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UNCLAS SECTION 01 OF 05

COMTWELVE PASS INFO FOR AMB WILLIAMS  
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(PALAUANS EXPLAIN REASON FOR SEPARATION)

SAIPAN, FEB. 20 (MNS)---"WE BELIEVE THAT A CRISIS FACES PALAU DISTRICT".

WITH THESE WORDS, THE PALAU DELEGATION TO THE CONGRESS OF MICRONESIA AND THE PALAU COMMUNITY ON SAIPAN THIS WEEK EXPLAINED IN A SEVEN-PAGE LETTER TO THE LEGISLATURE WHY PALAU SHOULD BE SEPARATED FROM THE REST OF MICRONESIA.

(THE PALAU LEGISLATURE, IN TURN, HAS PLEDGED ITS FULL SUPPORT ON THE SEPARATION ISSUE AND THEIR OFFICIAL POSITION IS EXPECTED TO BE MADE PUBLIC EARLY NEXT WEEK).

"THIS CRISIS INVOLVES THE POLITICAL FUTURE OF MICRONESIA AS WELL AS THE POLITICAL FUTURE OF PALAU DISTRICT. MICRONESIA HAS COME TO A TIME WHEN DECISIONS MUST BE TAKEN AND DEVELOPMENT MUST OCCUR LEADING EITHER TO FRAGMENTATION, OR TO A NEW AND MORE LASTING ARRANGEMENT AND DURABLE RELATIONSHIP. THE DANGER SIGNS OF THIS CRISIS ARE MANY AND SERIOUS. AND ALTHOUGH THE ISSUES HAVE NOT YET REACHED THE POINT OF EXTREME MATERIAL DEPRIVATION FOR THE PALAUANS ABROAD AND/OR IN PALAU, THE ACERBITY OF OUR RELATIONS WITH THE OTHER FIVE DISTRICTS OF THE TRUST TERRITORY HAS REACHED AN UNFORTUNATE AND INEVITABLE STAGE WHERE PALAU IS ON A COLLISION COURSE WITH THE REST OF MICRONESIA."

"IT IS OUR STRONG RECOMMENDATION THAT POSITIVE STEPS BE NOW TAKEN AND APPROPRIATE PROCEDURES BE NOW FORMULATED TO PUT INTO MOTION THE MACHINERY TO SEPARATE PALAU DISTRICT ECONOMICALLY AND POLITICALLY FROM THE REST OF MICRONESIA."

"WE WISH TO RECOMMEND TO THE PALAU DISTRICT LEGISLATURE TO TAKE THE FOLLOWING SPECIFIC ACTIONS TO DISCHARGE ITS LEGISLATIVE OBLIGATIONS TO THE PEOPLE OF PALAU DISTRICT AND TO MINIMIZE THE STRESSES THAT WILL ACCOMPANY THE ANTICIPATED TERMINATION OF THE TRUSTEESHIP AGREEMENT GOVERNING THE ISLANDS OF MICRONESIA.

- ADOPT A RESOLUTION DURING THE UPCOMING SESSION OF THE PALAU DISTRICT LEGISLATURE EXPRESSING THE DESIRES OF THE PEOPLE OF PALAU DISTRICT TO ADOPT A STATUS SEPARATE FROM THE OTHER SIX DISTRICTS;
- ADOPT A FORMAL RESOLUTION REJECTING THE DRAFT CONSTITUTION FOR THE FEDERATED STATES OF MICRONESIA;
- ENACT LEGISLATION CALLING FOR PALAU-WIDE REFERENDUM TO REJECT THE DRAFT CONSTITUTION OF THE FEDERATED STATES

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OF MICRONESIA, SUCH REFERENDUM TO TAKE PLACE PRIOR TO THE DATE SET FOR A TERRITORY-WIDE REFERENDUM WHICH SHALL BE CALLED BY THE HIGH COMMISSIONER PURSUANT TO P.L. NO. 5-60, AS AMENDED:

- ACTIVATE THE WORK OF THE PALAU FUTURE POLITICAL STATUS COMMISSION AND HAVE THE COMMISSION REQUEST AND ACTIVELY PRESS FOR FUTURE STATUS NEGOTIATIONS WITH THE UNITED STATES GOVERNMENT TOWARDS THE ACHIEVEMENT OF A POLITICAL AND CONSTITUTIONAL STATUS SIMILAR IN NATURE TO THAT OF THE MARIANAS DISTRICT COVENANT, AND TO SEEK THE EARLIEST POSSIBLE TIME FOR THE TERMINATION OF THE TRUSTEESHIP AGREEMENT AS IT APPLIES TO PALAU DISTRICT;
- ENACT LEGISLATION TO PROVIDE FOR THE REVIEW AND STUDY OF THE EXISTING DRAFT CONSTITUTIONS FOR PALAU DISTRICT WITH A VIEW TOWARDS FINALIZING ONE PARTICULAR TEXT TO BE PLACED BEFORE THE PALAU VOTERS IN A PLEBISCITE;
- ENACT SUCH OTHER LEGISLATION AS SHALL BE DEEMED NECESSARY TO CARRY ON A CONTINUOUS REVIEW OF GOVERNMENTAL FUNCTIONS IN PALAU DISTRICT TO DETERMINE WHEN AND UNDER WHAT CIRCUMSTANCES ADDITIONAL FUNCTIONS THAT ARE NOW RESERVED TO THE PRESENT HEADQUARTERS ADMINISTRATION CAN BE DELEGATED TO THE GOVERNMENT OF PALAU DISTRICT,

"OF THE TWO OVERRIDING ISSUES--POLITICAL DEVELOPMENT AND ECONOMIC DEVELOPMENT--THE LATTER IS THE MOST COMPELLING, SINCE ANY GOVERNMENT OF THE FUTURE MUST BE BASED ON SOME REASONABLE SET OF REALISTIC EXPECTATIONS, CIRCUMSTANCES, AND ACCOMPLISHMENTS IN THE ECONOMIC AREA. THUS, OTHER THINGS BEING EQUAL, IF WE WERE TO ASSUME THAT ALL OF THE DISTRICTS HAVE NOW ACHIEVED RELATIVELY THE SAME ECONOMIC LEVEL, POSSESS COMPARATIVELY THE SAME ECONOMIC DEVELOPMENT, POTENTIALS, AND THE INCENTIVE TO PURSUE THEM, THEN PALAU SHOULD NOT SEEK SEPARATION FROM MICRONESIA. THERE WOULD BE NO POINT TO SUCH ACTION. UNFORTUNATELY, THE HARSH FACTS ARE THAT DISTRICT DIFFERENCES BOTH IN ECONOMIC DEVELOPMENT AND IN ECONOMIC DEVELOPMENT POTENTIALS ARE SO WIDELY VARIED AND DIFFERENT THAT IF MICRONESIA WERE TO BECOME A POLITICAL UNIT AS A NATION IT WOULD BE ECONOMICALLY AND POLITICALLY

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DOOMED. WHAT IS WORSE, SUCH A PICTURE IS NOT LIKELY TO CHANGE IN THE FUTURE. IN FACT, IF PALAU SHOULD CHOOSE TO BECOME A PART OF THE FEDERATED STATES OF MICRONESIA AS ENVISIONED IN THE DRAFT CONSTITUTION, IT IS MORE THAN LIKELY THAT PALAU COULD EXPECT ECONOMIC STAGNATION AND RETARDATION, RATHER THAN ECONOMIC PROGRESS, GROWTH, AND



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 ADVANCEMENT."

"THE SHEER SIZE AND BREADTH OF THE MICRONESIAN ISLANDS  
 SCATTERED OVER A VAST EXPANSE OF OCEAN MAKE AN REALISTIC

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ATTEMPT AT NATIONALIZATION A HERCULIAN TASK. ADDITIONALLY, THE DISPARATE ISLANDS OF MICRONESIA, EACH WITH ITS OWN PECULIAR CULTURAL VALUES AND SOCIAL MORES, DISTINCT AND APART FROM THEIR NEIGHBORING ISLAND GROUPINGS, OFFER NO HISTORICAL PRECEDENT FOR A VIABLE POLITICAL UNIT. THUS WE FIRMLY BELIEVE THAT IF PRESENT CIRCUMSTANCES PREVAIL THERE CAN NEVER BE AND WILL NEVER BE A "TRANS-TERRITORIAL" SENSE OF ETHNICITY OR CULTURAL IDENTITY AMONG THE PEOPLES OF THE MICRONESIAN ISLANDS. ALTHOUGH SERIOUS ATTEMPTS TO BUILD MICRONESIA AS A NATION ARE TO THE CREDIT OF THE UNITED STATES AS AN ADMINISTERING AUTHORITY, CULTURAL AND POLITICAL PLURALISM HAVE BEEN AND CONTINUE TO ACT AS A COUNTERFORCE INTENSIFYING THE SENSE OF SEPARATION. IT IS THEREFORE CORRECT TO SAY THAT MICRONESIA LACKS THE VERY CULTURAL COMPONENTS UPON WHICH THE DIFFERENT ISLANDS AND DISTRICTS COULD COEXIST WITHIN A SINGLE INSTITUTIONAL FRAME AS A NATION."

"THE CONGRESS OF MICRONESIA WHICH HOLDS WITHIN ITS PARAMETERS OF LEGISLATIVE AUTHORITY THE CATALYSTIC POWER TO FORGE A NEW NATION HAS DONE MUCH TO ENGENDER THE NASCENT SPIRIT OF NATIONALITY AND UNITY OF MICRONESIA. BUT EVEN THERE, DESPITE SUSTAINED EFFORTS TO RECONCILE REGIONAL DIFFERENCES AND TO SEEK ACCOMMODATIONS AND COMPROMISES, THE SUCCESS THUS FAR ACHIEVED IS MORE A MYTH THAN A REALITY. THERE ARE, OF COURSE, MANY PEOPLE WHO WOULD DISAGREE WITH THIS ASSESSMENT, BUT MOUNTING EVIDENCE OF DISRUPTIVE POLITICAL FORCES AND OTHER CASUAL FACTORS LEND LITTLE CREDENCE TO ARGUMENTS BEING MADE BY ARDENT PROPONENTS OF UNITY THAT A PROSPECT OF A VIABLE NATION CALLED "MICRONESIA" TRULY EXISTS."

"MUCH TO THEIR CREDIT, THE CONGRESS OF MICRONESIA, INCLUDING THE MEMBERS OF THE PALAU DELEGATION TO THE CONGRESS, HAVE ADVOCATED AND HAVE FAVORABLY APPEALED FOR A UNIFIED MICRONESIA. DESPITE THESE EFFORTS, HOWEVER, IT HAS BECOME QUITE CLEAR AFTER A DECADE THAT ANY CHANCE FOR RECONCILIATION OF THE DIFFERENT POINTS OF VIEW OF THE DISTRICTS IS ANYTHING BUT REALISTIC. IN SHORT, WHILE CONSENSUS AND COMPROMISE HAVE ON OCCASIONS BEEN REACHED AMONG THE MEMBERS OF THE CONGRESS REGARDING SPECIFIC ISSUES, THESE SOLUTIONS SELDOM, IF EVER, HAVE BEEN SATISFACTORY TO ALL. CONSEQUENTLY, THE CONGRESS OF MICRONESIA HAS FOUND IT EXPEDIENT TO SPEAK

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PUBLICALLY IN FAVOR OF UNITY AND AT THE SAME TIME TACITLY IF NOT ACTIVELY GIVE RECOGNITION TO THE DIFFERENCES AND UNIQUENESS OF THE DISTRICTS BY TAILORING ITS LAWS AND OTHER ACTIONS TO ACCOMMODATE EACH OF THE DISTRICTS. ONE HAS ONLY TO JUDGE SUCH TRENDS BY EXAMINING THE EMPHASIS BEING PLACED BY THE CONGRESS ON DECENTRALIZATION ISSUE, ON REVENUE SHARING BETWEEN THE DISTRICTS AND THE CONGRESS, ON THE MARIANAS AND KUSAIE ISSUES, THE APPLICATION AND USE OF SCHOLARSHIP FUNDS, ADVICE AND CONSENT FOR DISTRICT LEVEL NOMINATIONS, AND THE FORMULATION OF DISTRICT "PORK BARREL" APPROPRIATIONS BY THE VARIOUS DELEGATIONS TO THE CONGRESS OF MICRONESIA."

"A CLOSE SCRUTINY OF THE DRAFT CONSTITUTION OF THE FEDERATED STATES OF MICRONESIA FROM THE STANDPOINT OF SOCIAL AND ECONOMIC IMPACTS ON PALAU DISTRICT WILL CLEARLY DISCLOSE WHY THE ADOPTION OF THE DRAFT CONSTITUTION IS INIMICAL TO THE WELL-BEING OF THE PEOPLE OF PALAU. FOR ONE THING, UNDER THE TERMS OF THE CONSTITUTION, PALAUANS CAN BECOME CITIZENS OF THE FEDERATION EVEN IF PALAU DISTRICT DOES NOT ADOPT THE CONSTITUTION. EACH STATE HAS NO RIGHT TO STOP PEOPLE OF OTHER STATES WITHIN DIFFERENT CULTURES FROM COMING TO LIVE IN PALAU. WHILE SUCH A CONCEPT IS LAUDATORY, THE APPLICATION OF THE APPROPRIATE PROVISION COULD LEAD TO THE CLASH OF CULTURES AND SOCIAL PROBLEMS. WE BELIEVE PALAU SHOULD HAVE THE POWER TO CONTROL IMMIGRATION. AS REGARDS THE POWERS OF THE CHIEF EXECUTIVE, THE PRESIDENT IS GIVEN ALMOST THE DICTATORIAL POWERS WITHOUT SUFFICIENT JUDICIAL CHECKS AND BALANCES WRITTEN INTO THE DOCUMENT TO RESTRAIN ANY EXCESSES IN THE EXERCISE OF THE PRESIDENTIAL AUTHORITY."

"AS REGARDS THE ECONOMIC PROVISIONS OF THIS DRAFT CONSTITUTION, THE STATES CANNOT PROTECT LOCAL INDUSTRIES BY TARIFFS; THEY CANNOT RENEGOTIATE LAND LEASES WITH THE UNITED STATES; THEY ARE PENALIZED BY TAXATION ON IMPORTS AND MUST PAY FOR AND ADMINISTER MANY ACTIVITIES HERETOFORE FUNDED BY THE TRUST TERRITORY GOVERNMENT. THAT IS, PUBLIC SAFETY, COMMUNICATIONS, PUBLIC TRANSPORT, INDUSTRIAL SAFETY, ENVIRONMENTAL PROTECTION; WHILE STATES GET 100 PERCENT OF NET REVENUE FROM OCEAN FLOOR MINERAL RESOURCES INSIDE 12 MILE LIMIT, THEY WILL NOT GET REVENUES FROM NATURAL RESOURCES THAT IS, FISHING, OUTSIDE 12 MILE LIMIT; STATES DO NOT HAVE CONTROL OVER MAJOR REVENUE GENERATING ACTIVITIES

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SUCH AS SECURITIES, BANKING, CORPORATIONS, AND YET THEY MUST ASSIST IN FINANCING EDUCATION AND HEALTH, SOCIAL SECURITY AND PUBLIC WELFARE."

"CURRENTLY, BOTH THE U.S. FEDERAL GRANT FUNDS AND THE REVENUES OF THE CONGRESS OF MICRONESIA HAVE NOT BEEN DISTRIBUTED OR ALLOCATED TO THE SIX DISTRICTS ON AN EQUAL BASIS. THE FIXED ANNUAL AMOUNT OF FEDERAL FUNDS GRANTED THE TRUST TERRITORY HAS BEEN AND IS ALLOTTED TO THE VARIOUS DISTRICTS ON THE BASIS OF OPERATIONAL AND CAPITAL PROJECT NEEDS OF THE DISTRICTS. SINCE MOST PRESSING NEEDS ARE FOUND EACH YEAR TO BE IN DISTRICTS OTHER THAN PALAU, THESE OTHER DISTRICTS HAVE HAD THE GOOD FORTUNE TO RECEIVE THE BULK OF UNITED STATES GRANT FUNDS. THE FUNDING NEEDS AND CAPITAL PROJECT REQUIREMENTS OF PALAU DISTRICT HAVE THEREFORE BEEN COMPROMISED, OVERLOOKED, OR POSTPONED TO FUTURE FISCAL YEARS."

"THE SAME HOLDS EVEN MORE TRUE IN THE CASE OF THE CONGRESS OF MICRONESIA FUNDS. DESPITE ECONOMIC POTENTIALS, DESPITE ITS REVENUE CONTRIBUTIONS, AND DESPITE ITS ACCESSABILITY TO OUTSIDE MARKETS, PALAU DISTRICT HAS FOUND ITSELF IN THE POSITION OF HAVING TO BEG FOR FUNDS AND TECHNICAL ASSISTANCE SINCE FUNDING REQUIREMENTS OF THE OTHER DISTRICTS ALWAYS SEEM TO BE MORE CRITICAL AND PRESSING."

"TIED TOGETHER WITH THE USE OF REVENUES FOR ECONOMIC DEVELOPMENT IS THE STATE OF OUR MANPOWER SITUATION IN MICRONESIA. PERHAPS NO OTHER DISTRICT SO DISPROPORTIONATELY CONTRIBUTES



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SECTION 03 OF 03

TO THE PROFESSIONAL AND ADMINISTRATIVE RESOURCES OF THE TRUST TERRITORY. DESPITE THIS FACT, HOWEVER, MANY OF THE SKILLED MANPOWER FROM PALAU DISTRICT FIND IT MANDATORY TO GO OUTSIDE

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THE TRUST TERRITORY IN SEARCH FOR BETTER EMPLOYMENT OPPORTUNITIES SINCE IT IS GENERALLY FELT THAT PALAUANS SHOULD NOT HOLD A MONOPOLY OF GOVERNMENT JOBS WITHIN MICRONESIA. THE NET EFFECT OF THIS IS A FUNDAMENTAL IRONY IN WHICH PALAU CONTRIBUTES THE GREATEST PERCENTAGE OF MIDDLE MANAGEMENT MANPOWER RESOURCES AND YET POLITICALLY PALAU IS UNABLE TO FIND THE WHEREWITHALS TO BUILD A SOLID ECONOMIC BASE AT HOME TO GIVE EMPLOYMENT TO ITS CITIZENS."

"FOREIGN INVESTMENT IS STILL ANOTHER ISSUE IN WHICH WE FIND OURSELVES AT ODDS WITH THE INTERESTS OF OTHER DISTRICTS. SOME DISTRICTS DESIRE TO SEVERELY RESTRICT FOREIGN CAPITAL INVESTMENT AND OTHERS WISH TO BE UNCONTROLLED, WITH VIEWPOINTS IN BETWEEN. OUR VIEWS ON THIS MATTER WERE EXPRESSED IN OUR PREVIOUS LETTER. SUFFICE TO SAY, WE DO NOT BELIEVE THAT OUR ECONOMIC DEVELOPMENT SHOULD LAG BEHIND, OR BE ACCELERATED BEYOND WHAT WE WISH, BECAUSE OF THE DIFFERING DESIRES AND ASPIRATIONS OF OTHER MICRONESIANS."

"WHEN RESPONSIVE GOVERNMENT PALES INTO INSIGNIFICANCE BEFORE THE MORE PRESSING ETHNIC AND TYRANNIC MAJORITY CLEAVAGES, IT IS TIME THAT PALAU SHOULD ASSERT ITS SENSE OF CULTURAL AND ECONOMIC DISTINCTIVENESS AND SET ABOUT ON ITS OWN TO SEARCH FOR ITS OWN FUTURE POLITICAL DESTINY--A DESTINY THAT WILL ENSURE THAT ITS CULTURAL AND ETHNIC HOMOGENEITY WILL BE RESPECTED. IT IS NOW THE TIME TO PLACE FIRST PRIORITY ON PALAU AS AN ENTITY IN AND UNTO ITSELF. THE IDEA THAT MICRONESIA CAN STILL UNITE AND BE ONE NATION IS NO LONGER WORKABLE OR VIABLE, SINCE THE DEPARTURE OF THE MARIANAS, AND ANY ARGUMENT IN THAT DIRECTION IS MUDY AND SPECIOUS AT THE LEAST. TO CONTINUE TO WAIT ON TO DEFER FROM TAKING ANY POSITIVE ACTION TO COME TO GRIPS WITH THE FUTURE DESTINY OF PALAU WILL ONLY PROCRASTINATE THE INEVITABLE AND WILL DEFINITELY BLUNT AND LIMIT OUR INITIATIVE AND DETERMINATION."  
(SEVENTH BILL ON ITS WAY TO HICOM)

SAIPAN, FEB. 20 (MNS)---THE OFFICE OF THE HIGH COMMISSIONER WILL SOON BE RECEIVING THE SEVENTH BILL APPROVED BY THE CONGRESS OF MICRONESIA DURING THE CURRENT SESSION. ACTION ON THE BILL CAME WHEN THE HOUSE OF REPRESENTATIVES VOTED UNANIMOUSLY TO APPROVE IT.

THE MEASURE, IS TO GRANT "SPECIAL RELIEF" TO DR. JOSE A. CHONG OF SAIPAN, BY DIRECTING THE HIGH COMMISSIONER

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