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Office of the High Commissioner, Saipan

TO : Captain Crowe, OSN

DATE: June 7 73

FROM : John Dorrance, TTPI Polad *J. Dorrance*

SUBJECT: Micronesian Reporter Article

Attached is a copy of the final version of the Reporter article, as worked out with you on the telephone this morning (my time). Copies are also being sent to Ambassador Williams and John Armitage.

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The Future of Micronesia-American Relations: Some Personal Observations

By John C. Derrance

Editor's Note: The author has served in Micronesia since October, 1970 as the Department of State Political Adviser. He left Micronesia on June, 1972 ~~on his~~ ^{assignment} in the Department of State where he will be Special Assistant for Policy Analysis and Resources Allocation in the Bureau of East Asian and Pacific Affairs. He stresses that the views and observations in his article are personal and unofficial.

By the time this article appears in the Micronesian Reporter I will have departed Micronesia for a new assignment in the ^{State} ~~Dept.~~ of State. What follows thus can be likened to the proverbial "Swan Song" of departure, and is a very personal and unofficial account of impressions and observations on the future of Micronesia-American relationships. My departure also represents at least a temporary end of ten years' service associated with Pacific Islands north and south of the equator, years which have often been exciting, always fascinating, and now treasured and characterized by a natural sympathy for the aspirations and hopes of the peoples of ^{Oceania,} ~~the Pacific~~. It is difficult to serve in any area for any length of time without sooner or later identifying with the people of that area and their concerns. This is particularly so in Micronesia, given the extraordinary warmth and hospitality which Micronesians characteristically extend to those "outsiders" who are fortunate enough to live among them in their islands, and ^{WHO LEARN} ~~bring back~~ something of their cultures and hopes.

Of all my assignments in the Pacific area, that in Micronesia has truly been the most rewarding. My role or function here has provided an unusual opportunity of not only serving my own country, but also of attempting to

serve the articulated interests and concerns of Micronesia. This primarily has involved attempting to assure that all those in the U.S. Government concerned with Micronesia's future have the best possible understanding and appreciation of Micronesian view points, attitudes, concerns, and interests with regard to their own future. My intention has thus been to reinforce the flow of information, to broaden channels of communication and understanding and to assure that the expressed views of Micronesia's leaders and peoples have been at all times promptly brought to the attention of concerned American officials. My successor will have the ^{SAME} ~~corresponding~~ obligations.

The task could have been difficult, but for two basic factors. Firstly, the many kindnesses, the cooperations and the understanding and assistance provided by so many Micronesians have made my work not only rewarding, but also exceptionally pleasant. Secondly, the longer I have been associated with the question of Micronesia's ~~Future~~ ^{Future} Status, the more I have become personally convinced that Micronesia's and America's interests and concerns in this part of the world are not incompatible, but rather lend themselves to a beneficial partnership. Without this personal conviction, my heart could hardly have been in my job, and my time in Micronesia would have been an exceedingly frustrating one. But, to the contrary, I take ~~great~~ pride and pleasure in the fact that I have been able to participate in a vital period of Micronesian political evolution, and in two rounds of Status Talks, which have seen major movement toward agreement on the character of a future Micronesian-American relationship -- a relationship capable of serving our mutual and

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our separate interests.

On arrival in Micronesia in 1970 I made what was probably an inevitable comparison of similarities and differences between Micronesia and other Pacific island territories I had contact with through previous Foreign Service assignments, ~~consequently~~ ~~consequently~~. I felt on arrival, and still do, that most of Micronesia's basic characteristics are similar to those of many ~~and perhaps~~ ~~and~~ other Pacific Islands: a remarkably narrow resource base; problems of transportation and communication flowing from geographic dispersion; differing cultures and languages which (with geographic dispersion) tend to foster centrifugal separatist forces; complex land issues; and movement toward self-government linked with a search for the most suitable form of ~~future~~ ~~political~~ ~~status~~ ~~status~~.

Too, I found in Micronesia several characteristics which seem to set these islands apart from others in the Pacific. They include: (a) a dependence on external financial assistance matched by no other major territory coupled with social and economic development expectations unparalleled anywhere else in Oceania; (b) a degree of geographic dispersion and associated problems far surpassing those of any other Pacific territory; (c) a heritage of four foreign administrations -- each of which has left its own particular imprint. (All other territories have had one or, at most, two foreign administrations.)

But ~~x~~ above all ~~x~~ I found a natural and laudable search for answers to the same inter-woven and perplexing problems that face many dependent areas in transition to self-government. While the search for solutions remains difficult and protracted, the problems are easily defined. How to go about

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equipping Micronesia to cope with the problems of the twentieth century? How to satisfy economic and social development aspirations with the seemingly contradictory requirement of also preserving and protecting traditional cultures -- cultures which often ~~are~~ ^{ILL-EQUIPPED} to meet the stresses and strains that inevitably flow from development? How to achieve developmental requirements and ~~improving~~ expectations requiring, now and for the foreseeable future, substantial outside assistance, while also maximizing Micronesian control of Micronesian affairs? How to maintain Micronesian unity in the face of centrifugal, divisive forces which appear to be on the upswing? Add, most importantly, how to satisfy Micronesia's inherent right to self-determination through a future political status which will provide a framework capable of providing solutions or answers to all of the above questions and dilemmas? These issues are for the most part Micronesian concerns requiring Micronesian debate and decisions. But to the ^{extent} ~~extent~~ that ~~the United States~~ the United States has undertaken, through the treaty obligations of the Trusteeship Agreement, to assist in the achievement of Micronesian goals, it too is involved, and its viewpoints should be considered.

Without belaboring history, it is self-evident that the Congress of Micronesia has determined that the basic character of Micronesia's future political status is a principal/ ^{key to} the resolution of the inter-related questions listed above. From that decision flowed the Congressional mandate to negotiate partnership with the United States in the form of free association. The period 1958-70 saw Congressional definition of that goal. The subsequent two years have been devoted to Congressional pursuit of the goal. ^{THE LATTER} ~~They~~ have been a momentous two years, but especially the past eight months which have seen,

in the Hana and Palau talks, major strides toward the basic goals of both American and Micronesian negotiators: termination of the trusteeship and establishment of a new and self-governing Micronesia in association with the United States.

~~While many complex details and~~ While many complex details and issues remain to be resolved or clarified, the provisional agreements and understandings reached during ^{THOSE} two rounds of talks have established a ^{POTENTIAL} framework for a future relationship between Micronesia ^{- AMERICAN RELATIONSHIP}. From the Micronesian viewpoint that framework satisfies the substance and goals of free association as defined in the 1970 Report to the Congress of Micronesia of the then Future Political Status Delegation. From the U.S. viewpoint the understandings, if satisfactorily implemented, could establish a partnership without precedent in U.S. history, but one still capable of serving basic U.S. foreign affairs and defense requirements in an area vital to the security of the free world. (Looking at the status question from a narrow U.S. national interests point of view, it is the adequate ^{PROTECTION} of those interests which provides the justification for association. Without that element, there is no practical point to the obligations that would flow from association.)

A number of factors have made possible the agreements which have flowed from the Hana and Palau talks, and which have been formalized in the jointly prepared, issued, and signed communiqués released by the heads of the American and Micronesian Delegations at the conclusion of these talks. Certainly a foremost factor has been the manner in which Micronesian and American negotiators have met in a spirit of good will, and with a mutual desire to explore frankly and seriously each other's concerns, interests and requirements as they might affect Micronesia's future status. As an

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example, the American approach has been to give priority consideration to those issues (such as control of land and laws) which Micronesians had previously described as being critical elements of any agreement on a future Micronesian-American association. Too, U.S. proposals and positions discussed at Hana and in Palau were specifically tailored to take into account very legitimate Micronesian concerns relating not only to self-government, self-determination, and continuing Micronesian development, but also to the requirement to protect and even strengthen Micronesia's identity and cultures.

The manner in which the talks were structured was also a key to success. Both sides believed that frank and honest exchanges of views required a degree of privacy and quiet, an environment free from external pressures. However, it is wrong to characterize these meetings as secret. The full record of all ~~of~~ formal meetings was released as soon as possible after each round of talks. Too, though the official meetings of the two delegations were necessarily somewhat formal because of the numbers of people involved, this is only a superficial impression and only one side of the coin. The negotiations since the summer of 1971 have been characterized not only by formal plenary sessions in Hana and Palau, but also by ~~many~~ frequent correspondence and informal meetings between the heads of the two delegations. In this manner the agenda and mechanics of the official meetings were sorted out, views on all issues exchanged, and clarifications of positions made in order to avoid any misunderstandings. These most productive informal meetings were ~~the~~ major keys to progress in the larger official sessions. Most importantly, there were also at Hana and in Palau many opportunities for members of the two delegations to get to know each other personally. The "tennis nuts" were at each other on the courts at dawn. (And the tennis scores of these Micronesian-American "confrontations" are the only ~~the~~ "secrets" of Palau

and Haza.) Those of us inclined toward ~~that~~ laziness (including myself) preferred the more relaxed evening "bull sessions." Whatever the manner of personal contact, there can be no doubt that the establishment of personal relationships and friendships between members of the two delegations contributed ~~in fact~~ enormously to the understanding of each other's viewpoints and thus helped pave the way ~~for~~ for formalized ~~understandings~~ understandings on a free association arrangement between Micronesia and the United States. But the question now arises as to whether the goals of the Congress of Micronesia, as expressed in 1969 and 1970, remain the objectives of the Congress and the people of Micronesia today.

In 1969 the Congress of Micronesia's Political Status Commission stated in its report that it sought "not an end -- but a redefinition, renewal and improvement of Micronesia's partnership with the United States." In making that statement, the Commission noted two inescapable realities: first, the need for Micronesian self-government; and, second, the fact of long-standing American interests in the area.

In 1970, the Future Political Status Delegation's Report to the Congress of Micronesia defined free association as having

"...several essential features. The first is that the relationship is free and voluntary. It is freely and voluntarily entered into by the peoples of the territory, and either side is free to terminate it at any time. Another essential feature is that the people of the free associated state have full and unqualified powers in their internal affairs, including the right to amend their constitution, without even a theoretical power of intervention on the part of the former administering authority. Another is that the former administering authority retains only its powers and responsibilities in relation to the free associated state which are spelled out in the agreement, or compact, between the two parties. Finally, the free associated state relationship is arrived at through negotiation and is in the form of a compact between the two parties, with the rights and obligations of each party clearly defined in the Compact.

"The primary purpose of free association is to enable the people of the free associated state to advance from a colonial status to a new and free status which satisfies their basic aspirations to rule themselves and protects their individuality and cultural characteristics, while recognizing the practical considerations which must apply to a territory of small population and limited resources. ..."

The same report formalized these concepts in the four principles which have formed the basic negotiating mandate of the present Joint Committee on Future Status. Elsewhere in the ^{report} ~~document~~, the Status Delegation recognized U.S. security interests in the Micronesian area and also noted that under the proposed free association concept: "The responsibility for external affairs and defense would be handled by the United States, and it would therefore be necessary for the United States to retain sufficient powers in those areas to enable it to fulfill its responsibilities." This latter principle was again given recognition on December 2, 1971, in a letter from the Chairman of the Joint Committee on Future Status to Ambassador Williams: "It has been the position of the Micronesian negotiating delegation that responsibility for defense and external affairs will be in the hands of the U.S. when a new status comes into effect." Finally, this principle was agreed upon in Palau and incorporated into the Joint Communique issued by the heads of the two delegations on April 13, 1972: "... authority over and responsibility for foreign affairs and defense will be vested in the Government of the United States."

The arrangements agreed to preliminarily by both parties during the Hana and Palau talks have met the substance of the requirements of free association, as set forth by the Micronesian Status Delegation in its 1970 report, and as accepted by the Congress of Micronesia in the fateful summer of that same year. Nevertheless, some have brought up the question of sovereignty, although Ambassador Williams, in a statement on April 19, specifically stated that "... we now have the framework of a proposed new relationship

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based on the principle that sovereignty resides in the people of Micronesia
... ." Most certainly that sovereignty will be exercised when the
people of Micronesia determine their future in a sovereign act of self-
determination. And the provision for unilateral termination in a Compact
of Free Association is but another if major one of the indices of the
Micronesian people's sovereignty. If sovereignty means control of a political
unit's destiny by the people of that unit, then there would appear to be
adequate guarantees of ~~that~~ sovereignty under the arrangements agreed to
in Mans and Palau.

Perhaps the problem has been one of differences ⁱⁿ ~~the~~ approach. The U.S.
Delegation ~~has~~ consistently has maintained that the substance of future
arrangements is of more importance than the nomenclature. This particularly
applies to the vague and sometimes misused term of "sovereignty." Many states
of the United States (such as Massachusetts) are described as "sovereign" --
but Micronesia most certainly does not seek a status similar to that of
Massachusetts, or of ~~any~~ any other U.S. state. On the other hand, ~~Micronesian~~
Micronesian leaders favoring free association frequently cite the Cook
Islands' free association with New Zealand~~s~~ as a model applicable to
a future relationship between Micronesia and the United States. Yet the
Cook Islands are not described as "sovereign." In short, the substance
of the arrangements should be our ~~mutual~~ mutual concern, not labels which
no longer have a common meaning under international or any other law.

Recognition appears to have been given to the above concept in Palau
when the Micronesian Delegation stated ~~x~~ on April 10, "there seems to ~~be~~ us
no purpose in seeking to characterize the status which will ensue from the
Compact as constituting independence, sovereignty, or something different.
The Compact will speak for itself in this regard. What is important is that

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the Compact be the product of the exercise by the Micronesian people of their inherent right of sovereignty and that it recognize, as implicit in such a right, the ability to change the status by terminating the Compact if the relationship proves to be unsatisfactory."

But, to return to basics, the U.S. has now provisionally agreed to arrangements which meet the substantive requirements for free association as defined in the Micronesian Status Delegation's 1970 report to the Congress of Micronesia. These relate primarily to self-determination, the nature of a Compact of Free Association, constitutional arrangements, control of laws and of lands, foreign affairs and defense responsibilities, and the means of terminating a Compact. Additionally, it is of very great significance that the Palau talks saw Micronesian concurrence with an ~~American~~ American suggestion that a broadly representative Micronesian Constitutional Convention should be held in the not distant future in order to determine the nature and structure of Micronesia's future government. It is also of major importance that, in the event of termination of association between Micronesia and the ~~U.S.~~ United States, a pre-negotiated mutual security pact would go into effect and would govern remaining defense relationships. This important agreement, reached in Palau, was the result of a well ~~thought~~ thoughtout Micronesian proposal.

That progress has indeed been made in the past year should and does give cause for satisfaction to both American and Micronesian negotiators, and to those Micronesians leaders and people who favor the the 1970 concept of free association. And this provides cause for hope for future progress toward a timely and satisfactory termination of the U.S. trusteeship. Yet events of the past year (at least in my view) also provide some cause for concern as to the directions in which we are now heading. Recent events and new, as well as unresolved, issues stimulate questions for which

there are as yet no final answers. But the questions and the issues deserve attention by all those concerned with Micronesia's future. Some examples follow.

-- In negotiating toward a future relationship, the U.S. Delegation has given its preliminary agreement to the substance of the four principles of free association set forth in the 1970 status report. Yet some Micronesians, while claiming to accept the principle of U.S. responsibility for foreign affairs and defense (as outlined in the same status report), also have tended to take positions which, if held to, would strip the principle of its meaning. Inclusion of adequate foreign affairs and defense powers (but with safeguards and an international role for Micronesia) is from the U.S. viewpoint an essential element of association. Putting the above another way, the U.S. has met the essential Micronesian requirements for association. Now the U.S. expects its essential requirements for association also to be met adequately. If the future status of Micronesia is to be a form of voluntary association between Micronesia ^{and} ~~and~~ the United States, then it seems obvious that American interests must be served as well as those of Micronesia. Micronesia's leaders ~~and people~~ and people ^{beneficially} do have the right to alter their goals. If they continue to seek a mutually partnership and association, freely entered into by Micronesia's people, that is one thing. On the other hand, if what they now seek is little more than a form of disguised and subsidized independence, then they should say so. But those who seek such status must not expect the United States to accept arrangements which are pointless for the United States.

-- The exchange of ~~and~~ views in Palau on possible future financial relationships raises legitimate ~~of~~ concerns as to whether serious attention

is being given to the U.S. position that any future Micronesian-American financial relationships will depend largely on the nature of our political relationships. In other words, the closer the political relationship, the greater our ability to assure ~~adequate~~ adequate American Congressional attention toward dependable financial assistance for Micronesia's future development. This is a simple statement of the political facts of life. The U.S. Congress's and the American people's attitudes toward provision of ongoing financial assistance abroad are undergoing rapid change. To an increasing degree priority in the allocation of U.S. resources is being given to the problems and requirements of the American nation.

-- Yet there are some in ~~Micronesia~~ Micronesia who advocate a relationship which would not adequately meet U.S. as well as Micronesian interests, and which would establish a Micronesia that in reality would be no more than ~~an~~ another separate and independent micro-state. As the ~~same~~ same time, a financial subsidy is requested which would require the U.S. Government to devote more of its financial resources to each Micronesian citizen (on a per capita basis) than it does for the citizens of its own country. Is this logical? Does anyone believe that the U.S. Congress or the American people would accept such arrangements? Further questions can be asked about the nature of the requested funding. Under the association arrangements now being discussed, the U.S. is to be responsible for the defense of Micronesia, and is to provide financial assistance for ~~its~~ its peaceful development, as well as financial compensation for lands that might be leased by the United States. At ~~the~~ the same time the U.S. is ~~also~~ asked to pay an annual fee to the Micronesian Government in return for prohibition of entry into Micronesia of foreign military forces and installations. Some leaders, who would exclude U.S. ^{alien} ~~foreign~~ installations

and forces in Micronesia at any price, are in the forefront of those suggesting that the U.S. should additionally pay for the exclusion of the military of other nations. Are these positions reasonable?

-- Aside from the question of finance, Micronesian negotiators seek for Micronesia and its citizens all of the benefits of a U.S. territory and of U.S. nationals. But they flatly reject even a minimum of responsibility and obligations that might be expected to flow from such status and benefits. Is this reasonable?

-- Recent developments directed at a separate, permanent and close political relationship between the Mariana Islands and the United States were inevitable given the long history of Marianas' aspirations towards political union with the United States. U.S. policy over the past 25 years or more, directed toward a common political future for Micronesia, has not been a success in this latter regard. But now events during the past year in other districts raise the question of whether there is a true basis for Micronesian unity even among the remaining districts of Micronesia. I ~~for one~~ hope that there is, that centrifugal forces and differing attitudes toward Micronesia's future can be overcome by recognition of common interests and requirements. But these centrifugal forces and differing outlooks cannot be ignored. These questions of unity are mainly Micronesian concerns requiring Micronesian solutions -- perhaps within the context of a Micronesian Constitutional Convention as well as through the future ~~for~~ political status negotiations. But the issues and problems are so basic that they cannot be brushed aside by anyone concerned with Micronesia's future.

-- There is, finally, the most basic question of all. One that relates to all of the above issues and points: the need for Micronesia to assign priorities as between requirements for economic and social development, and desires for a maximum degree of political independence. Both goals are laudable and understandable. But, taking into consideration Micronesia's utter dependence for development on external assistance, and this age of interdependence between nations, there are conflicts between the two goals which require resolution through compromise. Maintenance of even an approximation of present government services will in such areas as health, education, transportation, and communications/required outside ~~these~~ budget support.

-- Alternatively, some Micronesian leaders have suggested that Micronesia's economic dependence, which flows not only from an extraordinarily narrow resource base, but also from increasing levels of government services, is an erroneous trend. It has also been suggested that small, local Micronesian ventures, especially in the areas of marine resources and tourism development, should be promoted rather than larger ventures which require large amounts of foreign capital and thus some degree of foreign participation in management and ownership of such ventures. These views are legitimate and worthy of equal consideration. But my point is the need for basic decisions as to which particular objectives are sought. If the goals are at least continuation of existing social and other services, and an increasing pace of economic development, then there must be an acceptance of the need for large-scale external assistance, and of the conditions that will necessarily attach to that assistance. If the objective is maximum political and economic independence, then there must be acceptance of the need to terminate most existing social and other services, and direct economic development toward small, locally oriented economic ventures. And there must be a corollary acceptance of a much reduced standard of living for most Micronesians.

-- These decisions require examination not only of goals. To the degree outside assistance is needed or desired, they also require examination of the availability of ~~such~~ such assistance, of alternative sources, and of the nature of the conditions that inevitably will attach to such external aid. In short the price tags attached to independence, and to all other forms of status must be examined. For each form of political status there is a sacrifice to be made. The examinations and choices are for Micronesians to make. But before final decisions are taken, the ~~for~~ ramifications of each of the choices should be made known to the people of Micronesia. The ultimate consequences of the decisions taken today will fall not only on all of them, but ^{ALSO ON ALL FUTURE} ~~on~~ generations of Micronesians, ~~and~~.

Summing up the many decisions and choices that must be made by Micronesia's leaders and people, one turns back to the basics involved in the status question. Most Micronesians seem to want a maximum degree of self-government and at the same time maximum social and economic development. The two objectives, to the extent they are in conflict, require resolution in a manner which will not prejudice basic Micronesian rights to self-~~determination~~ determination and self-government. In 1970 free association, as defined in the status report of that year, was seen by the Congress of Micronesia as providing a satisfactory compromise capable of protecting and serving essential Micronesian political, economic, and cultural interests. The U.S. has believed a closer and more enduring relationship between Micronesia and America would better serve Micronesian developmental requirements, while also protecting Micronesian political rights, preserving a Micronesian identity, and promoting Micronesian unity, than would a loose and more tenuous "free association." But in Palau the U.S. Delegation did tentatively agree to a free association relationship, in recognition of the Congress of Micronesia's known desires, and of that body's negotiating mandate to the Joint Committee on Future Status. That agreement was

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provisional ~~arrangements~~ and remains dependent upon Micronesian agreement to arrangements which would also meet U.S. requirements for association.

Although the relationships envisaged under free association arrangements cannot provide to Micronesia the full advantages ~~and benefits~~ and benefits of the closer association the U.S. had previously proposed, the negotiation of the substance or content of free association still ~~can~~ provides opportunities for development of a mutually beneficial and inter-dependent partnership.

But emerging pressures and trends, ~~as~~ as already pointed out, risk reducing the free association concept to a one-sided affair of little interest or value to the United States. In these circumstances, Micronesians must determine whether or not they wish a true partnership ~~is~~ advantageous to both parties. In the words of Ambassador Williams (Palau talks, April 8, 1972): "... we do not see how it is possible, or realistic, to talk about independence and free association at the same time -- ~~is~~ about the hoped for advantages of one and the benefits of the other being combined in one arrangement." I ~~am~~ earnestly hope the Micronesia decision is for a mutually advantageous^{ly} free association partnership. ~~If any decision is made, that is their decision,~~ If ~~any~~ I am certain the American Government will respond in a positive manner to such an objective.

I recognize that many of the choices and issues I have posed, and some of my observations, are not pleasant ones. But it is my regard for Micronesia which causes me to set down these concerns. They may be resented, coming as they do from a non-Micronesian. But I hope they will be accepted for what they are -- as factors that must be considered in the hard choices that lay ahead. Whatever the decisions may be, and wherever Micronesia's future course, I will continue to follow with deep interest and sympathetic concern the unfolding of Micronesia's future. ~~My~~ past has often been rough and stormy. For the future, and whatever directions it may

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hold for Micronesia, my family and I wish Godspeed and ~~smooth~~ smooth sailing
to all of her people.

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