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United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

MAR 22 1972

Memorandum

To: Acting Director, Office of Micronesian Status Negotiations
From: Deputy Assistant Secretary for Territorial Affairs
Subject: Transitional Steps Leading to End of Trusteeship

This is in response to your memorandum of March 6 on the above subject. Specifically, you have asked about steps which the U.S. would be prepared to take to turn over administrative and financial control, as well as steps which they, the Micronesians, should take toward the same end.

The Interior Department believes strongly that so-called "transitional steps" in political, administrative and financial matters should have the end purpose of a smooth and orderly changeover from trusteeship to association, with the provision in the meanwhile of those services and programs for which the United States, as Administering Authority, has assumed responsibility. We see no reason to change for the sake of change during this period, but rather we wish, wherever possible, to make alterations directly from the present mode of operation into that which will be used by the Micronesian Government, avoiding irrelevant and unnecessary intermediate steps. Thus, for example, we oppose for the time being the institution of an "Executive Council" such as that described by the Micronesian Delegation in its 1970 Report as a desirable transitional step. No relationship has been shown between the establishment of such a Council and the future form which the Micronesian Government may take; we therefore consider its establishment unnecessary and somewhat misleading at the present time. In the event that a Micronesian Constitutional Convention should approve a future plan of organization which encompassed such a body as the Executive Council, we would be disposed to favor its establishment, with limited or even full powers, as a necessary and orderly transitional step.

In general, therefore, planning for transition must relate to the nature of the future government, its institutions, the degree of federalism built into the district-territorial relationship, the relationship between the branches of government, the degree of interdistrict revenue

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sharing and other factors. And these are organizational decisions which must be made by the Micronesians themselves, presumably through the vehicle of a Constitutional Convention. We therefore recommend that Ambassador Williams, in discussing transitional steps, put primary emphasis upon the need for establishment of such a convention by the Congress of Micronesia, hopefully at the special session tentatively scheduled for this summer. He might state that the High Commissioner, the Interior Department, and OMSN would be willing to provide logistical and technical assistance if so requested by the Congress or the Convention, and might be able to provide some financial assistance as well, in view of the substantial cost of such an undertaking.

The early establishment of the convention would greatly assist in other areas of the negotiations as well. Discussions of future financing and negotiation of military base rights are necessarily vague and preliminary at present due to our lack of knowledge about future Micronesian internal arrangements. In addition, this may serve as a means to divert and focus the present separatist sentiment in the Marshalls which has surfaced with the recent defeat of revenue sharing legislation in the Congress of Micronesia. These issues are to most Micronesians unpleasant and emotional ones, and thereby all parties share some risk in their discussion; nevertheless, the gain to the U.S. in forcing a degree of realism on the part of the Micronesians is potentially great. In this regard, we take full note of the areas cited by Mr. Dorrance in his March 8 memorandum on transition as being of importance in the governmental changeover; they are areas where the Convention will indeed have to make difficult decisions on the future of Micronesia.

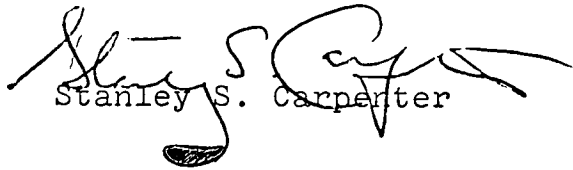
Going back to the various transitional steps which have been proposed by the Congress of Micronesia and others, there is, of course, some difficulty in distinguishing measures which can be taken at present from those which are future-oriented. Interior has already approved advice and consent (though not yet announced) and is seriously considering relaxation of foreign investment; nevertheless, any future Micronesian Government will have checks and balances between its branches and the right to control outside capital. This can be differentiated from the Executive Council concept which is perhaps more clearly a constitutional innovation. In any event, the Micronesian pressure for advice and consent has left little doubt that the issue is a current one with their Congress, and we must therefore deal with it.

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Next is the question raised in your memorandum of how to force the Micronesians to seriously consider their future internal arrangements. As mentioned above, a Constitutional Convention is the necessary, if painful, next step in this area. We would suggest that Ambassador Williams formally recommend that the Congress of Micronesia proceed to establish a convention, and reiterate this position as questions of internal structure are raised which the Micronesian Delegation cannot fully answer, e.g., division of Federal payments and other revenues, land and SOFA negotiations, etc. We believe that in any case a seminar such as that proposed by Mr. Dorrance would be helpful, but only if it were a Micronesian or joint effort, and not a meeting solely in response to U.S. pressure. A jointly sponsored seminar would be a preferred initial means of channeling U.S. technical assistance and advice into their constitutional processes; subsequently, it should be provided only as requested.

With respect to your last question regarding steps and timing for a changeover of administration, we are ourselves uncertain. We accept as probably accurate recent statements to the effect that the Micronesians will favor a relatively long transitional period of 3-5 years, having once come to a general agreement with the U.S. on status. Without any knowledge of the nature of the future Micronesian governmental structure, we are at somewhat of a disadvantage in discussing the timing of any future steps to self-government.

We do, however, favor at some point the establishment within this Office of several staff positions, at least one U.S. and one Micronesian, for the consideration and orchestration of transitional steps, much as suggested by Mr. Carl Heine of the Micronesian delegation. This step should, however, await a general agreement on status.


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