

Oliver

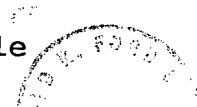
NOTES FOR OPENING ORAL STATEMENT BEFORE MINORITY
MEMBERS OF BURTON SUBCOMMITTEE
30 SEPTEMBER 1974

I. Express pleasure to be able to meet with minority members informally, and introduce Admiral Bigley.

- Regrets that Ambassador can't be here, but in San Francisco
- Undoubtedly had report of proceedings at sub-committee meeting from Dunmire
- Desire to keep all committee members informed on what is going on and to get their advice and support
- Hope there was also some opportunity to review written material presented
 - For Marianas:
 - Communiques and latest printed record of 4th Session.
 - Question list for staff
 - For Joint Committee: Draft Compact
- Will be appearing tomorrow before full sub-committee with Interior and TT witnesses in support of supplemental authorization request.
- Meanwhile background discussion may be useful and serve to save time tomorrow when concentration should be on money matters.

II. First refer to Marianas and what has happened since report in June following Marianas IV.

- At that time reported that:
 - Agreement reached that Marianas upon termination Trusteeship would become self-governing commonwealth under U.S. sovereignty, with own constitution, and with people



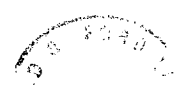
given right to become U.S. citizens.

- Agreement reached that while self sufficiency the goal during first seven years of new relationship USG would provide financial support in form of grants, loans and assistance through various federal programs.
- Agreed that U.S. military land requirements would be met on Tinian, Saipan and Farallon de Medinilla.
- Since June
 - The Joint Drafting Committee has been at work to produce a draft agreement.
 - The Joint Land Committee has met on Saipan and is meeting here in Washington at the present time to consider the price the method of payment and leaseback and joint use arrangements. Its report is just being completed.
 - The Marianas District Legislature has met and has passed by unanimous vote a resolution asking for separate administration of the Marianas as soon after a plebiscite on commonwealth as possible.
 - The COM has met in special session and in anticipation of the MDL resolution on separate administration passed its own resolution restating its earlier position that the COM was the sole authority authorized to conduct negotiations and that separate administration of any district would violate the Trusteeship Agreement. A clear declaration of its intent to contest the separate Marianas talks and separate administration.

- A faction on Tinian that wants to limit the land made available to the U.S. has been busy and refuses to accept authority of MPSC to negotiate for them. Local politics enmeshed with negotiations and unfortunately fanned by anti-U.S., anti-military, non-indigenous elements, some with political motivations, others perhaps with economic interests in mind. Tinian divided two camps: one led by newly elected Mayor, leader of the limit-U.S. faction, other by senior member MPSC. Two petitions - One "Justice for Tinian Committee", other "We Love America Committee".

III. The Micronesian Talks

- Since meeting with Subcommittee in June met with Salii-Silk in Guam in July.
 - Out of this meeting came agreed complete draft compact except for one or two relatively minor matters and except for land options in Palau as called for by Annex B.
 - It was a difficult session with Salii attempting to diminish in a number of ways U.S. authority under the Compact and threatening to break off the talks at a number of points, a tactical maneuver which he has practiced a number of times in the past. But in the end it looked as if after seven rounds and any number of private sessions we finally had an agreement.
 - You have a copy of the draft compact. Won't take the time to summarize it now but will be happy to answer any questions you might have on it.



- The COM Special Session.
 - JCFS met to discuss Guam draft Compact. Chairman in statement forwarding draft to COM said JCFS approved Guam draft but the draft they forwarded had a number of language changes from the draft that we had agreed to.
 - Some changes insignificant.
 - Other changes substantive and again an effort to reduce U.S. authority in foreign affairs and defense and to give Micronesia all the appearances of being independent.
- Next step will be another meeting with Salii and Silk in October after their return from Asian trip.
 - Hope at that time to resolve language differences but believe that behind their proposed changes may lie some deep substantive differences--i.e., right to unilaterally terminate Compact in event of serious breach in its implementation despite Title XI.
 - Hope we can avoid serious misunderstandings--but if JCFS insists on major modifications we will probably have to reappriase the situation and our offers to date. It is clear that what they really want is "disguised independence" and all the money they can get.
- Meanwhile Palau Land Survey has gone forward.
 - Team welcomed in Palau.
 - Looking over alternative sites.
 - With options only.

- Next step to decide on exact sites--i.e., first choices and sit down with PDL and traditional chiefs.
- Final step--actual negotiations including price at which time JCFS will participate.
- All of this can be complicated by Transfer of Public Land Policy and status of enabling legislation.
 - Highly complicated.
 - U.S. action in response Micronesian requests.
 - COM divided and land bill that was passed to be vetoed.
 - U.S. will take executive action if requested.

IV. The Outlook and Possible Timetable

- Marianas: Clouded by internal politics and election
 - Marianas V in November.
 - MDL in December--could approve agreement.
 - Marianas plebiscite--March-April 1975.
 - Marianas separate administration--Spring 1975
 - submission to U.S. Congress late spring 1975.
- Micronesia
 - October meeting Co-Chairmen JCFS
 - November Palau land negotiations.
 - December--Micronesia VIII possible but not likely unless JCFS gives its full cooperation in bringing Palau land talks to successful conclusion.
 - January--Compact to COM.
 - If approved COM position is plebiscite and constitutional convention to be held simultaneously.

- If this timetable followed not likely that plebiscite will be held until summer of 1976.
- Compact would then be submitted to Congress of the U.S. (unless Congress would prefer to deal with it prior to plebiscite--need your views on this question).

- Final words

- Continue to give our full attention and best to the problem
- Progress has been made to be sure.
- But local internal problems--of unity, political rivalries and a growing contentiousness is and probably will continue to make the negotiations difficult.
- We may be on a collision course with the COM over the Marianas which would seriously impede or cause a breakdown in the Micronesian talks and we have to be prepared for this eventuality--or the one earlier alluded to if it becomes clear that what they want is subsidized independence under another name.