

March 8, 1972

03
6,8

UNCLASSIFIED

F
(b) (5)

TO: Ambassador Williams
FROM: John C. Dorrance
SUBJECT: Trends and Events in the Congress of Micronesia

Though I do not yet have a complete listing of legislative actions taken during the just completed Congressional session in Palau, it is possible to summarize in broad brush strokes the trends and events evident at that session.

In a purely legislative sense, the Palau session was the most productive of any since the formation of the Congress in 1965. There was a massive outpouring of bills and resolutions relating to almost every aspect of the TTPI's political, economic, social, and administrative life. This flowed from the increasing maturity of the Congress, a more workmanlike approach, and from a more pragmatic attitude toward legislation than has often been the case in the past. Past tendencies to set up confrontations with the administration over matters of principle were markedly less evident than in previous sessions. Thus the controversial advice and consent, public defender, and other bills were modified to meet administration objections. In most areas of legislative endeavor there was an effort to obtain the obtainable rather than to pass legislation certain of a veto for the sake of establishing a principle. Too, the rhetoric attached to significant legislation, such as that for advice and consent, was at a much lower level than in the past with many key measures being passed with little or no debate. Most of the "action" was in the various Congressional committees and in meetings of the House and Senate leadership.

In terms of substantive trends, several stand out. In economic affairs, the cumulative effect of various measures will be a further shift of authority for development of economic policies from the executive branch to the Congress. Many measures relating to specific institutions (such as establishment of a Council of Micronesia and a request for membership in ECAFE) appear to be directed toward further exploration of the possibilities of lessening Micronesia's financial and economic dependence on the U. S. Many and perhaps most economic measures (the measures themselves and related committee reports) clearly expressed Congressional discontent with existing economic development policies and programs.

In the realm of constitutional/political affairs, various measures providing for advice and consent, the over-riding of Hicom vetoes, Congressional involvement in the selection of Hicoms and other senior officials, etc., are all aimed at strengthening Congressional authority vis-a-vis the TTPI executive branch. Significantly, though, anticipated pressures for establishment of an executive council did not emerge -- apparently because this particular step is seen as a major transitional step to self-government with constitutional implications. Thus it may be seen as a topic more appropriate for discussion within the context of the status talks. Still another bill providing for elective district administrators, though widely supported in principle, was finally shelved because of inherent administrative and constitutional problems which must first be sorted out. Instead, a bill was introduced which would have provided for the establishment of district charter (constitutional) conventions -- the latter for the purpose of establishing responsible, elected governments. This measure was not acted upon as many members of the

DECLASSIFIED/RELEASED ON
2/29/88 UNDER PRO-
VISIONS OF E.O. 12356 BY
HARRY DELASHMUTT, CHIEF
BRANCH OF SECURITY, DOD
SIGNED [Signature]

UNCLASSIFIED

04-427449

Congress felt it desirable to consult first with district leaders before taking final action on the bill. It probably will be enacted in one form or another at the next Congressional session.

Of major long-term importance was the manner in which centrifugal divisive forces boiled up during the session. This development, given the fragile quality of Micronesian "unity", was probably inevitable and it is only surprising that these forces were so strongly evident so soon. The root causes for the emergence of these forces at this session were in large measure financial and status oriented. In the past the Congress maintained some degree of outward or superficial unity because of the presence of a "common enemy" -- the U. S. administration, and because of the absence of any significant sums of money to squabble over. Since the last session of the Congress (May 1971 in Truk), two developments have changed the picture. These are as follows:

a) The Hana Talks -- In the past the status question was viewed in a rather abstract way with most members assuming that any settlement was some years off. In these circumstances, little thought was given to Micronesia's internal differences, and the focus was on differences between Micronesia and the U. S. Hana changed the picture. A status settlement is now seen as coming in the very near future, and termination of the trusteeship agreement is seen as something that will happen in the foreseeable future rather than in the abstract "future indefinite." Thus differences between districts have been more important, and members now are turning on each other as the U. S. is receding into the background as a unifying "common enemy." Further exacerbating this situation, the exposure of our land requirements has in a sense created "have" and "have-not" districts with respect to the future. Those with land requirements are anxious to protect their potential revenues and thus are not particularly interested in a unified Micronesia with a strong central government. Those without land requirements and potential defense revenues fear being cut off from the "money tree." Thus they favor central control of revenues and their disbursement.

b) Tax revenues -- In past years the Congress had at best about one million dollars from internal revenues for appropriation. The sum was so insignificant that there was little to fight over with respect to distribution. The picture has radically changed with the enactment last year of an income tax law; this Congressional session had some six million dollars to appropriate and distribute (\$2 million for the current fiscal year and an anticipated \$4 million for FY 1973.) The ball game was different, and the scramble for a share of the pie was on with a vengeance; all six districts were at each others' respective throats for a cut of the pie. Complicating the picture were other factors. The House leadership had its favorite projects, as did the Senate leadership -- thus there were divisions and frictions between the two houses as well as between the congressional delegations of the six districts. Too, the vast majority of internal revenues come from one district -- the Marshalls -- with the Marianas running a poor second. (Palauans, though presently contributing little, were also concerned over the division of revenues because of anticipation of future revenues from our basing options in that district.) But the "have-not" districts had the votes. Thus Marshallese, Marianas and Palauan desires for a revenue division formula (50 per cent of revenues to be rebated to the district of origin) were successfully resisted and separatist sentiments were intensified.

UNCLASSIFIED

DECLASSIFIED/RELEASED ON
6/29/88 UNDER PRO-
VISIONS OF E.O. 12356 BY
HARRY DELASHMUTT, CHIEF
BRANCH OF SECURITY, DOJ
SIGNED:

Harry Delashmutt 04-427450

Beyond these issue-oriented differences, personal animosities and concerns entered the picture and exacerbated an already difficult situation. As an example, Senator Kabua's pet projects (entry into Micronesia of the Chase Manhattan Bank and of Pan American) were scuttled by the Congress after intense and highly bitter infighting at all levels of both houses.

But to sum up, the always present but normally quiescent divisive forces which make up the Micronesian whole, boiled up for the first time in a serious manner, and now are here to stay. They probably will become more intense in future sessions.

On the status front, many trends and factors were operating at one and the same time.

The Independence Coalition, always a rather nebulous institution, approached demise, at least for the time-being. It now appears that the Coalition (and any sympathy it had in and out of the Congress) was largely based on an assessment by some Micronesians to the effect that the U. S. would not or could not meet basic Micronesian requirements for association, and on fears that association would involve a massive U. S. military presence in most districts. Commonwealth and Independence were seen by these people as being the only true alternatives available to Micronesia. The Hana talks scuttled these concerns, and free association suddenly became a viable goal and alternative. The divisive forces mentioned above may also have contributed to lessened interest in independence -- to the extent that a continuing U. S. presence is seen as an essential ingredient to Micronesian unity. Whatever the causes, the Coalition is now more myth than reality and constitutes no real threat so long as the more radical elements of the Congress continue to see a truly "free" association as being a realistic status goal. (It is conceivable that any long delay in achieving a status settlement could cause revival of the Coalition.) However, for most members of the Coalition, free association probably is seen as being only a temporary expedient and as a transitional step to ultimate independence. In these circumstances, the Coalition in the future could again come to life and gain strength. The degree to which this may occur will probably be directly proportional to the nature and level of frictions which may arise in the future association between Micronesia and the U. S. In short, the Coalition in the future may become a major agent for change in the nature and character of the association with its constant pressure for a loosening of the relationship.

For reasons already outlined, Marshallese separatist sentiment also emerged with a vengeance, though these pressures were largely from two or three key members of the Marshallese delegation, and especially Senator Kabua. For the moment these pressures are contained, but it seems clear that they will continue and become serious should the other districts not ultimately agree to a revenue sharing formula acceptable to the Marshalls. This separatist sentiment, and the other divisive forces operating during the session, unfortunately, did damage to the Marianas Delegation's efforts to obtain formal endorsement of its own separate aspirations -- but this probably is only a temporary setback.

DECLASSIFIED/RELEASED ON
Cps/88 UNDER PRO-
 VISIONS OF E.O. 12356 BY
 HARRY DELASHMUTT, CHIEF
 BRANCH OF SECURITY, BOI
 SIGNED: *Harry Delashmutt*

UNCLASSIFIED

04-427451

Of especial interest and importance was the handling of the status question in the Congress. Prior to the session and even during the first week or two of the session, it had been anticipated by most observers (and even by most Members of the Congress) that the Status Committee would submit to the Congress (together with the Committee's "draft report") specific recommendations on various issues and, in effect, request Congressional endorsement of positions taken at Hana. This did not happen, apparently in the main because of internal differences within the Status Committee. In the end the only formal action taken by the Congress was adoption of a Status Committee sponsored resolution which provides that Committee an additional degree of negotiating flexibility. The Committee apparently felt that existing resolutions did not provide the Committee sufficient authority to interpret the four principles in the course of negotiations with the U. S. The resolution adopted explicitly provides that authority. All past resolutions regarding the four principles remain in effect, but the Status Committee now may negotiate to its conclusion a compact of association interpreting and applying those principles. (It is most important to bear in mind that the resolution itself, the committee reports on the resolution, and statements by Senator Salii and Rep. Silk in the Senate and in the House make clear that the Status Committee can in no way "give away" any of the four principles -- especially that relating to unilateral termination. As an example, the Status Committee's concept of "compromising" the fourth principle in its interpretation and application lies in its willingness to agree to a "moratorium period" during which termination could be by mutual consent only. That period might be anywhere from five to twenty-five years. Carl Heine talks of 25 years; I am inclined to think the Status Committee will go along with ten to fifteen years.)

Beyond the above, it is of significance that there was no real debate of the status question in either House of the Congress. Clearly the lid was placed on debate to avoid public exposure of internal differences. But it is of interest that such few statements as were made on status mainly related to calls for Micronesian unity rather than being directed at the detail of U.S.-Micronesian relationships. This alone is indicative of a partial shift in focus from Micronesia's external relationships to the question of internal relationships.

Two non-events are also of importance. Prior to the Congressional session I had expressed a concern that the Status Committee would emerge from the Congress with a more detailed and inflexible mandate than was the case at Hana. This was a real danger and flowed from the then perceived likelihood that the Congress would specifically endorse the various positions taken at Hana by the Status Committee. This did not occur -- apparently because of (as stated above in another context) internal differences within the Status Committee on how to approach the next round of talks.

A second fear expressed by myself was that the shift of position by the Independence Coalition from support of absolute independence to that of support of a "wayout" form of free association could work to our disadvantage. I feared that the Congress, in an effort to establish a "common front and position" would meet the Coalition half-way. In these circumstances, continuing polarization between those favoring independence and those favoring association would have been to our advantage

DECLASSIFIED/RELEASED ON
6/29/88 UNDER PRO-
VISIONS OF E.O. 12356 BY
HARRY DELASHMUTT, CHIEF
BRANCH OF SECURITY, DOI
SIGNED:

Harry Delashmutt

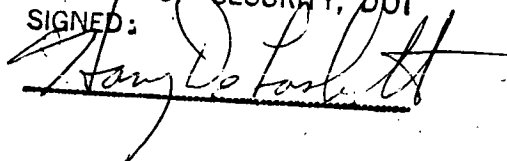
04 427452

UNCLASSIFIED

so long as the latter group remained a majority in both houses. This problem did not materialize because no resolutions on specific status questions were considered in either House. It is possible that the Status Committee had this problem in mind when it opted to avoid requesting specific negotiating instructions. (It should be borne in mind that only three of the twelve members of the Independence Coalition are on the Status Committee, and one of these is only a nominal member of the Coalition. The Status Committee is probably a more moderate body than the Congress as a whole.)

Conclusion -- In terms of what all the above means with respect to prospects for a status settlement, I am inclined to think that growing impatience with the status issue (a subject covered in more detail in another memorandum), increasing concern for the ability of Micronesia to survive as a political entity, an increasing level of pragmatism in the Congress, and a growing awareness of the real nature of Micronesia's economic and social problems may all work in our favor in terms of (a) the possibility of early agreement on the basic framework of Micronesia's future status, and (b) our ability to obtain meaningful compromises on the interpretation and application of the four principles.

DECLASSIFIED/RELEASED ON
6/29/88 UNDER PRO-
VISIONS OF E.O. 12356 BY
HARRY DELASHMUTT, CHIEF
BRANCH OF SECURITY, DOI
SIGNED:



UNCLASSIFIED

04-427453