WILLIAMS:

WE WOULD LIKE TO REMIND YOU THAT THE MICRONESIAN DELEGATION IS NOT AUTHORIZED BY THE CONGRESS OF MICRONESIA TO COMPROMISE OR NEGOTIATE THE RIGHT OF EITHER SIDE UNILATERALLY TO TERMINATE ANY FUTURE ASSOCIATION OR COMPACT ARRIVED AT BETWEEN MICRONESIA AND THE UNITED STATES. OUR QUESTION THEN IS: IS THE U.S. DELEGATION AUTHORIZED TO NEGOTIATE ON THIS BASIS, OR ARE YOU REQUIRED BY YOUR MANDATE FROM YOUR GOVERNMENT TO INSIST UPON TERMINATION ONLY BY MUTUAL CONSENT? IF YOU ARE PREPARED TO ACCEPT THE PRINCIPLE OF UNILATERAL TERMINATION, WE CAN DISCUSS PROCEDURES WHICH WILL ASSURE AN ORDERLY TERMINATION SHOULD THIS TAKE PLACE.


SENATOR L. SALII
CHAIRMAN

028395

(U. S.-Micronesian Status Talks - reconvened
4:02 p.m., Friday, October 8, 1971.)

AMB. WILLIAMS: Senator Salii?

SEN. SALII: Good afternoon, Mr. Ambassador,
gentlemen.

We have some remarks which I would like now to
present on behalf of our delegation.

We have been pleased, Mr. Ambassador, as we have
listened to your presentation of the United States
position, to find that many proposals which have long been
advocated by the Congress of Micronesia are now acceptable
to your Government. Our Constitution, as it is now agreed,
need not be consistent with that of the United States. Our
tenure of our lands will not be jeopardized by your retention,
as you formerly proposed, of the power of eminent domain.
We do not underrate the importance of these changes,
and of others, in your Government's position.

On other subjects, however, of no less importance than
those to which I have referred, the United States position still falls
short of the target that the Congress of Micronesia has
set up and which represents the minimum change in our
present status that the Future Status Committee has been
authorized to discuss. Necessarily, the remainder of my
statement will be focused upon these and related subjects. On
some matters, the Micronesian Delegation wishes to put questions to

you to elicit further information and to resolve doubts. On others, we wish to propose alternatives, or to spell out in greater detail proposals that you had made in general terms.

I would like to open my remarks on the area of the compact by saying that there is a basic difference between your delegation and my delegation on the question of termination of the association between the United States and Micronesia. For the record, the difference is that the United States has proposed revocation by mutual consent, whereas our position is unilateral termination by either party. Again for the record, the Micronesian Delegation is not authorized by the Congress of Micronesia to compromise or negotiate the right of either side unilaterally to terminate any future association or compact arrived at between Micronesia and the United States. Our question then is: Is the United States Delegation authorized to negotiate on this basis, or are you required by your mandate from your Government to insist upon termination only by mutual consent? If you are prepared to accept the principle of unilateral termination, we can discuss procedures which will assure an orderly termination, should this take place.

~~The Micronesian Delegation believes that the proposed compact should have the legal status of a treaty and seeks clarification of this point. As a treaty, we~~

assume that the compact would be brought into force on the United States side through ratification by the United States Senate and signature by the President.

We are less sure as to the procedure envisaged for hearing of any dispute that might arise as to the meaning or effect of any of its provisions. Would such a dispute be brought before the World Court of Justice? If not, what other tribunal would hear it and decide upon it?

It is possible, however, that the United States regards the compact as an act of a different legal character. If this is so, what would be the procedure on the United States side for signature and ratification? Before what tribunal would any dispute be brought?

There are a number of more specific points relating to the compact to which my delegation would like to refer. Several of them I will mention now. Others will be mentioned later when I discuss the general areas, such as land or external affairs, to which they relate.

First, your statement referred to possible amendment or revocation "after a certain period of years." We should be interested to learn whether you had any particular period in mind.

Secondly, we should like to pose several questions relating to the provisions that will relate to defense. ~~What~~ ~~type of Status of Forces Agreement is proposed?~~ ~~In what~~

~~courts is it proposed that offenses involving servicemen, or servicemen and Micronesians, will be tried? What connection will there be between leases of land for defense purposes and the continuance of the compact? It is our position that, on the coming into force of the compact, all military retention land should be returned to the public domain and leases of private land for military uses shall terminate. Simultaneously, those areas designated by the compact for military use would be leased to the United States. We propose that such leases should end at the same time as the compact. If the compact was to be terminated, the United States and Micronesia could, of course, enter into negotiations for a renewal of these leases, but the original leases should, we suggest, end with the compact itself.~~

Finally, we should like to enquire as to your intentions or expectations as to United States representation in Micronesia after the compact came into force. What would be the powers and functions of the United States representative?

I should now like to turn to the area of external affairs and defense.

Under your proposal, the United States would assume responsibility for the conduct of Micronesia's external affairs and defense. You have not, however, spelled out the nature of your basic approach to these matters, nor of the powers that you would require in Micronesia to fulfill your

responsibilities. These are areas of vital concern to us. And we, therefore, invite you to elaborate in detail on how you propose to act.

In the meantime, we wish to present our views on a few key matters relating to external affairs.

We would expect that the United States would seek our concurrence before assuming international legal obligations in our name and that, in the event of non-concurrence, the United States would ensure that the treaty or pact specify that it was not applicable to Micronesia.

We would also expect that the United States would be required to seek our concurrence from the Government of Micronesia before taking steps that would have a direct impact on Micronesia's interests.

Under any association between us, Micronesia would reserve the right to make agreements on its own behalf with nations other than the United States and international institutions in matters of an economic, cultural, educational, social and scientific character. In particular, we would reserve the power:

- (a) to negotiate and conclude trade agreements
- (b) to seek economic assistance from countries other than the United States and from international organizations
- (c) to seek technical assistance and employ specialists or other personnel from countries other than the

United States and from international organizations

(d) to apply for membership in United Nations specialized agencies or similar international organizations.

Finally, in this field, we propose that an official of the Government of Micronesia be attached to those United States Embassies which handle a high volume of Micronesia business. This official would have an appropriate rank -- Counselor or Minister -- and would assist the Ambassador in representing Micronesia's interests.

The Micronesian Delegation assumes that the compact will provide Micronesian products free entry to the American market. We request assurance in this regard.

Under the terms of your proposal, as we understand it, Micronesia would have the power to establish tariff schedules and other mechanisms to control imports. Indeed, given our limited resources and the balance-of-payments problems we are likely to face, it would be impossible to manage our own currency without such powers. We, therefore, expect that, in the compact, the United States will note its readiness to accept restrictions on the entry of United States goods to Micronesia -- provided that such restrictions should, at most, be no more severe than those imposed on the products of all other countries.

With regard to citizenship, we maintain that persons qualified under terms set by the Micronesian Constitution be recognized as citizens of Micronesia.

We expect that, pursuant to its conduct of our external affairs, the United States will accord Micronesian citizens the same protection abroad that it accords United States citizens.

Micronesian citizens, we expect, would be permitted free entry to the United States as students, visitors and immigrants and would not be restricted in matters of employment. At the same time, we propose that Micronesian citizens in the United States would be exempt from Selective Service. It is our expectation, however, that some Micronesians may elect to serve in the Armed Forces of the United States and that they will be permitted to volunteer to do so.

In view of the small size, limited resources and economic exigencies faced by Micronesia, the Micronesian Delegation assumes that the compact would note the United States readiness to accept restrictions on the right of United States citizens to enter, reside and take employment in Micronesia -- provided, as in the case of barriers to imports, that such restrictions should, at most, be no more severe than those imposed on citizens of all other countries.

Now, I should like to turn to the subject of law and the Constitution. As I said earlier, we welcome your recognition of the right of Micronesian people to make and adopt their own Constitution and that they should not be

limited by any requirement of consistency with the law and Constitution of the United States. Your statement on this matter, however, left one crucial issue unresolved. At this point, we might reiterate again that it is the position of the Congress of Micronesia that the Constitution shall derive its legal force from the people of Micronesia and not in any degree from the Constitution of the United States. Therefore, by what means would the United States divest itself of all residual power to legislate for Micronesia? As you are aware, the Congress of Micronesia believes that the Constitution of Micronesia should derive from the people and that the powers of the United States in Micronesia after the change of status should be limited to those set out in the compact.

I should now like to turn to the matter of application of United States laws in Micronesia.

The United States Delegation has proposed that some American laws apply to and in Micronesia -- laws related to areas of American responsibility as specified in the compact, and to those United States Government services operated in Micronesia at Micronesia's request.

The rationale of this proposal is clear to us. We agree that there must be a body of law in Micronesia that will legitimize, support and facilitate the conduct of its responsibilities by the United States. The proposal itself, however, troubles us. It would appear to present

serious problems. Keeping in mind that we are not expert in legal matters, let me mention a few of the problems we envision.

--United States Federal legislation is enforced by agencies of the United States Government. Thus, would not a Micronesian accused of violating an applicable American law necessarily be arrested on Micronesian soil by an FBI, Treasury or other United States agent?

--Persons accused of violations of American law are tried in American courts. Thus, would not the Micronesian accused necessarily be tried in Hawaii or California -- or elsewhere -- and, if convicted, imprisoned there?

--Elements of United States legislation applicable to Micronesia will inevitably prove unsuitable in the Micronesian context and, thus, raise the serious possibility of personal hardship or administrative disruption. Would not the amendment of such laws prove to be a lengthy and difficult process?

These issues can undoubtedly be resolved. Perhaps some are not serious. Our fear is that the aggregate of difficulties we face here could prove to be a major irritant to American-Micronesian relations.

We, therefore, should like your thoughts on an alternate approach. We suggest examination of procedures under which Micronesia would enact the body of law needed for the conduct of United States responsibilities in Micronesia.

These laws would be Micronesian laws. They would either duplicate -- verbatim -- American laws or would be close approximations to American laws, differing only insofar as they reflected mutually agreed upon amendments.

We would clearly have to work out together how this could be handled in the compact and in the period after the compact takes effect. At this point, we would only make the assessment that there would be great advantage to avoiding a situation wherein two bodies of law apply to Micronesia and wherein we leave ourselves open to the frictions that could well arise from the application of American law, law enforcement, and judicial procedures to a foreign situation. Your comments are invited.

At this point, I would like to request a short recess --

AMB. WILLIAMS: Fine.

SEN. SALII: -- after which we would like to convene again, if it's all right.

AMB. WILLIAMS: Fine.

(Whereupon the meeting was recessed at 4:23 p.m., reconvening at 4:34 p.m.)

SEN. SALII: Ambassador Williams, Ambassador Hummel, we have reached the end of our presentations this afternoon. We do, however, have additional presentations which we would like to convey to you. We would request that

this be postponed until sometime tomorrow, if this is all right with your delegation.

AMB. WILLIAMS: Senator Salii, that will be fine with the American Delegation.

I would like to also say we wish to thank you for your statement. We appreciate your offer to give it to us in writing so that we can study it with great care.

We may be asking for further comment and clarification on some of the points that you have made this afternoon.

We would also like to request that you give further consideration to some of the more specific questions that we have already asked you in our presentations, and perhaps you could be prepared to address them at the next session or at an early session. Certainly after your further presentations, Senator Salii, and after we have had time to study and reflect on all of them, we will be prepared to respond and to offer you our comments.

Again, thank you very much.

SEN. SALII: Thank you very much, Ambassador Williams.

(Whereupon the meeting was adjourned at 4:37 p.m., Friday, October 8, 1971.)

(U. S.-Micronesian Status Talks - reconvened
4:02 p.m., Saturday, October 9, 1971.)

AMB. WILLIAMS: Senator Salii and members of your Future Status Committee, we are looking forward to your presentation this afternoon; and if I may from our side, I'd just like to say we're pleased to have the President of your Senate and the Speaker of your House present with us.

SEN. SALII: Ambassador Williams, Ambassador Hummel, we are very pleased that both delegations agreed to welcome the President and the Speaker of our Congress to join us for this afternoon's session.

There remains one area of primary importance to Micronesia that I have not yet touched upon: control of land. Although the United States position has changed in regard to eminent domain, some major problems remain.

First, there is your proposal that the United States might obtain the temporary use of land "in the event of an emergency." It seems clear that you envision a procedure of negotiation between your Government and the Government of Micronesia, and that Micronesian consent would be required. We should like your confirmation that we have interpreted your statement correctly. We also hope that you will be able to tell us something about the type of negotiation the United States is suggesting, since the subject of land use is, as you are aware, a subject of vital concern to Micronesia.

But there is a further matter that we should like to raise with you. If the proposal for use of additional land in the event of an emergency is to be seriously considered by the Congress of Micronesia, it will be necessary to know the procedure by which the state of emergency will be terminated. We, therefore, propose that any emergency shall be deemed to have ended at the termination of a fixed period -- of perhaps 90 days -- unless it is mutually agreed, by the United States and Micronesia, that the emergency still continues with respect to Micronesia. This procedure would, of course, be repeated at the end of each successive fixed period, or of any shorter period agreed upon by the contracting parties.

We also have points to make in regard to the lands specified in your statement as of present or potential military interest to your Government. ~~With respect to lands in the Marianas and the Marshalls, it will be necessary for the Congress of Micronesia to discuss with the district legislatures the appropriate steps for giving them an~~ adequate voice in the negotiation. With respect to all military land use in Micronesia, we have an important question to ask you: What provision would be made for the prior consent of the national and local governments for the storage of dangerous materials -- such as nerve gas or nuclear weapons -- on such lands? ~~With respect to land in all three districts, the Joint Committee on Future Status is~~

~~empowered to negotiate detailed requirements with you,~~
~~but only on a provisional basis and subject to later review~~
~~at the local and national levels.~~

Our delegation also has points to make in regard to the payment of rental on lands leased to the United States and on the payment of compensation. First, all payments for land use by the United States should be handled by the Central Government of Micronesia; it will be the responsibility of that Government to make appropriate arrangements with local governments or with others having interest in the lands.

Secondly, we wish to state that the Micronesian Delegation does not deem it appropriate, at this stage, to discuss the amounts to be paid in rentals or in compensation for land use by the United States.

Mr. Ambassador, our delegation has only one further point to make this afternoon. Major issues regarding the future status of Micronesia and regarding our constitutional and legal autonomy must be resolved before land policies can be finally determined. The Micronesian Delegation, therefore, proposes that these issues should at present receive the highest priority. Meanwhile, in order to preserve mutual confidence, we urge that no further alienation of Micronesian land, by lease or transfer, be effected without the consent of the district legislature concerned and of the Congress of Micronesia.

Before I leave the question of control of land, our delegation has one last comment to make. ~~It is our position that Micronesia is indefensible. Therefore, the military installations which we now have agreed to discuss must be seen as being for the benefit of the security of the United States rather than of Micronesia.~~

Yesterday you urged our delegation to respond to other questions presented in your remarks. We shall be prepared to respond to those questions which we have not covered so far tomorrow, or at some other time which will be convenient to both delegations.

Thank you.

AMB. WILLIAMS: Thank you, Senator Salii. Does this conclude your presentation for this afternoon?

SEN. SALII: For this afternoon, yes.

AMB. WILLIAMS: Fine.

Well, we appreciate the statement of yesterday afternoon and this statement today; and we will be studying the both together, and we will be consulting with you about when we should meet again.

We have no further statement to make this afternoon.

SEN. SALII: Thank you very much, Ambassador Williams, Ambassador Hummel, gentlemen.

(Whereupon the meeting was adjourned at 4:12 p.m.)

RESPONSES

The following responses to questions included in your presentation, together with those contained in my earlier discussion of land, complete, for the record, the Micronesian delegation's presentation of October 8 and 9, 1971.

1. Through what mechanisms would the Congress of Micronesia hope to have U.S. financial support?

We think it would be premature to consider specific mechanisms at this stage. There is a more critical question that needs to be considered first: What assurances can be given that U.S. financial support will be maintained over a period of years at a consistent and agreed level? Such an assurance, since it will be necessary to orderly budget and development planning, must be reflected in the terms of the compact, which will spell out in detail the mutual rights and obligations of the United States and Micronesia.

2. How in your view would the U.S. support be channelled to meet Micronesian needs?

Our position is that all financial support and compensation will be channelled through the Government of Micronesia.

Responses

October 10, 1971

3. What financial responsibilities would the central
Micronesian Government or the districts expect to undertake?

All taxes in Micronesia will be imposed and collected in accordance with the constitution and law of Micronesia.

We do not contemplate having the U.S. Federal Income Tax extended to Micronesia.

4. Issues ... regarding land

All matters regarding U.S. land needs will be handled through the central government of Micronesia.

(U. S.-Micronesian Status Talks - reconvened
4:03 p.m., Monday, October 11, 1971.)

AMB. WILLIAMS: Senator Salii, Congressman Silk, members of the Future Status Committee of the Congress of Micronesia:

I have a rather long response to your various presentations and to the questions which you have posed to my delegation. I will, of course, provide you with a copy of my statement following the conclusion of this afternoon's meeting.

I want to begin by thanking you for the thoughtful responses you have given us. In recent days you have addressed important issues, including laws and land. Yesterday we received your views and answers to the questions: (1) through what mechanisms would the congress of Micronesia hope to have U. S. financial support; (2) how, in your view, U. S. support would be channeled to meet Micronesian needs; (3) what financial responsibilities the Central Micronesian Government or the districts would expect to undertake; and, (4) a further statement from you to the effect that all U. S. land needs would be handled through the Central Government of Micronesia. We understand that these answers completed your presentation and your initial response to our statements of October 4, 5 and 6.

We wish the record of these talks to show our appreciation for your statements and your response to the views

and positions set forth in our earlier presentations on issues of importance to us both. We have listened carefully to your statements and have given them careful study. We have found our candid and open exchanges useful. However, it is clear that further clarification and exposition is needed in our search for understandings and agreements that will serve our respective interests.

Negotiations, by definition and by their very nature, imply that the parties thereto have interests which they seek to serve. Successful negotiations lead to understandings and agreements that are, in the end, mutually beneficial. This obviously means some give, some take, and some accommodation -- so long as basic interests are protected.

In preparing for these talks, we carefully reconsidered our own interests -- interests which stem, as I have already stated, from our genuine concern for the people of Micronesia, from our responsibilities under the United Nations, and from our international commitments and obligations with respect to the maintenance of peace and security. In addition, I wish again to assure you, one and all, that my Government also gave great thought to your own interests and to your legitimate aspirations. What we sought and continue to seek is a blending of these interests.

It is our belief that the proposals which we have put forward for your earnest consideration do indeed serve

your basic desire to govern your own affairs, to control your own land, and to protect and preserve your own unique cultural traditions and life patterns. We believe that these are your rights and not privileges to be given by one party to another -- and they would be so recognized in a new Compact between us which would lead to the termination of the Trusteeship Agreement.

On the other hand, we must let you know that your response, as we understand it, does not satisfy our fundamental interests in some important respects. I must emphasize that the United States has obligations that relate to the realities and imperatives of its broader role in the Pacific and its commitments to many Pacific nations. The United States cannot, and will not, ignore those obligations in these talks -- any more than it could expect you to overlook the basic interests of your own people and their future.

We recognize that many of your interests are inter-related and so are ours. We feel that over the past several days we have made considerable progress in reaching understandings which would serve as the basis for preliminary agreements in some of the most important areas. If I may, I would like briefly to summarize the significant progress that has been made. By this process, we can thus narrow the list of remaining questions that need further consideration and resolution since they too will be an important and vital

element in a future compact which will serve as the basis of our future relationship and your change in status.

These are the areas where we believe we have moved towards substantive agreement:

One, Control of Laws: The future Government of Micronesia, the Micronesian Constitution, the development of a body of Micronesian legislative and administrative law, and the future application of U. S. laws as related to U. S. Federal programs and services, have been covered.

We have agreed that the Micronesian people will have the right to choose, through a sovereign act of self-determination, their new political status. We recognize that they will have the right to write, to adopt, and to amend their own Constitution and their own laws in accordance with the Compact and that the United States will have no legal right to amend that Constitution or those laws, which would derive their legal force from the freely expressed will of the Micronesian people. We also agree that the powers of the United States in Micronesia after the change in status would be limited to those set out in the Compact as agreed by the Micronesian people, or later agreed to by mutual consent. United States approval of the Compact will constitute formal and binding recognition by the United States of the above principles.

We suggested several days ago that you may wish to request the extension of various U. S. services and programs

in Micronesia. In response to our statement that in such cases the United States laws and regulations which govern those services and programs would also have to apply in Micronesia, you expressed agreement with the basic rationale for such application, and "that there must be a body of law in Micronesia that will legitimize, support and facilitate the conduct of its responsibilities by the United States." You also voiced some concern, however, about possibly troublesome conflicts which you expressed relating to the application, enforcement, and adjudication of U. S. laws in Micronesia; and we share fully your desire to avoid all unnecessary friction and administrative difficulties between us.

-- We feel that these are matters that can effectively be resolved by our mutual cooperation. The solution, however, is to be reached by careful examination of the appropriate laws and regulations related to each particular program or service for, as you can well imagine, the scope and nature of regulations relative to Public Health services are quite different from those related to the Postal Service, and the problems involved are equally diverse.

-- I would suggest for your consideration that the first step in resolving these matters is for you to review and decide which U. S. programs and services you initially would be interested in. We will offer whatever assistance.

in this review that we can, provided that you might find it helpful. The second step, of course, is for us to determine the availability of the programs and services you elect within the context of our own legislation and Congressional consent. In this step we will undertake as strong an effort as we possibly can to match the availability of these programs and services to your needs and your requests. The third step would involve a joint and detailed examination of the laws which relate to those programs and services, and at that point to measure the possible impact of those laws against the concerns you have expressed about the application, enforcement and adjudication procedures to be followed. I repeat that we share your desires to minimize any potential difficulties that could arise.

-- While we cannot make any commitment now regarding alternative ways to relate those laws and regulations to Micronesia, we do want to work closely with you on these matters and perhaps to investigate whether through your own legislative process there might be effected a coincidence of your laws and ours in these areas, with assurances of reasonable enforcement, in a way that would protect your interests as well as ours and that would in fact minimize possible future difficulties. These questions certainly would be matters for further exchange and detailed discussions between us, and we do anticipate that satisfactory arrangements can be made.

I turn next to another area where we feel we have moved towards agreement -- Control of Land: We have agreed that with the coming into force of a new Compact and a change in your status, Micronesian lands will be fully under the control of Micronesians. I have assured you that under the terms of the Compact of Association the United States Government can, and will, legally bind itself not to exercise eminent domain. We have agreed that under a new political status the United States would acquire land only in accordance with Micronesian laws and mutually agreed procedures. We have further agreed that ownership of land in Micronesia by non-Micronesians would be wholly a matter for local determination and control.

U. S. Land Requirements in Micronesia: We have studied your comments on our presentation of our limited and definable land requirements in Palau, the Marianas, and the Marshalls. We repeat that we have no defense needs for land in the other three districts.

We have appreciated your responses and your specific answers to our questions that relate to meeting our land requirements and with whom we should negotiate future arrangements. This understanding on your part -- that the U. S. Government does and will have valid, but limited, land requirements in Micronesia for some time to come -- will permit us to turn seriously to the procedures which would be mutually agreed upon for meeting such needs. These

procedures would take into full account your interests and concerns and our requirements. Our needs, as outlined in my presentation, will be the subject of further discussions with your Committee and, in turn, by your Committee with your own Congress, with the districts concerned, and with other Micronesian individuals. These prior agreements would be formalized by the Compact.

In the future, under a new Micronesian Government, as I have already stated, the U. S. would acquire land only in accordance with your laws and through mutually agreed procedures.

We have proposed that the Micronesian Government would, by its own laws, provide a speedy and efficient way to negotiate the temporary use of land by the United States in emergency situations. The United States would commit itself in advance to the return of these lands as soon as the emergency was over.

You have asked three questions regarding this last-named proposal. First, you asked whether Micronesian consent would be required in this instance. The word "negotiate" was used deliberately to imply mutuality and to indicate that a Micronesian Government would have the right of consent to the temporary use of lands by the United States in an emergency. As previously stated, we do expect that a Micronesian Government would want to enter quickly into such negotiation and in good faith attempt to fashion an

arrangement which will satisfy our emergency needs.

Secondly, we do not have any specific type of machinery in mind for facilitating negotiations regarding the use of lands in an emergency, but we do believe that it would be wise to work out the details of such a procedure before the event. This would be a subject to be considered when we negotiate detailed land requirements, and we would welcome your ideas on this matter.

Lastly, you expressed some concern about the duration of the emergencies and suggested that we agree to a fixed period in order to insure the termination of any "temporary" arrangement. We believe that, by definition, emergencies vary widely in character and extent and that it would be preferable to negotiate time limitations with you as part of the agreement, which would require your consent.

In our view, none of these three questions which you have posed to us raises problems which cannot be resolved. We, however, recognize that negotiations dealing with the details of our land requirements still lie ahead, but we believe that prior understandings reached here -- preliminary as they may be -- will facilitate early formal agreements on this important matter.

A number of your comments regarding specific land problems also suggest agreement between us. You mentioned that it would be necessary for the Congress of Micronesia to

discuss with district legislatures the appropriate steps for giving them an adequate voice in the negotiation. We welcome this sentiment, for we strongly desire that our prenegotiated requirements be acceptable at all levels of the future Government. ~~Likewise, you have dispelled any confusion as to how future payment for land should be handled; dealing with the Central Government will certainly simplify these matters for the United States.~~ Furthermore, as expressed earlier, we also are not prepared at this time to discuss amounts to be paid in rentals or compensation. Perhaps I should again stress, however, that we expect to pay fair and adequate compensation in return for our foreseeable requirements. All in all, these various points which I have just covered represent considerable agreement.

In summary, I fully appreciate that there are some specific points regarding land use for military purposes still to be worked out; and I will refer to them later in this presentation. Land issues, of course, cannot be finally settled until a number of other major issues have been resolved. But, subject to these reservations, I would again suggest that we have come a considerable distance towards agreement in this area.

There is, finally, an overriding area of agreement which is applicable to all the points of agreement which I have discussed above -- and, indeed, to all the proposals which have been made here by your side or by our side. On October 4th

you said, "Any understandings that may be reached on individual matters must remain preliminary until both our delegations are fully aware of our respective positions on the full range of issues." I believe that there is no misunderstanding on either side that all of the proposals which we have made here are provisional and interdependent, that we will not consider ourselves bound to any of them unless agreement is reached on all of them, or -- alternatively -- there is an agreed minute or other explicit understanding concerning the areas of preliminary agreement.

I have pointed to the need for negotiated understandings on the three issues -- control of land, control of laws, and control of future change in political status -- which could become the nucleus of a Compact. We consider these proposals to be interrelated and that subsequent negotiation of the detailed aspects would not contemplate any major revision or renegotiation of the separate elements contained in them to which we would have agreed.

I turn now, with your permission, to Other General or Specific Items Raised in Your Presentation.

In your statement you touched on a number of items which we would like to discuss and to add our comments on. With respect to some, we can agree. Others need further clarification. And some, because of their complexity, will have to await, in our judgment, subsequent consultation and

negotiation.

First, Immigration: It is our view that under our new relationship, as defined by the Compact, Micronesians would enjoy a preferred status with respect to their rights to free entry, residence, and employment in the United States. Such a bill is now in fact before the American Congress, and my country in the future will indeed look forward to the free movement of your people into and out of the United States.

With respect to a reciprocal privilege of free movement of U. S. citizens to Micronesia, we do have some comments. First, we recognize your particular circumstances and the possible effect of an unlimited policy of permitting U. S. citizens to enter, to reside, and to take employment in your islands. While we feel that a spirit of reciprocity should prevail and that, because of the special relationship that the new Compact would delineate, American citizens should enjoy preferential status, this does not mean that you will not in a very practical sense be able to regulate the entry and activities of Americans who wish to enter, live, or work in Micronesia.

Your full control over land and foreign investment would assure you safeguards and would indirectly regulate the numbers who would wish to enter, reside, and engage in economic activities in Micronesia. With respect to tourists and tourism, the control would be in your hands in the sense

that you would regulate its growth at whatever pace you desired. The entry of non-Micronesian tourists, American and otherwise, would naturally be related to local decisions with respect to hotel and resort facilities -- their location, their size, their rates, and so forth. I repeat: This is not a matter for us to determine; this is yours to decide.

We, therefore, believe that, by indirect but effective regulation, control over the future numbers and activities of Americans and other non-Micronesians in your islands can be effectively realized. Standards of personal conduct would also be determined by local laws and regulations. With the above-mentioned ability, we believe your interests can be protected without placing direct immigration restrictions on American citizens; and we would propose a policy of reciprocity with respect to this matter.

2. Foreign Trade and Import Controls: You raised in your presentation of October 9th basic questions of trade, tariffs, and other import restrictions for Micronesia. This is an area of great complexity, but one in which we are most willing to work closely with you in developing policies and relationships which will best serve your needs and protect your interests. We are aware of your desire that goods produced in Micronesia have free entry into the United States. The United States Executive Branch has supported such legislation, which is presently under consideration by the United States Congress. It is our expectation that that

body would expect, as a matter of principle, reciprocity with respect to the entry of American goods into Micronesia. This does not mean that the United States would be unmindful of your special circumstances, nor does it reflect any desire whatsoever on our part to dominate or tie your economy to ours for our economic benefit. Such is not the case.

The subject of tariffs and imports is a complicated one, on which we had not completed our study before we left Washington. In general, however, we anticipate that Micronesia would not be considered part of the U. S. customs zone and could establish its own import duties with respect to goods from countries other than the United States. Nevertheless, as I have already noted, there should be reciprocal free entry between Micronesia and the United States with respect to the products of both areas.

We fully understand your concerns about the possibility of your own financial resources being dissipated by the import of luxury or other nonessential goods. In this regard, it should be pointed out that the importation of goods can be controlled by means other than import taxes or duties. Nothing would prevent you from imposing heavy, or even prohibitive, sales or luxury taxes on certain classes of goods -- such as alcoholic beverages, automobiles, and so forth -- so long as such taxes were not discriminatory as to the country of origin. This would apply equally to U. S. products, which would enter into

Micronesia free of import duty, and those goods imported from other countries.

At the same time, we envisage that you would be free to enter into regular commercial trade transactions with foreign firms or foreign governments. And in our legal studies we will certainly be looking for a formula which would give you, to the fullest extent possible, control over import policies in Micronesia.

Third, U. S. Diplomatic Protection for Micronesians Traveling Abroad: We agree that, pursuant to its conduct of external affairs, the United States will accord Micronesians the same privileges and protection accorded to Americans when traveling or residing in foreign countries.

4. Micronesian Service in the Armed Forces of the United States: We agree that, under the terms of the Compact, Micronesians may elect to serve in the Armed Forces of the United States and that they will be permitted to volunteer to do so. Micronesians who choose to immigrate and become permanent residents of the United States and who otherwise are qualified under the Selective Service Act would not be immune from the provisions of this Act. I would note, however, that this policy applies to anyone residing permanently in the United States and in no way is directed particularly toward Micronesians. Clearly, as a matter of principle, Micronesians in permanent residence in the United States must be subject to U. S. laws, just as Americans in Micronesia would be subject

to Micronesian laws.

5. Legal Status of U. S. Personnel in Micronesia:

The United States is willing to negotiate a special agreement concerning jurisdiction over disputes involving U. S. military personnel in Micronesia. We are not at this time prepared to address specific provisions of such an agreement, since other issues, such as your desired relationship between the Micronesians and the U. S. court system, must first be resolved. We understand your question, however, and we foresee no major problems in this area in reaching satisfactory understandings. But we believe that this question would best be addressed in subsequent negotiations, after the more basic legal tenets of our new relationship are agreed upon by mutual consent.

6. U. S. Government Representation in Micronesia and Micronesian Representation in the United States and in U. S. Diplomatic Missions Abroad: In regard to these questions we must state candidly that we have no preprepared positions. We believe, however, that they are important questions; and we would look forward to your views, in advance of further follow-on negotiations, with respect to these matters.

In principle, we would certainly agree and we would assume that the future Government of Micronesia would want to have resident representation in Washington, D. C. for the purpose of maintaining close contact with my Government on all matters of interest to you, all matters of mutual

importance.

Likewise, I would assume that my Government would like to have the capability to consult with your Government on as close and frequent a basis as deemed necessary by the circumstances of our relationship. It would seem that this could best be realized by an official U. S. resident representation in Micronesia at the site of your Central Government.

Your proposal with respect to the stationing of officials of the Micronesian Government in U. S. Embassies in those countries which would be expected to handle a high volume of Micronesian trade raises a number of technical questions, including current diplomatic practices and procedures and host government policies with respect to consular and diplomatic accreditation.

We do understand, however, your desire to protect and further your own foreign trade and other international interests. We would agree to close consultation on all such matters and, under the agreed obligations that we would assume for foreign affairs, U. S. Embassies abroad would provide full services and assistance to Micronesian interests, including trade delegations, cultural missions, exchange programs, and so forth.

Now, whether or not a Micronesian official or officials could be attached permanently to U. S. Missions abroad is a question that needs further investigation on our

side. We will do so, but at this time we simply do not have an answer.

Citizenship: In accordance with your desires concerning citizenship, we could agree that persons qualified under terms set by the Micronesian Constitution would be recognized as citizens of Micronesia. But in order to provide the privileges and preferential treatment concerning, for example, free entry of people and goods which you have requested, it would be essential that your people also be regarded as U. S. nationals. Unless you were also considered U. S. nationals, you would be considered as aliens in the U. S. and would be subject to State and Federal regulations on aliens, including, for example, U. S. immigration and naturalization laws.

As U. S. nationals, you would have the full rights of free entry, employment, and exit from the United States, as well as the full protection abroad that you have requested, without the disabilities and restrictions attached to aliens. We would be willing to seek an exemption from the draft for Micronesians not having permanent residence in the United States, and to write such exemption into the Compact between us. We see no difficulty but, rather, considerable advantage for you in having the status of Micronesian citizens, and at the same time the status of U. S. nationals.

I turn now to Remaining Major Areas in Need of Clarification and Resolution.

I have covered so far in my presentation areas which you have stated are of primary importance to your Committee and to your people, and I have indicated the sincere desire on the part of my Government to accommodate its positions to these fundamental interests. In the vital areas of Control of Laws and Control of Land, I believe that we are on the way to full preliminary understandings and agreements, as I have said before.

We have also responded to a number of other questions raised in your statement in which we are in agreement, or which we believe to be negotiable and resolvable through further discussions and exchanges at some later date but prior to a change in your status.

We thus feel that we have satisfied, or are capable of satisfying, most of your desires as they relate to your full rights and powers to govern your own affairs in accordance with the new Compact and the ensuing change in your political status.

Having considered your concerns, we now turn to our interests and to understandings that will be of future mutual importance to us both. We ask you to give these matters your continuing thoughtful consideration because of the imperative nature of their relationship to other elements which would be included in a new, mutually agreed-upon Compact. We would be less than forthright if we did not state clearly that there remain some fundamental differences or

at a minimum, misunderstandings between us which must be resolved prior to your change in status. These differences do affect our legitimate interests, our responsibilities, and our obligations.

The fundamental divergence is this: You have described and proposed a relationship which would be so loose and tenuous, and the protection of U. S. interests so circumscribed and qualified, as to raise serious doubts as to whether my Government could be responsive. I am not speaking simply of my present negotiating authority but, more fundamentally, of feelings in both the Executive and Legislative Branches of my Government as measured by my consultations and their reactions prior to our coming to Hana, Maui. These feelings also reflect the consideration of the views, attitudes, and interests of other Pacific nations with respect to the need for political and economic stability in the Pacific Ocean area. We know that you too share and have a vital stake in this matter.

The Compact: Let me begin by sharing with you our views on the Compact. You have asked us for our response as to how the United States views in legal terms the character of such an instrument and how it would be brought into force.

We would assume that our agreement would be neither a treaty nor a unilateral legislative act on the part of the United States but would, rather, be a binding compact with legal definition of its own and recognized as such by both

parties and by the world community.

The Compact would constitute the embodiment of agreement between two parties and between two peoples concerning the respective powers and responsibilities of each within, and only within, those areas covered by the agreement. ~~The basic division of powers and responsibilities would flow from the force of the voluntary and freely expressed agreement of each party to the Compact, rather than being assigned or delegated from one party to another.~~

The Compact would be subject to the advance approval of the Congress of Micronesia and a final review and acceptance by the people of Micronesia as an expression of their full rights of self-determination.

The Compact would also be presented to both Houses of the United States Congress for approval and to the President of the United States for his signature. A major advantage to House of Representatives approval, in addition to that of the Senate, flows from the fact that all appropriations bills must be initiated in the House. Given the financial implications inherent to or explicit in any Compact, the House, as a practical matter, from your own point of view -- from your own special-interest point of view -- should approve the Compact, on which future U. S. financial support will be based. As part of the Compact itself, provisions should be made for review and amendment and the settlement of potential disputes flowing from the agreement. We do not have any

specific proposal to put forward at this moment with respect to machinery and procedures for the settlement of such disputes that might arise. It would, however, be our intent that any future differences be treated expeditiously and with full equity and fairness. Several different formulas might be considered; and we assume that agreement on this matter would be the subject for post-Hana, Maui discussions and mutual agreements.

In essence, gentlemen, we are suggesting the second alternative contained at page A-7 in the July 1970 Report of the Micronesian Political Status Delegation as it relates to the coming into force of your new political status. We have given you the firm assurance on the three points which you had stated had to be met in order for this approach to be acceptable from your point of view.

We would also like to draw your attention again to our remarks in my summary statement of October 6th. In that paper, we commented on our views on the importance of a smooth transition from Trusteeship to self-government and of the steps that would have to be taken in this process to assure that such a change would not be abrupt. Once agreement has been reached, we would indeed want and expect your views on how this could best be accomplished and what steps you and your Congress would want to take in the remaining period of Trusteeship to prepare yourself for the change in status.

I turn now to Foreign Affairs and Defense.

In your presentation of October 8th, you asked us to spell out the approach of the United States with respect to the conduct of our responsibilities for Micronesia's external affairs and defense, and the powers that would be required in Micronesia to fulfill these duties. We agree that these are area of vital concern to you as well as to us and, therefore, we welcome your invitation to us to elaborate on this question.

To begin, we fully concur with your view that both of these important subjects should be a part of the Compact. We had assumed also, as a result of the 1969 talks and your 11 points, the May 1970 negotiations and the Status Delegation's Report of July 1970, that we were in substantial agreement in principle in the areas of foreign affairs and defense.

In 1969, you presented as a basis for discussion the proposal that:

"The U. S. subject to certain exemptions, limitations and conditions, will conduct Micronesia's external affairs and provide protection from outside aggression and consult with Micronesia before entering into international obligations with respect to Micronesia."

A further elucidation of your views was contained in your Report of July 1970 to the effect that:

"The responsibilities for external affairs and defense would be handled by the United States, and it would therefore be necessary for the United States to retain sufficient powers in those areas to enable it to fulfill its responsibilities."

The Report went on to point out, as you have in your statement here, that in exercising its responsibilities the United States would act in close consultation with the Government of Micronesia on all matters affecting Micronesian interests.

We have taken it for granted that there would be close and continuous consultation on all aspects of foreign relations and defense as they would relate to and affect Micronesian interests and the people of Micronesia. This would be assured by the agreed terms of the Compact.

Our difficulties may lie in our understandings of the nature of the Compact. As we see it, by mutual consent and with the approval of the people of Micronesia, the U. S. would be given responsibilities for foreign affairs and defense as a part of the Compact in the same manner and with the same force as the agreements with respect to Micronesia's full powers and responsibilities in internal affairs, including the binding legal agreement on the part of the U. S. that it would not interfere in those areas of exclusive Micronesian responsibility.

In your statement of October 8th, you stated that you would expect that the U. S. would seek Micronesian concurrence before assuming international obligations affecting Micronesia and, in the event of nonconcurrence, the treaty or pact would not be applicable to Micronesia.

We have already stated, but I state again, that it would be our intent and our obligation to consult and to take into consideration every aspect of Micronesian interests in any future international obligation which the U. S. might assume. If we understand your proposals correctly, they would provide the future Government of Micronesia with a veto over foreign relations and defense which would substantially vitiate the authority of the U. S. Government in these areas.

Let me reiterate our thoughts which have been based on past exchanges between us and on a number of models which you yourselves referred to in your July 1970 Report.

The United States Government would have responsibilities in foreign affairs and defense, as agreed to by the people of Micronesia as a sovereign act in their ratification of the Compact. This responsibility would not be subject to later Micronesian veto, just as other terms of the Compact would not be subject to any *ex post facto* veto by the United States.

The United States Government's authority would thus have been established by the Compact. However, we would assume that there would be a delegation of authority to

Micronesia in foreign affairs, as suggested by your presentation. We would be prepared to discuss further, and to define, the areas of foreign affairs in which you would have responsibility. We understand and respect your desire to play a substantial role in the international community, and we ourselves have envisaged extensive contacts between Micronesians and foreign countries. We would facilitate and encourage such contacts through our facilities in the U. S. and abroad. A review of the areas in which you seek authority suggests that there is substantial room for agreement as to those in which responsibility should be delegated to Micronesia, though there are certain reservations and qualifications which would appropriately make this a detailed topic for later negotiation.

In the areas of U. S. Government responsibility, we would consult with you as issues of interest to Micronesia arise. We would expect, conversely, that your side would consult with us when special U. S. interests, particularly of a national-security character, may be involved in those areas of foreign-affairs responsibility delegated to you and which you would assume.

I turn now to Defense.

Just as you have expressed concern over external affairs, you have asked for some elaboration of our basic approach to defense affairs. As previously stated, we envisage that the United States must have full responsibility for defense

matters. At the same time, however, the Micronesian Government would be consulted regularly and closely on matters directly affecting Micronesia. This relationship is common to that agreed between Great Britain and the associated states in the Caribbean, and to that relationship between New Zealand and the Cook Islands.

In this regard, we noted with some interest your statement that you consider Micronesia indefensible. Today, no nation can be guaranteed immunity if a major international war were to break out. We are aware of this. The central thrust of our foreign and security policies for the last two decades has been to prevent such a disaster from occurring. This has been demonstrated by a series of U. S. initiatives designed to reach agreement on international control of nuclear weapons and limitations on strategic weapons. As we meet here this afternoon, the SALT talks, which are currently taking place, are tangible evidence of our desire to reach such accords. Similarly, we are constantly striving to reduce and eliminate potential areas of conflict -- such as our efforts to defuse the explosive Berlin situation and to bring the People's Republic of China into the family of nations. It is in our interest, it is in your interest, it is in the interest of peoples everywhere, that we continue to strive for peace and to establish the rule of law in the international community and to outlaw war as a method for settling international disputes.

An important part of this effort is an effective U. S. military posture. It is not our intent to use the land of Micronesia for aggressive action against anyone. It is our intention to maintain a posture that offers the best prospect for deterring a major conflict. Surely, Micronesia can make a contribution to this worthwhile effort.

~~On a lesser level of potential conflict, we do have~~ the capability to defend your islands from foreign incursions. Moreover, U. S. defense forces perform a number of other important functions for Micronesia: for instance, patrolling for poachers -- as on Helen Reef -- and fishing violators, denial of your uninhabited islands being used illegally for electronic intelligence and the like, disaster relief, medical evacuation, and other such activities. U. S. military facilities would have a role to play in the peacetime security of Micronesia and the welfare of your people.

~~Secondly, concerning military retention land,~~ you have suggested that all leases be terminated with the end of the Trusteeship, that areas designated by the Compact would then be leased to the United States, and that in the event of termination the new leases would end. You implied only the possibility of new leases. This approach suggests a series of possible future hurdles and uncertainties in meeting our land requirements. Our proposal requires a binding negotiation of land arrangements before the Trusteeship would be terminated. We are flexible as to the precise means whereby

the land requirements would be reassured and have, in fact, asked some questions as to your wishes in this respect. We have also answered some of these same questions. ~~In short, we do require the assurance that our land needs would be met in a manner that would be enduring through the terms of the leases so that our continuing security responsibilities in the Pacific could be carried out.~~

Thirdly, you have also asked if any provision would be made for prior Micronesian consent on storage of dangerous materials. We have not contemplated such a provision. While advance revelation of such materiel movement and storage is against U. S. policy and counter to the strategic and tactical interests of the military, your concern is nevertheless recognized. However, I believe some of your apprehensions on this matter can be allayed, if you will consider our land requirements district by district.

(1) In the Marshalls, we do not intend to expand our activities beyond the sphere of research and development.

(2) In the Marianas, our efforts will be concentrated on Tinian, with some activity possibly sited on Saipan. Any plans we might now have for this area, particularly as to units and storage requirements, are by no means complete.

(3) In Palau, the requirement is significantly different as our land needs are by no means immediate. As we searched for ways to satisfy our contingency requirement without any recourse to a land-requisitioning procedure,

it was necessary to do some difficult forecasting. The Palau requirements are designed to cover a number of possible contingencies; but we do not know whether we will ever have to exercise these options, or, even if we do, exactly what the sites will be used for. The only exception is the small site in Malakal Harbor, where we are now thinking in terms of a small repair/refueling facility to assist naval elements patrolling your waters. I might add that its small size would preclude any consideration of using same for ammunition storage.

Fourthly, you have asked the United States to agree that no further Micronesian land will be "alienated" prior to a status agreement. I believe that an underlying reason for your request may be the presumption that the United States would proceed in an arbitrary manner to guarantee its possible future land requirements by other legal means now at our disposal prior to agreeing to a Compact. If this be a correct assumption, it is totally unfounded. To the contrary, I can assure you that we have no intent and will not take such steps. However, the unpredictability of future emergencies and the uncertain time frame of effecting a final agreement preclude U. S. agreement to your proposed restriction. Nevertheless, if any nonemergency land transfers become necessary and the only prospective requirement is in the Marianas, we will certainly negotiate with the proper authorities in Micronesia; and we would take into account your interests.

I hope you will read that paragraph fully.

Now we come to Changes in Our Future Political Association.

We have noted your comments on the question of the right of the parties unilaterally to terminate any future association or Compact between Micronesia and the United States. We have also taken cognizance of the question that you have addressed to me about my negotiating authority with respect to this matter.

Before addressing this problem, I would without repeating simply refer to the sentiments expressed in my opening remarks on this subject on Wednesday. We have indeed appreciated your past statements and expressions of friendship and your hope -- which we fully share -- that the future relationships between our two peoples will be enduring and built on common respect, goodwill, and mutual trust.

You have politely asked me about my instructions concerning termination. On this matter I do not wish to be evasive. However, the issue that is before us is not the terms of my mandate from the President of the United States. The task that he has given me is to work with you until an amicable settlement can be reached, which we both desire, and which would satisfy the basic interests of both Micronesia and the United States. This is what I have been instructed to do. This is what I hope to accomplish, with your help. The problems that are before us do not center on just one issue --

or is this the case? If in fact termination is the only major difference separating us, we can indeed focus on this problem.

We know your general views on this question; you now know ours. We have suggested a Compact that would be amendable and revocable by mutual consent. We have agreed that a viable Compact should embody enough flexibility in substance, form, and procedure to suit and meet changing circumstances and future conditions.

My Government has shown flexibility and has demonstrated its concern for your basic interests and aspirations by making a very serious effort to adjust and adapt its positions to meet your needs. We have come to Hana, Maui -- as I am sure you have -- in a spirit of accommodation. We have brought with us significant changes from our prior proposals. We have not brought a "Made in the United States" plan for your future. You yourselves have recognized in your response the substantial differences in our proposals from those of May 1970.

Your mandate and your instructions, as we understand them, are based on discussions and decisions taken prior to and subsequent to the May 1970 negotiations. You may wish to consider whether further discussions and study and decisions, based on our October 1971 suggestions, might now be in order. We have come with a new approach which clearly outdates and supersedes earlier U. S. proposals to which your

July 1970 Report was addressed. Your Congress, based on your forthcoming Report to them, may indeed wish to take a new look at the proposals we have put forward, weighing carefully all of the advantages and disadvantages from your point of view and from both a short-term as well as a long-term viewpoint and how these proposals relate to the true future welfare of your people.

We believe on the single issue of termination that your interests would be amply protected by the terms of the Compact. These terms would take into account your interests and would have to be mutually agreed upon. They would also take into account our basic responsibilities in the Pacific, which we believe are recognized by you and by others. These responsibilities justify our belief that the United States should have a voice in any decision which might have the effect of altering seriously the stability in the area which we hope to maintain in your interest as well as in the interest of others, including our own.

We are prepared to listen to your further views and to discuss this important question with you, for we realize that it has not yet been resolved. We would hope that it could be settled along with the other issues. It may, however, have to be held over for further study and subsequent negotiation, as you may wish.

I come now to my Conclusion.

I hope that I have met most of the questions which

you have posed. I further hope that, in this process, I have made clear the scope and nature of the proposals which we have brought to present to you.

The course of our exchange has brought to light conceptual differences concerning the future role of my country and Micronesia in the division of responsibilities in the foreign-affairs and defense fields. It has demonstrated that, notwithstanding the far-reaching changes in the United States vision of the future relationship, your present mandate still forbids you to consider a new proposal with respect to procedures for the termination of the relationship.

I have endeavored to explain why the position which I have taken is of importance to my country. It is my most earnest hope that you will consider what I have said today, and that you will respond if possible with ideas as to how we may bridge the conceptual differences which continue to divide us, despite the very real progress which we have made on many of the most important problems that we have had before us.

Thank you, gentlemen.

SEN. SALII: Thank you very much, Ambassador Williams.

We shall indeed read your remarks this afternoon and attempt to respond as we see fit and we find it possible to respond.

We shall convey to you our desire to call
a meeting sometime tomorrow.

Thank you very much.

AMB. WILLIAMS: Thank you, Senator Salii.

(Whereupon the meeting was adjourned at 5:18
p.m., Monday, October 11, 1971.)

(U. S.-Micronesian Status Talks - reconvened
2:06 p.m., Tuesday, October 12, 1971.)

SEN. SALII: Ambassador Williams, Ambassador Hummel, our delegation wished another meeting of the two delegations this afternoon to present our concluding remarks to these talks we have had here in Hana, Maui.

Your delegation and ours have been in Hana, Maui for more than a week in an effort to resolve the differences between the positions of your Government and our Congress on the question of termination of the Trusteeship and the establishment of a new relationship between Micronesia and America.

We believe that there has been a genuine effort on both sides to resolve existing differences. Our delegation would like to note, as your delegation did in your presentation yesterday, those areas where the two delegations have reached preliminary agreement, at least in principle; to note those areas where we may still not fully understand each other's position; and, finally, to note those areas in which basic and substantial disagreements still exist between your delegation and ours.

Our delegation wishes to note its appreciation for the views and positions which you have expressed within the course of our discussions. We wish to note especially the recognition on the part of your delegation of the many concerns which have been expressed by the Congress of

Micronesia, by the Future Status Commission,
by the Future Status Delegation,
and by this Joint Committee with respect to Micronesian
desires for self-government and for the opportunity to
define our own future and identity in accordance with our
wishes and desires.

While we are happy to note that our delegations
have reached preliminary understanding in many areas, many
of which were restated in your presentation yesterday, our
delegation wishes to emphasize for the record that so far we
have not reached agreement in one major area.

I would now like to turn to the Areas of Agreement.

Our delegation would like to set forth for
the record those areas in which we find substantial agreement
between your delegation and ours.

1. Your delegation has recognized that the people of
Micronesia will have the right to choose their own
government -- their own future political status -- through a
sovereign act of self-determination.

2. Your delegation has recognized that the people
of Micronesia have the right to write, adopt, and
amend their own Constitution; that the United States will
have no legal right to amend the Constitution of Micronesia;
that the legal forces of the Constitution of Micronesia will
derive from the Micronesian people.

3. Your delegation has agreed that the power of

the United States in Micronesia after termination of Trusteeship shall be limited to those set out in the compact of association.

4. Your delegation has agreed that with the coming into force of a new compact of association Micronesian lands will be under the full control of the people of Micronesia.

5. Your delegation has given the assurance that under the terms of the compact of association the United States Government shall bind itself legally not to exercise eminent domain.

6. Your delegation has agreed that under any political status the U. S. will acquire land in Micronesia only in accordance with Micronesian law and mutually agreed-upon procedures.

7. Finally, we wish to repeat our position that any understandings that we have reached during these discussions in Hana will remain preliminary until both our delegations are fully aware of our respective positions on the full range of issues to be resolved.

There are areas which were deferred during the course of our discussions to which I would like to turn now.

Certain matters were defined by your delegation as of importance but not possible for resolution without further research or investigation. These include:

1. The role of a possible United States representative in Micronesia, of a Micronesian representative in Washington, and of a Micronesian representative in Selected United States Embassies.

2. With respect to a compact, the procedures to be followed in settling disputes over its terms.

3. Procedures to be followed during the transition toward Micronesian self-government under the Compact.

4. Numerous details of United States foreign-affairs responsibility.

I would now like to turn to those Areas of Disagreement.

In addition to the central issue of the mode of termination of the Compact, which I shall review in a moment, my delegation would like to note for the record other areas of significant disagreement between our positions as stated during our talks.

1. Micronesia has proposed maintaining control over the entry of all foreign nationals. The United States Delegation has stipulated free entry of United States citizens.

2. Similarly, Micronesia has proposed the right to impose import controls over goods from all countries. The United States requires reciprocity if Micronesian goods are to have free entry into the United States.

3. The United States Delegation has stated that its

responsibility for Micronesian citizens abroad can only be met if they are also recognized as United States nationals. This is a new proposal which my delegation is not authorized to accept at this time.

4. The Micronesian Delegation requested clear assurance of steps to be taken by the United States to terminate its legal powers in Micronesia outside of those stipulated in the Compact. This assurance has not yet been given in explicit terms.

5. With respect to treaties and other agreements, our delegation proposed that the concurrence of our Government be sought by the United States in all cases which would directly affect Micronesian interests. The United States can offer only non-binding consultation.

6. ~~The request of our delegation for termination and renegotiation of leases on military-use land, both upon the taking effect of a Compact and upon its termination, was rejected.~~

7. Our insistence that Micronesian concurrence be required prior to storage of any dangerous military materials on Micronesian soil was likewise rejected.

However, the single most important area where basic disagreement still exists between our delegations is, as you acknowledged in your presentation yesterday, in the area of termination of any future political relationship between Micronesia and the United States. Our delegation

believes that the inability of the United States representatives in past negotiations and during the current negotiation to agree to unilateral termination of any future association is based on a lack of understanding of the desire of the Micronesian people to have the right and prerogative of terminating any such future relationship.

The Micronesians want to remain Micronesians. In order to be able to maintain our identity -- to remain Micronesians -- we must have full control of our internal affairs. We do not believe that Micronesia will be able to maintain its identity and continue to control its internal affairs under a relationship which would require United States consent for its termination.

Our delegation still maintains that the ability of Micronesia to unilaterally terminate its relationship with the United States is an essential protection for a small nation that wishes to maintain its identity while in a relationship with a large and strong nation. Our delegation takes note of all the interests of the United States which have been expressed by your delegation with respect to maintaining peace and security in the Pacific. In this connection, our delegation is happy to take cognizance of the land requirements in the Marshalls, Marianas, and Palau which your delegation regards as necessary for the United States to pursue its responsibilities and interests in the Pacific. Our delegation maintains that these interests still

can be met under a political association between your country and Micronesia that is subject to unilateral termination by either party. We reiterate our strong desire and willingness to work out termination procedures which will prevent hasty termination based on less than the most compelling reasons.

Our delegation maintains that such procedures can be worked out in such a way as to allay any fears which the United States may have for being unable to meet its own interests and its responsibilities under a terminable relationship.

Before we leave Hana, our delegation wishes to make a suggestion for your consideration -- namely, that your delegation and ours give serious consideration to this basic difference between us over the question of termination and meet once more sometime in the future to discuss the issue. During such a future meeting, we can also discuss in detail those areas in which we have reached preliminary agreement and to clarify our lack of understanding in those areas where lack of understanding still exists.

Our delegation would like now to extend an invitation to your delegation to meet in Micronesia toward the end of December, before the convening of the regular session of our Congress in January, for this purpose. Such a meeting would enable our delegation to immediately report to the January session of our Congress any progress which we

shall have achieved during these current discussions in Hana and additional agreement we may reach during the meeting in December. Our delegation would like to ask your delegation to be prepared at that meeting in December

-- to discuss further those areas in which further clarification is required.

-- to negotiate the terms of those areas where substantial agreement has been reached.

-- to discuss immediate steps for self-government.

-- and, finally --

-- to discuss transitional steps for independence, should free association prove not possible.

In closing, my delegation would like to extend to you, Ambassador Williams and Ambassador Hummel, and all the members of your delegation and staff, our most sincere thanks and appreciation for the cordial treatment which your delegation and your Government has extended to us during our stay in Honolulu, and especially here in Maui. All of us have enjoyed ourselves during these talks but, most importantly, we feel that we have accomplished much during these days of discussions.

Again, I would like to repeat our invitation to your delegation to meet in Micronesia.

I should like to close these remarks by telling your delegation that our delegation plans to depart Maui this afternoon to Honolulu, from which we shall return to

Micronesia.

From each of the members of this delegation, we'd like to thank you again for the opportunity you had extended us to discuss this subject of Micronesia's future status.

Thank you very much.

AMB. WILLIAMS: Thank you very much, Senator Salii.

We certainly do not want you to miss your airplane.

We would however like to request your permission for a very short recess before we come back together again. Thank you.

(Whereupon at 2:23 p.m. a recess was taken.)

(Following recess, the meeting reconvened at 3:05 p.m.)

SEN. SALII: For the record, I would like now to read a Joint Communique that the two delegations have agreed to issue at the conclusion of these talks. The date of issue is October 12, 1971.

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The Members of the Joint Committee on Future Status of the Congress of Micronesia and the United States Delegation met at Hana, Maui, Hawaii on October 4 to 12, 1971 to exchange views on the future political status of the present Trust Territory of the Pacific Islands.

Senator Lazarus Salii of Palau and Congressman Ekpap Silk of the Marshalls served as the Co-Chairmen of the Micronesian Delegation. The President's Personal Representative for Micronesian Status Negotiation, Ambassador Franklin Haydn Williams, headed the American Delegation.

Other participants included:

The Micronesian Joint Committee

SEN. LAZARUS SALII - Chairman
REP. EKPAP SILK - Co-Chairman
SEN. ROMAN TMETUHL
SEN. ISAAC LANWI
SEN. ANDON AMARAICH
SEN. TOSIWO NAKAYAMA
SEN. PETRUS TUN
REP. JOHN MANGEFEL
SEN. BAILEY OLTER
REP. OLTER PAUL
SEN. EDWARD PANGELINAN
REP. HERMAN GUERRERO

The American Delegation

AMB. FRANKLIN HAYDN WILLIAMS
AMB. ARTHUR W. HUMMEL, JR.
CAPT. WILLIAM J. CROWE, JR.
MR. LINDSEY GRANT
MR. THOMAS WHITTINGTON
MR. RONALD F. STOWE
MR. JOHN C. DORRANCE
COL. ATHOL SMITH

Both the Micronesian and the American sides found the open exchange and the exploration of each other's points of view highly useful and both agreed that substantive progress was made in narrowing differences, and in reaching preliminary understandings in some important areas. Both also agreed there are remaining problems and divergencies that must be bridged and resolved prior to reaching an agreement in order to terminate the Trusteeship Agreement between the United States and the United Nations.

Neither side presented at the talks a single proposal nor a detailed and comprehensive plan for the other side to consider. The talks, rather, centered on issues and principles. The Micronesians set forth their views and the United States outlined a range of new American positions on such key questions as Future Control of Micronesian Laws and Micronesian Lands. Both delegations agreed that any future political status for Micronesia should be approved by the people of Micronesia in a sovereign act of self-determination.

The Micronesian Joint Committee on Future Status responded to American statements and asked for further clarification on some issues as well as substantive questions. The same process was followed by the American side, and in this manner areas of preliminary agreement as well as disagreement were more clearly defined.

It was agreed that further talks will be necessary before final understandings and agreements can be reached. Both parties agreed that all understandings reached at Hana were preliminary in nature and would be subject to further review by both Micronesia and the United States.

The Micronesian Delegation extended an invitation to the American Delegation for a further meeting in Micronesia.

Finally, both sides expressed appreciation for the spirit and atmosphere surrounding the Third Round of Talks on Micronesian Future Political Status.

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(End of Communique)

SEN. SALII: Thank you.

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AMB. WILLIAMS: Senator Salii, Congressman Silk,
and members of the Micronesian Delegation:

We appreciate and we will take serious note of the carefully measured statement which we have just heard in response to our presentation of yesterday. Your further elaboration and clarification and summary of your position has been useful, as have your earlier statements, in giving the United States Delegation a much better understanding of the issues that have been before us.

I believe that your summary statement suggests that we have now come to the point where new proposals are not likely to be raised for further discussion at this time. There is no need for the United States to review the new ideas which it has brought to Hana, Maui for your consideration. My earlier statements and the one presented yesterday, I believe, will serve this purpose.

Unless there are further questions of interpretation or clarification which you would like to pose to us, I would suggest for your consideration that we now move toward bringing these most fruitful talks to a close.

We will now be returning to our homes, as you will be to yours. This does not mean that we on this side of the table will be turning our minds and energies to other matters. We will be reviewing the considerable progress that has been made over the past nine days. We will be giving further thought to your views; and, most importantly of all, we will not be relaxing our efforts and our

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desire to eliminate the areas of differences that remain to be resolved. Our goal will remain unchanged: an amicable agreement that serves our mutual interests -- one that will make it possible for the people of Micronesia to govern themselves in a manner of their own choosing and provide the means whereby they can determine their own future without outside interference.

As I said yesterday, we consider this to be their right and not a privilege to be bestowed upon them.

As stated several times in the past few days, we do not have a package to offer. We have not brought an American blueprint to be imposed on our people. We have, rather, sought your views as to your plans, your ideas, and your aspirations. We have asked only that you consider the advantages and disadvantages of our new approaches and our new ideas and whether they are in harmony with the true long-term interests and welfare of all of your people now and in the future.

We ask that in your further deliberations and in your further discussions with your leaders and your people that you differentiate between the earlier American proposals and the positions that we have set forth here in Hana, Maui with respect to issues of great importance to you and your people.

They should know that we have attempted to be responsive to Micronesia's basic concerns; we have recognized these vital interests in our proposals.

We have also stated that we too have interests that must be met. So far, they have not been recognized in a fully satisfactory

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fashion. Resolution of these questions, as well as others of concern to you, must be realized before a final and fully satisfactory agreement can be consummated. However, progress has been made. The talks have been worthwhile. We have, indeed, come a long way.

We thank you for the spirit and patience you have shown in listening to us. We have appreciated the candor and clarity of your responses. We have been grateful for the opportunity to come to know you each better. We have enjoyed your company and your fellowship.

Finally, we look forward to meeting you again and to resuming our common endeavor. We appreciate the invitation that has been extended to us. We will be responding in the near future.

On behalf of the American Delegation, our thanks to all of you, from one end of the table to the other. Our thanks, Godspeed; and in the spirit of Hana, Aloha until we meet again. Thank you.

SEN. SALII: Thank you.

(Whereupon the meeting was adjourned at 3:17 p.m.,
Tuesday, October 12, 1971.)