

Compensation for Use of Land or Resources
Currently ~~being~~ Being Paid To Missionaries

| Source | Annual Payment |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 1. Semiannual payment of \$210,000 to Mid-Atoll Carriker People for use of Mid-Atoll Carriker Area - reimbursed by U.S. Army | \$ 420,000 |
| 2. ^{Income from} Nijilang Trust Fund No. 1 income on assets of approximately \$100,000 | 7,000 * 6,500 |
| 3. Income from Nijilang Trust Fund No. 2 on assets of approximately \$1,040,000 | 80,000 * |
| 4. Income from Kili/Bikini Trust Fund off on assets of approximately \$185,000 | 12,000 * |
| 5. Income from Chuzeva Mining Trust Fund on assets of approximately \$800,000 | 40,000 * |
| 6. Income from Saipem Trust Fund on assets of approximately \$500,000 (no ^{regular} distribution to beneficiaries - funded for community projects) - income of \$25,000 * annually | 021369 |

SUBJECT: Means to Implement Micronesian Transition to Self-Government

The following represents some very tentative thoughts on the means of assuring the smoothest possible transition from trusteeship to self-government. In this regard, the goal should be assurance that ultimate termination of the trusteeship agreement will represent no more than a de jure recognition of a de facto situation. In other words, on the eve of that termination, Micronesia will already be largely self-governing; the termination will be a smooth and relatively minor change, and not an abrupt shift from one form of government to another.

The foregoing requires implementation in the fairly near future of major changes of institutions and policy within the Trust Territory -- mainly in terms of placing in the hands of Micronesians the policy-making apparatus of the Trust Territory.

The transition period will also require massive changes in or preparations for change in such areas as (a) public lands control and handling thereof, (b) economic development institutions and policy, (c) education, (d) budgetary institutions and procedures; (e) personnel policies, and so on. There is also a requirement to commence a review of the Trust Territory Code to effect whatever changes may be necessary to assure that a self-governing Micronesia will inherit a body of law suited to Micronesia's new status. The list can be almost endless, and many of the issues and problems cannot be foreseen at this moment.

The above requirements argue for the establishment of an office with a small staff whose sole purpose is to assure the orderly consideration and implementation of transitional changes and procedures acceptable to both Congress of Micronesia's Joint Committee on Future Status and the

administering authority. The following suggestions relate to the possible establishment of such an office, or a position solely responsible for all transitional affairs.

Location of Office -- Since the ultimate authority for any basic changes is within the Department of Interior, the office dealing with transitional change should be located in the Department of Interior where it will have ready access to sources of authority.

Staffing -- The permanent staff of such an office need not be large as it will operate primarily as a "think-tank" capable of drawing on the personnel resources of both Micronesia and the United States Government. Initially, perhaps, it should consist of one Micronesian who is thoroughly familiar with the political and transitional problems of Micronesia, and with the thinking of Micronesia's political leadership within and without the Congress of Micronesia. There should also be one American attached to the office who is not only familiar with Micronesia, but also with the ins and outs of Washington's bureaucracy. The two officials should have a secretary. The office should have full access, on a priority "on-call" basis, to legal, constitutional, administrative, and other expertise available in the Department of Interior, State, and Justice, and in the Trust Territory of the Pacific Islands Administration.

"Chain of Command" -- In terms of whom the office will be responsible to, there appear to be three basic possibilities worthy of consideration -- each with advantages and disadvantages.

a) The office could be established as a function within either the Office of Micronesia Status Negotiations or the Office of the Deputy Assis-

tant Secretary for Territorial Affairs and be fully responsible to the Director, OMSN, or to DASTA. The lines of authority would then be "clean", clear, and unquestioned.

b) The office could be in the Interior Department, but would be the forerunner of an "Office of the Representative of the Micronesian Government" in Washington. The office, in terms of working on transitional affairs, would represent the views of the Congress of Micronesia, and attempt to press those views on those in the United States Government working on transitional affairs. Again the authority lines and responsibility would be clear, but such an arrangement could lead to a situation of protagonism rather than cooperation.

c) The office would again be in the Interior Department, but could serve as an independent agency or liaison office between Micronesia's JCFS and the U. S. Government with a view to assuring the fullest possible cooperation and, where necessary, compromise between the two sides. Such an arrangement would have obvious advantages, but could have problems in terms of funding -- who pays the bills under such an arrangement?

Funding -- Funding arrangements would largely depend on which of the alternatives above is operative. Under (a) above, the Interior Department would fund the operation. Under (b), the funding would probably have to be by the Congress of Micronesia. Under (c), the funding could be shared by Micronesia and the United States Government.

Responsibilities and Duties -- Under any of the alternatives described above, the primary duty of the office would be to think out, negotiate, and see to the implementation of the transitional steps leading to the termination of the trusteeship. In large measure, it will be a think-tank operation

dedicated to identification of transitional problems, and to the solution of those problems.

In connection with the above, it is possible that the office could also handle one other major and vital function -- if the office is set up as the representative of the Congress of Micronesia in Washington (option B above). Following a basic agreement in principle on Micronesia's future political status, a major problem will be the negotiation of the implementing legal, financial, and other arrangements, i.e. the "nuts and bolts." This will be primarily a task for the lawyers of both sides, though any agreements they may reach must be ratified by the respective delegations. Conceivably this task could be done in Washington, by the lawyers of both delegations, with the Joint Committee's legal counsel taking guidance from the Office representing the Congress of Micronesia. The latter office would, of course, be in constant touch with the Joint Committee in terms of basic guidance.

Operations -- It is clear that however the office is organized and whomever it may ultimately be responsible to, there will be a requirement for frequent travel between Micronesia and Washington for consultation purposes. Too, the transitional phase being entered into will bring up problems and issues with which neither the United States Government nor Micronesia has any real experience. Consequently, consideration should be given to the possibility of the staff of the office visiting countries in the Pacific and elsewhere which have recently undergone similar transitions, and which might be able to offer experienced guidance. In this regard, it is also probable that the office will require access to consultants, outside of government, experienced in constitutional and other transitional problems.