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Subj: Marshallse Separatism - Possible U.S. Reactions

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VISIONS OF E.O. 12356 BY
KICE D.T. DOLAN, USW
SPECIAL ASSISTANT, OMB

Introduction:

The failure of the COM during its most recent sessions to accept legis-
lation sponsored by the Marshallse Delegation to return 50% of all taxes
derived from each district has incited the District Legislature, the Nitijela,
to inform the U.N. that the Marshall Islands intends to negotiate separately
on the future political status of the district with the U.S. and request
"assistance and advice".

The Palau and Marianas Districts supported the Marshallse in their
attempt to gain a larger share of tax revenues. Along with this were the
warnings from Congressional leaders of Palau and the Marshalls that the only
acceptable form for a future government of Micronesia would be that of a loose
confederation of districts - i.e., the powers of the central government would
be severely restricted.

Even if Palau refrains from a formal request for separate status negoti-
ations, it is clear that the problem of political unity in Micronesia has
become more critical since Ambassador Williams made his statement at Majuro
in May of last year.

In this statement, which came on the heels of a similar but less resolute
manifestation of Marshallse separatism, the Ambassador said that the problem
of political unity is basically one which the Micronesians must resolve for
themselves and that we had pursued the status negotiations with the JCFS in the
hope and expectation ath a common status -- a united Micronesia -- would be
forthcoming for the Marshalls and the Carolines. He added that "we continue
to believe that despite considerable cultural diversity and differing local
problems and interests, a unified Micronesia would best meet the economic, social

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and other needs of the people concerned.."

The U.S. has already explained its willingness to recognize the Marianas case - the long history of its requests for separate treatment and irrefutable evidence of public support for a permanent association with the U.S., etc.

Discussion

There is a possibility that the leadership in the Marshalls is testing us or is hoping to improve its bargaining position when the COM reconsiders the issue of revenue sharing. Recent reports from the Marshalls, however, indicate that the Marshallese leaders are very serious about breaking with the other districts, but are unlikely to take any immediate drastic steps - at least not before May when Senator Kabua returns. One could surmise therefore that they will strongly resist and resent any attempts by the U.S. to divert them.

The Marshalls case for separate negotiations is patently less persuasive than that of the Marianas. While their culture is different from that of the other districts they have never been administered separately; nor have they obtained a truly popular mandate for an alternative status, one which promises to endure or to meet the fundamental needs of the people. In this regard, the Nitijela is somewhat suspect as a truly representative body - most of its members are clearly under the control of the Kabuas.

With regard to status, some leaders in the Marshalls, e.g. Anata Kabua, seem to favor union with Nauru, the Gilberts and Ellice Islands, in a separate confederation; but it is not clear from recent statements whether this status alternative is favored by a majority of the leaders to some form of association with the U.S.

According to Bethwel Henry quiet steps are underway to bring about a compromise in the Congress; although Senator Pangelinan told Miss Trent that "this is it; they have made up their minds. They will not turn back".

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Policy Options

Three alternatives seem to be worthy of consideration -- (1) attempt to quash the Marshall's request or refuse to entertain their request for separate negotiations and oppose it in the U.N.; (2) Accede to the Marshallese request for separate negotiations and support that position in the U.N.; (3) avoid taking a public stand - procrastinate by: (a) encouraging the Marshalls to strengthen their case through a popular referendum; (b) working behind the scenes for a compromise at the next session of the COM; or (c) getting the Trusteeship Council of the U.N. to appoint a fact finding commission.

The first option would be consistent with the Majuro statement and would be welcomed by the JCFS and by most members of the U.N. as evidence of our support for Micronesian unity.

If we were to be receptive to the Marshallese demand we would undermine the chances of political unity among the four districts, and might stimulate greater political instability within the remaining districts.

However, if the Marshallese leaders are as serious about a divorce from the other districts as reported, a negative U.S. response might be strongly resented by them and could lead to local demonstrations and agitation calculated to cause the U.S. to accept their "legitimate" demands for separate status.

An adverse U.S. reaction could stimulate the Marshallese to attempt to duplicate the Marianas precedent, thus forcing the U.S. to enter into separate status negotiations.

With regard to the second option - a positive response to the Marshallese initiative - it can be argued that separate status agreement with those districts desirous of special relations would over the long-run be more advantageous to the U.S. than a single status agreement with a badly divided Micronesia. While additional status negotiations would be time-consuming and unpopular in the U.N.

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