

Jan 17, 1977

MEMORANDUM OF CONVERSATION

U.S. PARTICIPANTS: Cyrus Vance, Secretary of State Designate  
Richard C. Holbrooke, Assistant Secretary  
for East Asia Designate  
Donald McHenry, Transition Team  
William H. Gleysteen, Deputy Assistant  
Secretary for East Asia

OTHER PARTICIPANTS: Tosiwo Nakayama, President of Senate,  
Congress of Micronesia  
Bethwel Henry, Speaker of House  
Congress of Micronesia  
Andon Amaraich, Chairman of Commission on  
Future Political Status and Transition  
(Formerly Head of Law of Sea and Status  
Committee)  
Senator Bailey Olter, Chairman, Committee  
on Political Status (of the Commission)  
Senator Nick Bossy, Chairman, Law of the  
Sea Delegation  
Paul Warnke, Counsel for Political Status  
Mr. Wyle, Counsel for Law of the Sea  
Mr. Asterio Takesy, Commission's Executive  
Director  
Mr. Victor Uherbelau, Counsel to Commission  
Mr. Leo Falcam, Washington Representative of  
Congress of Micronesia

DATE: Monday, January 17, 1977, 5:30 P.M.

PLACE: Secretary Designate's Office

SUBJECT: CIA Activities in Micronesia and Micronesia's Future  
Status

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After Mr. Warnke introduced him, Speaker Henry expressed great appreciation that Secretary Vance was willing to meet with the group. He stressed that to the Micronesians the most important question was that of their future political status--the Micronesian people want a close association with the U.S. but at the same time they wish to protect their sovereignty and to be able to exploit their natural resources. Mr. Warnke added that the process of negotiation toward a compact of association between the U.S. and Micronesia had been very uneven, recently complicated by the Marianas' decision to split off and sign a separate covenant with the U.S. Nevertheless, the trusteeship will continue until the entire package is complete. The immediate problems in the negotiations were those of marine resources and the of the Micronesian constitution with the concept of "free association."

Mr. Amaraich noted that the meeting with the Secretary Designate flowed from a session that he had had with Senator Inouye who had talked to them about CIA activities in Micronesia. The CIA activities came as a shock to the Micronesians who had been negotiating with the U.S. in good faith. They could not be explained away as a crazy aberration and hence as a first request Mr. Amaraich urged that Mr. Vance agree that: (1) investigate the CIA activities; (2) assure the Micronesians that it would never again be permitted; and (3) let the Micronesians know who amongst the Micronesians involved in the negotiations might have been working with the CIA. Without clarification of this latter point, he said, an error of mutual distrust existed which was poisoning the atmosphere in Micronesia.

Mr. Vance assured Mr. Amaraich that there would be an investigation and that there would never again be activities in Micronesia such as those by the CIA. After getting Mr. Amaraich's clarification as to what he meant by the "staff" working on the negotiation namely that he meant members of the Commission, members of the Congress of Micronesia, and Government employees, the Secretary Designate stated that we would inform the Micronesians if any such people had been involved.

As a second point Mr. Amaraich criticized what he felt was a lack of conviction and firmness in recent U.S. statements that we still favor the unity of Micronesia even though the Marianas have gone their separate ways in the status negotiations. Without more vigorous U.S. efforts to maintain unity he felt the centrifugal tendency among the districts would destroy the Micronesian entity.

Thirdly Mr. Amaraich brought up marine resources stating that it seemed to be a problem which could be resolved if the Micronesians could only get adequate U.S. attention. And finally he mentioned that the constitution which had been drafted and approved over a year ago by a representative group of Micronesians. The constitution was in a kind of a limbo; the proposed referendum had never taken place and the U.S. attitude was not clear. In any event the constitution should be voted up or down if Micronesia were to continue its progress toward self government.

Mr. Amaraich returned to the question of marine resources acknowledging that the U.S. did have problems stemming from Law of the Sea considerations. For example the U.S. had excluded tuna fishing from control within the 200 mile fishing zone for national or possibly security reasons. This meant that Micronesia was deprived of the only exploitable marine resource in the area. He wondered if the U.S. could not resolve the matter by considering Micronesia a state for purposes of Law of the Sea.

Speaker Henry objected to the U.S. tendency to treat the 1981 deadline date for ending the trusteeship as too arbitrary and amounting to unfair pressure on the Micronesians. He urged that we review this date realistically, paying particular attention to the phasing of the new status and Micronesia's development plans. Mr. Warnke underscored the point saying that the date has been successively sanctified. He suggested that before a date was set the Micronesian constitution should be passed, the newly constituted government should be in place, a trial period to test the concept of \_\_\_\_\_ should be included and there should be prior agreement on Micronesia's economic development plan.

Secretary Designate Vance, explaining his lack of detailed knowledge suggested as a first step he felt there was a need for an integrated knowledge in the U.S. on Micronesian matters. And he proposed to talk to others to bring this about. Mr. Amaraich reacted warmly to this suggestion because the Micronesians had to deal with Departments of State, Defense and Interior and so often seem to be victims of bureaucratic infighting. He asked and Mr. Vance agreed, to try to arrange for a meeting with Secretary Designate of Interior Andrus.

Mr. Nakayama spoke of Micronesia's desire to shift away from dependence on U.S. grants and to undertake a development program with U.S. and UNDP assistance which would eventually enable Micronesia to finance itself. There had been some progress toward creating the necessary economic infrastructure, and Micronesia was now an associate member of ESCAP. Moreover, a development plan had been approved last year. But there was still a problem of implementation and money for which the Micronesians still sought generous U.S. help. The U.S. had helped Micronesia become a member of ESCAP. They also wanted to be members of the ADB and hoped that the U.S. Treasury Department would stop blocking this action so that Micronesia would have access to ADB funds. Mr. Nakayama associated himself with others who criticized the early date for ending the trusteeship. In conclusion we spoke at some length about the severe and unhealthy impact on the "entire system" in Micronesia from disclosures of CIA activities. Gesturing toward his fellow commissioners, he said he could not be sure of his colleagues intimately, he said that the U.S. actions had caused a horrible distrust amongst the Micronesians which had shattered the credibility of the negotiations. It was essential that the U.S. reveal the names of the people involved.

Secretary Designate Vance clarified what he had agreed to do namely he had agreed to determine whether any Micronesians associated with the negotiations had been involved with CIA but that he had not commented on the question of whether any names could be revealed.

Mr. Nakayama concluded the Micronesians presentation with two further requests. First, he asked whether it would be possible for the Micronesians to be provided with some money for conducting

their own campaigns for political education. Current educational activities were entirely presented by U.S. government employees who in subtle and not so subtle ways sometimes influenced opinion in directions at variance with Micronesian interests. Second, he asked if there were some way the U.S. could handle Micronesian matters by bypassing the Department of Interior's Office of Territorial Affairs. Micronesia was not a U.S. territory, and Micronesians were sick and tired of the patronizing treatment they had received from the Department of the Interior over the years.

Mr. Vance declined to comment on these issues until he had had a chance to see what could be done about them, and he objectively asked to disqualify himself in the involvement of air service in Micronesia.

Drafted by:  
EA:WHCleysteen:1-20-77

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