MEMORANDUM

TO: Ambassador Williams

UNCLA

March 7, 1972

FROM: John C. Dorrance

SUBJECT:

The Micronesian Mood at Palau Talks

Without going into the substance of the status issues (which will be discussed in separate memoranda) it may be useful to assess briefly the mood of the Status Committee at the Palau talks.

Perhaps the most significant factor operating in our favor at Palau will be growing Micronesian impatience with the status question. In a nutshell, most Members of the Congress are bored with the status question -the manner in which it has been dragged out and the complexity of the issues involved. The Status Committee thus is anxious to reach basic agreement in principle on Micronesia's future status during the Palau talks, and most members anticipate that this will be possible. In this regard, it is probable that they are thinking of a basic agreement with far less flesh or detail than we anticipate or desire. (The Status Committee appears to be of the opinion that the "nuts and bolts" /many of which to us are critical/ can be sorted out at a later date by working committees, lawyers, and staff. I doubt that any of the Status Committee members fully appreciate the complexity of the many details-which must be sorted out, and how significant many of them may be.) The importance of the impatience factor flows from Micronesian eagerness to reach a settlement in Palau and may cause them to compromise on certain issues, once they see compromise as being essential to a settlement. However, it must be borne in mind that this eagerness and optimism on the part of the Status Committee is based in large degree on naiveness with respect to many complex issues, an absence of any knowledge of some sensitive subjects which have not yet been discussed (e.g. Presidential emergency powers), and on a conviction that the U.S. will meet most of their essential requirements re opplication of the four principles.

Further contributing to the possibilities of a softer position on some issues than was the case in Hana may be the divisive forces which have boiled up in the Congress. For us to deliberately play on these forces would be deeply resented and such a tactic could backfire on us. But the fact remains that many Micronesians now realize that the essential and perhaps only unifying factor in Micronesia has been the U. S. presence. It is conceivable that some Members of the Status Committee may now see somewhat closer ties (than had been envisaged in the past) as being necessary to assure continuing Micronesian "unity." This does not apply to any particular issue at hand. Rather, it may have created a more cautious and conservative attitude with regard to the dangers of free association at its outer limits DECLASSIFIED/RELEASED ON

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Another positive factor with regard to the potential mood in Palau is the near demise of the Independence Coalition. Though the theoretical existence of the Coalition and that body's position statement may be used against us as a bargaining ploy, the Coalition is not taken seriously by most Members of the Congress, or by the Status Committee (except the Trukese). It should be noted that the Independence Coalition emerged, and gained some sympathy, primarily because, prior to the Hana talks, many Micronesians did not believe the U. S. would ever meet essential Micronesian requirements for association. Thus many Micronesians saw independence and commonwealth status as being the only true alternatives. Hana dispelled this notion, and also erased many concerns with regard to U. S. defense interests in Micronesia. These factors have put the Status Committee in a far more reasonable and approachable mood than was the case prior to Hana.

Still a further favorable factor which will be operational in Palau, (or more accurately the absence of a negative factor), is that (unlike other recent Congressional sessions) few major confrontations took place (such as vetoes of key legislation) vis-a-vis the TTPI administration at the Congressional session in Palau. Differences and frictions continue to exist but for the most part they were not exacerbated during the Palau session of the Congress. The opposite was the case in Hana where the Status Committee came to the talks shortly after the veto of three major bills, and shortly after the Hicom had refused a Congressional request for a special session to consider those vetoes.

Finally, there will also be a change in the role of the Status Committee at Palau as against Hana. At Hana, the Status Committee met with us not to negotiate but rather to obtain any new proposals and views offered by the U. S. Delegation. At Palau they intend to negotiate toward a basic agreement or framework for association.

While all the above elements will assure an atmosphere more conducive to serious negotiations than was the case in Hana, under no circumstances should we assume the Status Committee is now prepared to "give away"any of the four principles. What the Committee is prepared to compromise on -- or be more relaxed about --`is the interpretation and application of those principles. It is in this area that we can make major headway toward an agreement which will satisfy our requirements while also meeting the requirements of the Micronesians. Separate memoranda will take up this point in detail.

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