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FROM: Status LED SAIDAN
E.O. 11652: ONS
TAGS: SOUV SOON TO
SUBJECT: Micronesia's Future Status: Increasing Concern About Economic Development
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SUMMARY: A Senate speech February 13 by Senate Vice President Saltonstall was his first formal statement at least since the end of the previous regular session of the Congress about the negotiations with the United States on Micronesia's future political status. In brief, Saltonstall recommended that the negotiations be suspended indefinitely, rather than being terminated, until such time as the United States put Micronesia on the road to (economic) self-reliance. In the course of that time, Sen Saltonstall, a strict public performance, he voiced his "concerns" that the United States has been "deliberately sabotaging" Micronesia's economic growth in order to maintain its dependence on the U.S. "in order to insure our compliance with their (military) demands in the future." A resolution introduced the same day by Saltonstall criticizes the charge of "sabotage" but recommends suspension of the present negotiations and a approach to the U.S. Congress. Other prominent CH members, such as Senator Kefu and Representative

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- Enclosures:
1. Senator Saltonstall's CH speech of 2/13/75
 2. Senate Joint Resolution 6-29
 3. Rep. Saltonstall's CH speech of 2/14/75
 4. Senator Kefauver's CH speech of 2/10/75

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Setik, have also discussed Micronesia's development and future status in recent speeches in Congress. END SUMMARY.

Salii Recommends Suspension of Status Negotiations

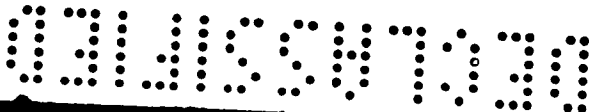
Senator Leasrus Salii, Chairman of the Congress of Micronesia's Joint Committee on Future Status (JCFS) since its establishment in 1969, on February 13 delivered a long-awaited formal statement of his position on the future of the political status negotiations with the United States. The full text is attached as enclosure 1. He said he was speaking personally, not necessarily for the other members of the JCFS; although his language was harsh and his charges egregiously unconvincing, his tone was more in error than in anger. As it stands, the speech is an indictment to inaction; its recommendation is, in effect, to ignore (or disown) much of the considerable progress made in 1974 as pointed out in Ambassador Williams' January 10 letter to the JCFS. His speech did not specifically mention the resolution (S.J.R. 6-79) he introduced the day before; he did not resign as Chairman or from the Committee, or threaten to; and he suggested conditions for the resumption of negotiations which are subjective in their interpretation and unlikely to be fulfilled in any meaningful fashion in the foreseeable future. In brief, Salii's answer to the question of what is to be done was "delay."

His resolution is accurately summarized in its heading as:

Authorizing and directing the Joint Committee on Future Status (1) to reevaluate and reassess the strategies and alternatives with respect to the future political status of Micronesia whereby the trusteeship status of the Trust Territory may effectively be terminated; (2) to suspend further formal negotiations and talks on the future political status of Micronesia with representatives of the Executive Branch of the United States Government until after the holding of the Micronesian Constitutional Convention and until after the United States Congress is advised of the problems encountered and progress made in the status negotiations; and (3) to seek and secure such formal or informal advice and assistance from the United States Congress relative to the future political status of Micronesia.

The preamble of the resolution states that the "JCFS has reached an agreement with the representatives of the Executive Branch of the United

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States Government on a Draft Compact of Free Association with the exception of two essential articles on foreign affairs and financial assistance commitments on the part of the United States." The COM finds the agreement on the level of financial assistance both during the transitional period and thereafter to be unacceptable insofar as the declining level of such a plan for financial assistance will not place Micronesia on a road to self-reliance and self-sufficiency," while the article in the draft Compact on foreign affairs "requires further amplification, evaluation and scrutiny to the end that the responsibility of the United States with regard to Micronesian foreign affairs is clearly understood and delineated." The full text of Solipi's draft resolution S.J.R. 6-79 is attached as enclosure 2.

As a Joint Resolution, this draft is subject to nonpassage and/or modification not only by the Senate but also by the COM's House of Representatives. For reasons unknown, the distribution of the draft to TI Headquarters was delayed by several days. Hearings have not as yet been scheduled, although the fifty-day session prescribed by law for the present session of Congress expires March 3. There are reports that Senator Solipi, JCFS Co-Chairman. Ripap Silk, and Counsel Mike White will accompany a large delegation from Micronesia as "resource persons" in case the status negotiations come up in the course of the Senate "overight" hearings scheduled for mid-March. This might also provide Solipi with an opportunity to contact members of the U.S. Congress as suggested in his resolution.

Comment

In speculating on what Solipi meant it should be borne in mind that he has run the JCFS, especially in recent years, with a tight hand, and members do not volunteer information on what goes on inside the Committee. As has been reported previously, the full committee met infrequently if at all last year; several meetings have been scheduled during the present session of Congress, but we do not know who attended or the nature of the discussions. In fact, even the present membership is not confirmed; we have heard that Rep. Sessoo Haruo has replaced the departed Senator Anwarich as Erik's second member and that Senator Tootuhl (Palau) has resigned and been replaced by Rep. Isidor Radinuh; we do know that Senator Pete Imanio and Rep. Oscar Ross now represent (possibly) the Marianne on the JCFS. Whether Solipi's stated views also reflect some kind of disagreement in the JCFS, e.g., between those who favor abandoning the pursuit of free association and striking out for independence and those who wish to move ahead with free association as soon as the return of public lands can be worked out, can only be guessed right now. It is noteworthy that the Congress of Micronesia's

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press release on Salii's speech nowhere identifies him as Chairman of the JCPS. It may be that there is no agreement within the Committee and that Salii, whose timing is generally purposeful, felt it necessary to say something even without claiming the JCPS agreed with him.

Almost certainly an important element in the timing of Salii's speech was the then-prospective signature (on February 15) of the Covenant between the United States and the Northern Mariana which will result (if the Covenant is approved) in the formal separation of the Mariana District from the rest of the Trust Territory and its eventual incorporation as part of the United States. Salii has fought Mariana separation hard since it began to look as though it might become a reality, maintaining that the Mariana should vote first on the Compact of Free Association and/or on the as-yet-unnegotiated Micronesian constitution; he presumably recognizes that signature of the Covenant should end that campaign, though there may well still be some partisan activity and efforts to make as difficult as possible the final separation of the Mariana. By suggesting indefinite postponement of the U.S.-Micronesian negotiations, Salii may be saying *inter alia* that he recognizes that he (and the JCPS) no longer control the future political status of the Mariana, a situation which has existed *de facto* since the separate negotiations began in December 1972.

Discounting the ridiculous charge of U.S. "sabotage" of Micronesia's economic development, it remains true that there is general disappointment and dissatisfaction with the progress made in that area, and a general feeling among educated Micronesians that the United States should, somehow, have done and be doing "more." This concern also fuels the Congress' interest in "rice bowl" missions to the Philippines (via), Japan, and various international organizations in search of more economic assistance. Salii is not the first nor the only prominent Micronesian to point to economic development toward self-sufficiency as a prerequisite for political autonomy, and in fact this objective is included in the Compact of Free Association.

Rep. Sotik Criticizes CMC Influence on FY Budget

Contributing to the current concern about the interaction of economic and budgetary factors with the political status negotiations was a February 14 statement (reported by the Micronesian News Service in its February 17 release--MEMORANDUM 170813Z) by the respected Rep. Raymond Sotik of Ark. Chairman of the CMC's Joint Committee on Budget and Program Planning. Sotik was critical of the influence of the Office for Micronesian Status Negotiations (CMN) which he mistakenly

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characterized as being organizationally within the Department of Interior, alleging that in budgetary matters this "relatively small" office was the tail wagging the dog. He referred specifically to the shift of \$4 million from funds previously earmarked in the 1975 budget for field trip vessels or from various district projects in the 1976 budget to the Marianas district for a new power plant for Saipan, stating that this change came not from the Office of the High Commissioner but rather from OCH. Setik also claimed that the FY 1977 budget called for an amount considerably lower than previously discussed (\$79 million rather than the \$85 million for the transition period); and that this cut was due to the JCPS' unwillingness to reach an agreement with U.S. negotiators on terms "dictated by certain representatives of the United States Government." The OCH release states "The Truk Congressman said it appears that Micronesians are being 'punished' for delays caused by someone else, and are also being 'penalized' for not 'rushing' into an agreement on terms 'dictated' by certain representatives of the U.S. Government." (Text of statement--enclosure 3.)

Senator Kabua Emphasizes Importance of Economic Development

In a major speech earlier the same week, Senator Amata Kabua of the Marshalls spoke in a much more dispassionate vein on the uncertainties confronting Micronesia's economic and political development. In what appears to be a key passage, Kabua states "We may have failed, in one sense, that we did not in several instances appreciate and respect the unique desires and needs of the individual districts in Micronesia; and that, to a greater extent, our efforts have been directed to political matters which have outweighed and greatly overshadowed the importance of our economic development problems, which are so closely related and vitally essential in the overall development of our people. What is more vitalizing and fortifying for Micronesia in meeting its external challenges than its becoming self-sufficient and self-reliant?" This may be taken as an obvious reference to the prospect of signature by the Marshalls of a separate status agreement; it may also be an indication that the Marshalls are still keeping their options open. In this connection, it is interesting to note that members of the Marshalls delegation to the Congress were conspicuously absent when the OCH held an evening party on February 15 to celebrate the Tenth Anniversary of the Congress; and at a ceremonial joint session on February 17 only Vice Speaker Sipap Silk, not a Kabua man, was present from the Marshalls.

Kabua's statement of the problem was, in essence, that the issue of economic development was the basic consideration with respect to both future political status arrangements with the United States and

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relations among the districts. He concluded that some painful truths have been discovered "that should make us rethink our future positionIn essence, our political aspirations cannot come to fruition and become realities without some kind of economic base to support them." In commenting, near the end of his speech, on Micronesian unity, Kabua stated "I believe the union can have a future, and I am ready to help cooperate in bringing this about....but not on the basis of a forced marriage under any condition decided by this Congress and anyone without the consent and approval of the people of each district." He concluded by referring to two of the issues currently agitating his district, the question of revenue sharing and the character of the Marshall's delegation to the Micronesian Constitutional Convention, for which he called "corrective measures." (It is generally thought that Senator Kabua was the instigator of the Marshall's limited participation in the Census elections last year, in which none of his supporters was a candidate and few of them voted.) The text of Senator Kabua's February 20 speech is enclosure 4.

The Future of Political Status Negotiations

While it is difficult to define the current state of opinion in Micronesia about future political status developments, the best and most descriptive may be "disarray." The signature of the Covenant between the Marshanes and the United States is a major political event not only for the Marshanes but also for the whole Trust Territory. With the Marshanes pursuing a separate destiny, the fragile unity between the Marshalls and the Carolines will be further strained. Senator Kabua's speech, though conciliatory in tone, makes clear that the Marshalls have not abandoned their specific objectives; and revenue sharing, at least, is at the expense of the other districts. The elected leadership, both in the Congress and in the District Legislatures, recognizes that the Trust Territory needs and will continue to need far more definite future amounts of money far beyond its own resources. Less clearly, the leadership understands that the United States is the only realistic source of funding, especially for operating funds, i.e., salaries for Trust Territory employees. The possibility of a "superport" in Palau (Status LMD 14) is encouraging Palauan dreams of economic self-reliance, but this project is still in the early planning stages and, for a variety of reasons from the ecological to the financial, may well come to naught. At the same time the Congress continues to pursue the will-o'-the-wisp of large-scale Japanese, or Asian Development Bank, or Philippine, support and assistance for Micronesia's economic development. The alternative of "back to the taro patch" still has an appeal for some traditional leaders and for some districts, perhaps Yap, but the exodus from the outer islands to the (comparatively) brighter

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lights of the district centers is probably a better index of what most Micronesians, after thirty years of a benevolent U.S. occupation, regard as the better life.

These circumstances confront Micronesian leaders with a difficult dilemma. Few if any outside the Marianas are prepared to advocate publicly continued political dependence on the United States, but as they increasingly recognize the fact of continuing economic dependence their resentment, unjustified though it may be objectively, becomes more focused on their benefactor. Thus such measures as reimbursement for war claims become contentious rather than beneficial in the context of U.S.-Micronesian relations. The Congress may, of course, take a stand favoring the Compact of Free Association in its present session, but lacking a defined consensus, it is more likely to pursue some of Senator Balli's suggestions, or at least permit them to be pursued, and back off from any specific action with respect to the status negotiations.

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