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STATEMENT BY AMBASSADOR WILLIAMS TO
TERRITORIAL AND INSULAR AFFAIRS SUB-
COMMITTEE, MONDAY, NOVEMBER 15, 1971

Mr. Chairman, Members of the Subcommittee:

I welcome this opportunity to describe the background and the results of the discussions held at Hana, Maui, Hawaii, with the Congress of Micronesia's Joint Committee on Future Status from October 4 to October 12, 1971, and then summarize the proceedings, the areas in which preliminary agreement was reached and those topics still requiring negotiation.

Over the past few years pressures for ending the Trusteeship Agreement and settling the future political status of Micronesia have been increasing, stimulated in part by the example of the termination of other U.N. trusteeships, U.N. Visiting Mission reports, and growing political activity and ferment within Micronesia itself.

Some Micronesians want a close and permanent political association with the United States. Some want a loose association with the U.S. with maximum powers of internal self-government. Some want to move to full independence and some do not want change at all, preferring to remain, for the present at least, under Trusteeship.

Divisions along these lines remain within the Congress of Micronesia, among the people, and between the Districts. There is great diversity in Micronesia and the people historically have never been unified politically, economically, or culturally speaking. The word Micronesia itself has been a descriptive geographical term rather than a political one. The President of the Senate of Micronesia said, during the talks, that the United States has been the only true unifying force in Micronesia.

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However, things are changing. The Congress of Micronesia, created by a Secretarial Order of the Secretary of the Interior, has taken the leadership in planning for Micronesia's political future. In 1969 following the report of a special Congressional Commission, the Congress recommended that Micronesia had two alternatives; Free Association with the United States or Independence. A Status Commission was appointed and instructed to discuss Micronesia's future with the United States.

In October 1969, the first talks took place in Washington. The Micronesian delegation presented 11 topics for discussion. No conclusions were reached during this preliminary exchange of views.

The second round of talks was held in Saipan in May 1970. The Micronesians opened this meeting by laying down four principles, stating that they were non-negotiable and that they should form the basis for a future political relationship with the United States which they called Free Association. These principles are:

- ✓ 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.

The U.S. Delegation in turn presented a draft Bill providing for a commonwealth status for Micronesia as an unincorporated territory of the U.S. The talks did not result in agreement. Assistant Secretary Loesch reported to this Subcommittee on these talks in June 1970.

In the fall of 1970, the Executive Branch of the USG began an extensive review of the matter which carried over through the spring of 1971. In April following my appointment, Assistant Secretary Loesch and I had a meeting in San Francisco with the Co-chairmen of the Micronesian Joint Status Committee and it was agreed that a third round of talks should be scheduled. The meeting was originally set for the summer of 1971 but by mutual consent was moved to October and it was agreed that we would meet in Hawaii.

During the summer a new Office for Micronesian Status Negotiation was established to support these talks. Ambassador Arthur Hummel was named Director and also Chairman of the Interagency Group for Micronesian Status Negotiations, with representatives being drawn from Interior, State, and Defense. This office is housed by and derives administrative support, other than funding, from the Office of the Secretary of the Interior.

Turning now to Hana talks I would like to say by way of background that agreement was reached in April with the Micronesian Co-chairmen, Senator Salii and Congressman Silk, that the third round would be centered on issues. With this in mind, the U.S. Delegation, in preparing for the exchange, concentrated on those problems which the Micronesians had singled out as being of the greatest

importance to them. They were: Control of Land; Control of Laws; and Control of Future Status.

We hoped that a free and frank exchange on these major issues would lead to understandings and enhance the prospects for a mutually satisfactory and amicable settlement of the key differences that seemed to be blocking an agreement.

However, the talks at Hana, procedurally speaking, did not proceed as we had hoped and thought they would. The format was more formal and structured than we would have desired in that the Micronesians did not wish to engage in an informal discussion of these issues. Nevertheless, the exchange of formal prepared statements and responses were, we believe, useful to both sides.

The Micronesians opened the talks by stating that "We have come here to talk about Independence. For that we feel is the real subject of these negotiations." They repeated their Four Principles on which they said their political future must be based. They stated flatly that their proposal for Free Association represented the most extensive curtailment of Micronesian sovereignty that they were prepared to discuss. In summary they stated, "We are willing to discuss arrangements wherein (our) independence has minor limitations placed on it" as contained in the Free Association proposal and that if this is unacceptable to the United States the talks should then be focused on the transition to Independence.

In the American opening statement we said we had come to explore and lay the groundwork for our association between Micronesia and the U. S. that would be freely entered into and fully representative of the will of the

people of Micronesia, and that we had assumed that the search for a mutually beneficial association was also their objective. We made it clear that we had not brought a new Bill or a detailed blueprint and that the future status of Micronesia should indeed derive from the thought, the discussion, and the will of the people of Micronesia. We stated, however, that the U.S. had basic interests in the future of the areas stemming from:

- (1) Our general concern for the long-term welfare of the people;
- (2) Our legal and moral obligations as the administering authority under our agreement with the U.N.; and
- (3) Our larger Pacific role and our commitments with respect to the maintenance of peace and stability in the Pacific Ocean area.

We proceeded to suggest that per our agreement the talks move along to specific issues and that we were prepared to present new proposals on land, laws, and termination, the three issues which they had indicated had to be resolved prior to any agreement. We made it clear that these proposals were inter-related and ad referendum in nature, since they would, as would other areas of agreement, be subject to the review and approval of the U.S. Congress before they could be considered to be binding.

In response, Senator Salii of Palau, the Co-chairman and sole spokesman for the Micronesian delegation, repeated that their side considered the question of sovereignty to be the key to the negotiations. In their view this meant full Micronesian control over internal and external affairs. At the same time they stated that they were willing to discuss a free association which would curtail the transfer of some powers to the United States. After making these points they said they would welcome an elucidation of U.S. views.

We then proceeded to present our positions on land, laws, financial relationships and a new proposal on termination. We proposed that agreement on these questions would form the essential elements of a Compact of Association which would be submitted to the USG for approval and to the people of Micronesia in the form of a plebiscite. Approval of the Compact by both parties would effectively lay the basis for ending the Trusteeship Agreement.

I would now like to present a summary of the U.S. proposals and the Micronesian responses.

CONTROL OF LAND

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

To complete this proposal the foreseeable military land requirements were sketched in a general fashion. It was stated that there was no defense need for land in the Ponape, Truk, or Yap Districts. We foresaw a continuing requirement for the current facilities being used in the Marshalls. In the Marianas we anticipated perhaps an early need for land--primarily on Tinian. We emphasized that the Department of Defense had no immediate plans for

defense activities on Palau, but desired options which would assure the use of certain lands at some future time, if necessary.

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

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

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

The Status Delegation called for prior Micronesian consent on storage of dangerous materials on the U.S. bases, e.g., nerve gas, nuclear weapons.

The Micronesians were informed that the U.S. had not contemplated such a provision. This item was again commented on in Senator Saliji's closing statement and will no doubt be raised in future discussions.

Lastly, the Micronesian Delegation proposed, "in order to preserve mutual confidence," that beginning immediately no further alienation of Micronesian land be effected prior to termination of the Trusteeship without the consent of the district legislature concerned and of the Congress of Micronesia. We assured them that the United States Government would not proceed arbitrarily and that if a non-emergency land transfer became necessary we would certainly negotiate with the proper authorities. However, the unpredictability of future emergencies and the uncertain time frame of effecting a final agreement precluded U.S. agreement to this proposed restriction.

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

CONTROL OF LAWS

In this area the U.S. Delegation proposed that with the end of the Trusteeship the people of Micronesia would govern their own internal affairs within the framework of a Compact between Micronesia and the United States. Responsibility in the areas of foreign affairs and defense would remain with

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

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

The Micronesian Delegation on the one hand desired free entry of Micronesian goods and people into the United States, and on the other hand contemplated strictly controlling the flow of U.S. trade and citizens into Micronesia. We rejected this non-reciprocal reasoning and suggested that there were other methods by which Micronesians could protect their interests against an influx of American persons and goods. These issues were not resolved to the Micronesians' satisfaction, but they appear to be negotiable.

The U.S. Delegation had proposed that laws applying to those Federal services and programs which would be extended to Micronesia should likewise be enforceable in Micronesia. Senator Salii countered with the suggestion

that a body of Micronesian law should be developed to cover these areas. The U.S. Delegation suggested a further examination of this problem.

In a similar vein, the Micronesians were disturbed as to the means by which the United States would divest itself of all residual powers to legislate in Micronesia. The American Delegation envisaged that the respective rights and responsibilities of both parties would derive from the Compact and that the United States would not possess any powers not embodied in the Compact. Likewise the Compact would contain provisions for review, amendment, and settlement of potential disputes.

Such a Compact would not be a treaty (as suggested by the Micronesians), but would be approved by both Houses of the United States Congress, the President, the Congress of Micronesia, and the people of Micronesia in a plebiscite as an exercise of their full rights of self-determination. This response did not wholly satisfy the Micronesian Delegation, as Senator Salii reiterated his concern about residual U.S. legislative authority in his closing statement. Again, this issue does not appear to be an insoluble problem.

More fundamentally, the Micronesians questioned the extent of the powers that would be required by the United States to carry out its responsibilities for foreign affairs and defense. The Joint Status Committee insisted that any U.S. action in foreign affairs---including treaties and agreements---should not be made applicable to Micronesia without its consent. We referred to previous Micronesian statements which acknowledged that the United States should have adequate powers in these areas and pointed out that just as Micronesia would have full authority in internal affairs, the United States,

to fulfill its responsibilities, must have plenary authority in foreign affairs and defense. Assurances were given that the United States Government would closely consult with the Government of Micronesia on any matter which concerned Micronesia and take fully into account Micronesian interests in these fields. These responsibilities would, of course, have to be clearly established by the Compact. In Senator Salii's final statement he again referred to the necessity for the Micronesian Government to concur in all treaties which would directly affect Micronesian interests.

Finally, Micronesian comments on control of laws showed that they continued to adhere to a literal concept of free association which would erode the protection of basic U.S. interests in foreign affairs and defense beyond what we were prepared to accept. The task that now lies ahead is to bring the Micronesians to acceptable positions on these important questions.

FINANCIAL AFFAIRS

Neither delegation came to Hana prepared to talk dollar amounts or to negotiate the specifics of a financial relationship. We made this clear at the outset and stated that we could not of course commit the USG to any particular level of future funding. The American approach was to seek Micronesian views on what future role they envisaged the United States playing in supplementing and providing financial, technical, and other forms of assistance to a future Micronesian government. As an introduction to the subject we sketched the present scale of U.S. funding. Total U.S. expenditures in Micronesia currently exceed \$70 million per year.

Specifically, we asked: (1) Through what mechanisms would the Congress of Micronesia hope to have future U.S. financial support? (2) How would

U.S. support be channeled to meet Micronesian needs? (3) What financial responsibilities would the central Micronesian Government or the districts expect to undertake?

The Micronesian responses were brief. As to the first question the Micronesian Delegation expressed the view that it was premature to consider specific mechanisms at this stage, and asked that the U.S. must first give some assurances regarding the level and consistency of U.S. financial support. As to the second question, the answer was emphatic; all future support and compensation for land use would be channeled through the Government of Micronesia. With regard to the third question, all taxes in Micronesia would be imposed and collected in accordance with the constitution and laws of Micronesia.

The financial issue is an important one but at this stage final answers must await at least preliminary decisions determining the form, substance, and continuity of a future association. The views of the U.S. Congress will be of vital importance to the subject of future financial support.

TERMINATION

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

While recognizing Micronesian interests in ensuring that any Compact would be susceptible of later modification or even termination, the U.S. Delegation suggested that fixation on this single element to the exclusion

of other considerations would be a serious mistake for either party. For instance, the United States would have to weigh the possibility of precipitate change or termination against the continuing need for political stability in the Pacific Ocean areas. The point was emphatically made that termination could adversely affect the United States' ability to fulfill its responsibilities. Likewise, termination could drastically diminish Micronesia's financial capacity to develop economically and socially. We proposed that both parties' interests would best be served by an agreement that the relationship and terms of the Compact could be modified by amendment to meet changing circumstances, or terminated, by mutual consent.

It was clear from the outset that this issue would not be resolved at Hana, Maui. This was partially the reason for deferring discussion of termination until other major issues had been discussed. No give was evidenced by the Micronesians on this question, although there was informal information available indicating that a number of members of the Joint Status Committee were willing to discuss alternatives to their unilateral termination stance. With this in mind, we appealed to the Micronesians along the following lines. The U.S. Government has shown considerable flexibility in its thinking and has demonstrated a serious concern for Micronesian interests and aspirations. The U.S. Delegation brought with it to Hana a number of significant changes from its prior proposals. The Micronesians themselves recognized in their responses the substantial differences in the U.S. proposals since May 1970.

We pointed out that the present mandate of the Joint Status Committee flows from July 1970 when the Micronesian Congress responded to the previous American proposal. We suggested that the Congress of Micronesia reevaluate

the Micronesian Delegation's mandate in the light of the new American proposals and the October 1971 Hana discussions.

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

CONCLUDING SESSION

The closing session was held on 12 October. Senator Salii summed up the areas in which consensus had been reached, in which agreement had been deferred, and in which disagreement still persisted. His summary was dispassionate and objective. He expressed satisfaction at the genuine effort by both sides to resolve differences and invited the American Delegation to a further meeting in Micronesia (actually in Palau) toward the end of December, just before the convening of the next session of the Micronesian Congress in Palau January 10, 1972. He then read an agreed joint communique into the record. The Communique said in part: "Both sides expressed appreciation for the spirit and atmosphere surrounding the Third Round of Talks on Micronesian Future Political Status. 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 agreement in order to terminate the Trusteeship Agreement between the United States and the United Nations."

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

CONCLUSIONS

We feel that we opened up a serious dialogue with the Micronesians, gained some mutual respect, and prepared the groundwork for the next round of talks which will be held in Micronesia, during which we would hope to make further progress toward an agreement that will meet their interests as well as ours.

In our judgment the Hana talks enhanced the prospects for a long-term arrangement which would safeguard our interests in the areas of foreign affairs and defense. I would, however, suggest that the termination question remains a difficult barrier to agreement and it must be treated with care and sensitivity. It could become the one issue that potentially could drive the majority in the Congress of Micronesia away from Free Association and towards Independence.

The talks had the beneficial effect of surfacing for the first time our foreseeable military land requirements. Our limited needs surprised the Micronesians who had been led to believe that our requirements would be much larger. From their responses at Hana and subsequent statements it would

appear that these needs can be met. The talks also brought to the fore the desire of the Marianas for a close and permanent association with the U.S. This was acknowledged by the Micronesian Delegation and the prospect that a separate status will be negotiated for the Marianas was openly recognized by their Chairman.

We hope that the Micronesians will now give serious consideration to the new proposals which we put forward. They were designed to meet their most important long-term concerns and interests. We recognize that they may have internal divisions within their ranks and that our proposals will not satisfy all of them, namely those who continue to advocate full independence. We do, however, feel that we went a long way towards meeting their first three principles and satisfying their understandable desire to control in the future their own land and to govern their own internal affairs free from outside interference from any quarter.

Unquestionably progress was made. But we still have quite a ways to go before a final agreement can be reached--and in this effort we will need your help, encouragement, and support.

Mr. Chairman, this concludes my statement. Thank you.