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MEMCON with Senator Salii 11 May 1974 - Guam

Summary:

Conversation lasted approximately five hours including lunch. Covered (1) the Marshalls situation (2) Palau and the survey (3) special session COM (4) the JCFS reaction to U.S. Transition Plan (5) JCFS response to Carmel talks (6) relocation of capital (7) separate administration for the Marianas, and (8) agenda and timetable for next meeting of principals.

The Marshalls Situation

Salii not sure whether Marshalls will participate in ConCon or future COM activities. He had heard that some Marshallese planned to attend ConCon if not as elected delegates ^{then} as self-appointed observers. He said he hoped Marshalls would make views officially known at ConCon and if in the end they voted against ConCon then there was nothing rest of Micronesia could do about it. Salii asked me to make statement urging Marshallese participation and stating forcefully that U.S. would not entertain thought of separate negotiations until at least after the ConCon. I said I would consider the matter. Salii clearly worried about Marshalls problem.

The Palau Survey

Salii said resolution had passed inviting OMSN to make survey and to discuss land requirements in Palau with District Legislature. He said while some had opposed the resolution it was not hotly debated. It also had the support of most of the traditional leaders with the Reklai being at the forefront of those favoring passage. Salii said he was going to

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Palau on Thursday and would raise the question of timing. I repeated the sooner the better. We then discussed composition of the U.S. team and that I hoped I could get the Navy to free Bill Crowe for the assignment. He said that he and Roman and one other member of the JCFS would want to participate. I then asked the question of whom will we actually negotiate with. He said the District Legislature and the JCFS. I said do the traditional chiefs understand this and also the municipal councils? He said yes they do.

Special Session COM

Salii said COM leadership to meet with HICOM on Tuesday. Said mid-July best bet. He said ^{to recommend} I will recommend these dates in order to let LOS delegation go to Caracas to get acquainted and organized, then return for 15 day special session and then return to LOS conference to make their presentation. He said major items would be land bill and revenue sharing. I asked him if earlier session would have helped turn the Marshalls away from their separatist course assuming that the COM would pass a revenue sharing bill. He said "probably but I am not sure that revenue sharing is all that is bothering the Marshalls".

The JCFS Reaction to Carmel Talks

Transition Plan

JCFS very pleased overall. One or two thought period not long enough and one thought it too long. Majority pleased with time span, two stage approach and levels of funding. Salii concerned about Congressional approval and wanted to know if President would be willing to sign commitment a'la our Carmel proposals. I said didn't think so but I would be

of staff or legal advice. We then proceeded to go through the Compact page by page.

Preamble: no change

Title I: no change

Title II: many changes.

Salii opened by contradicting his earlier statement that the new language represented the views of the JCFS although they had not seen it by saying that it was Andon who insisted on the changes. He went on to say that Andon had been opposed to Title II in Washington in summer of 1972, had led quiet fight to scuttle draft at Ponape in fall of 1972 and had been leading ⁶ campaign ever since against U.S. authority over foreign affairs. Upon questioning Salii said not all members of JCFS favored tampering with Title II but Andon insisted that while Senate might pass Compact, House wouldn't unless U.S. foreign affairs powers restricted. Salii also said Amaraich threatened to take campaign to people on the foreign affairs issue. Therefore Salii tried hand at language that was of importance whether funds could be transferred from one category to another - during transition period and post trusteeship period. Said would take under advisement.

- Question of constant dollar and how change in value determined. He asked whether Guam retail price index couldn't be used instead of U.S. retail price index as agreed to at Carmel. I said we would consider it.

- Question of whether U.S. would help COM plan for use of funds to be provided during Transition period and following termination by financing the services of professional economist (development planner). Said these

estimates ran to \$250,000 for the services of a firm specializing in such activities. Said would consider matter without commitment.

JCFS Response to Carmel Talks (The Guam Meeting)

He opened by saying how pleased the Committee was with the Carmel agreements and that the Guam meeting had gone well. He said instead of trying to summarize the Committee's specific response as he had intended to do in a letter to me, he had prepared a JCFS version of the Compact which he proceeded to give me. He prefaced it by saying that the changes represented the views of the JCFS only in a cosmetic sense - and that underneath the change there was no real change. A long exchange followed on what Free Association meant and that it did not mean practical independence in area of foreign affairs. I made it clear that proposed changes might require our taking a new look at all our positions and our offers. This would include a new approach putting the question to the people - did they want close association with the U.S. or independence - the COM could not have both and it seemed to me that what Andon wanted was subsidized independence. Salii said the U.S. had power to take this question to the people but the COM did not want the U.S. to have direct contact with the people and would object to any such unilateral action. I said that I hoped such action would not have to be taken but that I was disappointed since it seemed that on the issue of foreign affairs we were back to the pre-Koror agreement on this question. Salii said he too was concerned and he at times wondered if those who were obstructing agreement really weren't doing so in order to promote the status quo until they thought Micronesia was ready for independence. I asked how strong a grass roots sentiment

is there for independence and isn't it true that Andon might himself be defeated at the next election. Salii answered the second question by saying yes there is a good chance that he will be beaten. I said then why the concession to Andon now and Salii said attempt to solve issue had to be made to hold Commission together and that if it not resolved in Compact it would become an issue at the ConCon. At end Salii tried again to minimize changes significance from a practical point of view, saying they were designed to satisfy psychological and emotional needs of some members of the COM and were not intended to interfere with U.S. conduct of Micronesia foreign affairs. I said that we would study his proposed changes but I warned him that U.S. position was the same. Free Association meant U.S. responsibility for foreign affairs and defense and if they had something else in mind they weren't talking about Free Association.

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Title III

Salii said Title III not discussed at Guam. Said he foresaw no serious problem with Title III but that JCFS would want to take another look at it. I repeated what I had said about Title II.

Title IV

See proposed changes. I said no possibility of our increasing total. Might juggle amounts within total.

Title V - didn't discuss since Salii not prepared. I simply repeated ^{my} disappointment. *But Carmel understandings had not been accepted by full JCFS.*

Titles VI - XII - Changes noted in draft (JCFS).

In summary on Compact-Salii seemed embarrassed ^{and} ~~and defensive~~ at times, ^{at other times defensive or} subdued at ~~other~~ times, aggressive as we discussed his draft. ~~at~~ Overall

he gave me impression that ^{JCFE wa} they were not necessarily in concrete. I asked him near the end of this discussion what did he foresee in the event we could'nt reach agreement on the Compact. His answer was (1) They would go forward with ConCon (2) they would hope to put new government into effect as part of Transition plan - ^{referring} and pointed to my two-stage six year graph which I had given him at Carmel (3) their new government would then negotiate with U.S. for termination of Trusteeship ^{and a new status.}

Relocation of Capital

Salii brought this up and the strain of our exchange on the Compact began to get to him and to show. He for the first time began to fidget ^{his face became contorted} and his words began to have bite. He said Saipan is only a provisional capital and when the COM decides on a new site, the U.S. will have an obligation to bear all of the costs of relocation and therefore we are not interested in negotiating this matter since it is not a status question. I said ^{whichever} however he looked at it we were prepared to discuss the matter with him but that he should know that the U.S. had studied the question and had in mind a limit of its contribution. Salii repeated that the U.S. ^{would have to} should bear all costs. I said that Congress of the U.S. would not be willing to undertake such an open-ended obligation. Salii seemed unhappy and said well we will have to discuss this in June. I said fine and went on to ask him if COM ready to act on choosing site. He said this a logical question for ^{the} ConCon.

Separate Administration

The discussion of relocation led to question of 5/6 problem and transition and separate administration for Marianas. I tried to raise it as a

for Marianas TV

that I had not seen before.

technical and legal question, one that had to be solved sooner or later. When I said Marianas had asked that possibility of separate administration be placed on agenda, Salii really blew his cool. He said that such an action could jeopardize U.S.-JCFS talks, that it would politically speaking be a great mistake, that he questioned legality of any such action on the part of the U.S. in advance of plebiscite, that people of Marianas had not been given chance to voice their views and should be treated as all others in terms of participating in ConCon etc., etc.

Q He spoke with ^{an} anger in his voice and bitterness about U.S. decision to negotiate with Marianas. When I said that he on notice since July 1972 that Compact ^{was} for five districts and that our agreement at Carmel based on such an understanding he came back saying that "U.S." knew COM's position and ~~he~~ ^{he} had nothing more to say on the matter except that issue should be resolved by the people - and that ConCon the ideal place for such a decision." I told him I was sorry this issue was still plaguing us and that perhaps an early resolution would be helpful - and that in any case we would be discussing the issue at the invitation of the Marianas sometime over the next couple of weeks. His reaction was clearly one of anger and frustration, ~~and~~ I feel certain that Salii will make trouble if action taken to give Marianas early separate administration. Eight agenda and timetable for next meeting agreed that decision on timing special session could affect dates for our meeting but Salii confident that June would be free. Agreed to meet on June 15 here in Guam and to go to Palau immediately following talks to arrange for survey. Salii said Ekpap would attend, also Ray Setik. He said Bailey unreliable and would have standby

Paul Warnke

in case Olter failed to show. Said he would invite Paul Warnke. Agreed to go over draft U.S. transition statement and run through the Compact once again. Agreed further that this process would be followed until agreement reached meaning Micro VIII would be formal final round for purpose of signing Compact.

Other Items Worthy of Note

- Salii said that some might use ConCon vs Compact - said in response to my suggestion that plebiscite on Compact first before ConCon that this might be possible.

- Attitudes hardening - 65 Territorial States - 69 Commonwealths - 74 Free Association - time running out - opposite of Murph article.