S/S

CONFIDENTIAL

June 7, 1973

The Deputy Secretary TO

FROM: EA -Arthur W. Hummel, Jr.

Micronesian Future Political Status Developments

In the past few weeks there have been a number of significant developments relating to the future political status of Micronesia which will be of interest to you. These are discussed below.

Marianas Future Status Negotiations

After a somewhat uncertain start (che delegation's negotiating instructions were received from the delegation's departure After a somewhat uncertain start (the U.S. Delethe White House only after the delegation's departure from Washington), one month's intensive negotiations with the future political status commission of the Mariana Islands District were completed on Saipan on June 4 with the release of a Joint Communique (copy attached) summarizing the preliminary understandings The most important elements achieved at those talks. of the agreements reached are described below.

Political Status -- Agreement in principle was reached on a Commonwealth relationship providing for full U.S. sovereignty over the Marianas, full U.S. authority over and responsibility for the foreign affairs and defense of those islands, but with maximum internal self-government under a locally drafted and adopted constitution. It is anticipated that the U.S. Congress will have plenary legislative authority over the Marianas, although basic changes in the future relationship of the Marianas to the United States will require mutual consent. The U.S. judicial system will extend to the Marianas, and the residents of that district will become U.S. citizens or nationals. Congress will be asked to agree to accept a non-voting delegate from the Marianas, similar to Guam's representation in the Congress.

CONFIDENTIAL

Clearance: L/EA - Mr. Johnson Drafted: EA/RA:JCDorrance:mjh: IO/UNP-Mr.Sylvester 6/7/73 ext 20260

422875

DEPARTMENT OF STAME A/CDC/MS

-2-

Remaining major issues to be resolved include the following:

- -- The applicability of specific U.S. laws;
- -- Areas in which U.S. legislative authority might be circumscribed by agreement; and,
- -- The possibility of automatic five-year reviews of any issues of importance to either party.

Finance -- Specific levels of future U.S. assistance were not discussed. It was agreed that the U.S. will provide assistance for transitional planning and programs, future operations of the Marianas Government, and for a capital improvements program. Such assistance will be provided through a mix of direct budget support grants and federal programs and services. The character and levels of U.S. assistance are being further examined by a joint working group on economics and finance.

Defense Land Requirements -- You will recall that the defense land requirements in the Marianas, as determined by the President, are described in terms of minimums and maximums. The maximum land requirement provides for acquisition of the entire island of Tinian (but with "leasebacks" of a third of the island to the civilian population), two parcels of land on Saipan near the airport and the harbor, and an isolated small island for bombing practice. The minimum land requirement is for two-thirds of Tinian Island plus the "bombing target" island. No firm agreements were reached on these requirements during the just completed talks, but the Marianas Status Commission did acknowledge the U.S. need for land in the Marianas, and agreed to negotiate in good faith our specific requirements.

Although it is too early to be absolutely certain, it seems likely from the tone of the talks and informal comments that the minimum U.S. land requirements will be satisfied, and that at least some of the land requirements on Saipan will also be met. It does not seem likely that the Marianas will agree to acquisition of the entire island of Tinian.

CONFIDENTIAL



Looking to the Future -- The next talks probably will be in the late summer or early fall. They will be proceeded by considerable informal preparatory groundwork by joint working groups in the areas of law, finance, and land. At this point, there is at least a possibility of being able to reach full agreement on the status relationship by the end of the year. The land requirements and financial relationships may take more time to work out. In this regard, the financial expectations of the Marianas are highly inflated and will cause problems.

Looking a bit further into the future, it would appear that the requirements for U.S. Congressional action, Marianas District Legislature consideration, the need for a Marianas plebiscite and constitutional convention, plus the time needed to work out transitional measures, all assure that substantial implementation of the Marianas's Commonwealth relationship is still several years away. Aside from the above considerations, any full implementation of the Commonwealth arrangement will require termination of the trusteeship agreement, an event which can occur only after a status settlement with the remaining five districts of Micronesia.

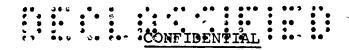
Micronesian Status Negotiations

You will recall that the Micronesian Status Negotiations have been stalled since September, 1972. Ambassador Williams met with the leaders of the Micronesian Future Status Committee in Honolulu in early May-just prior to the Marianas status talks. Tentative agreement was reached on resumption of these status talks in August or September, with the talks to be proceeded by further informal "heads of delegation" meetings. The first of these informal meetings is scheduled for later this month.

UN Action

The UN Trusteeship Council's annual consideration of Micronesia will take place between June 8-22. This year's session will focus on the status question, and will be a particularly difficult one because of the critical nature of the report and recommendations of

CONFIDENTIAL



-4-

the recent UN Visiting Mission to Micronesia. (Assistant Secretary De Palma's and my memorandum of May 21 to you provided background on this problem.) However, approaches we have made in Canberra and other capitals, as well as in New York and to embassies in Washington, give us reason to believe that the report and recommendations of the Council itself will be more moderate, although possibly still unhelpful. Aside from the problems brought on by the critical UN Visiting Mission report, the session will be complicated for us by the presence at the Council of numerous Micronesians (and others) favoring Micronesian independence (or a far looser form of association than we contemplate), and who are opposed to Marianas separation as well as to U.S. military requirements throughout Micronesia.

Attachment:

Saipan's 042345Z

CONFIDENTIAL