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THE PRESIDENT'S PERSONAL REPRESENTATIVE
FOR MICRONESIAN STATUS NEGOTIATIONS
WASHINGTON, D.C. 20240

November 13, 1978

Ms. Nancy Snyder
Deputy Administrator for Family
Nutrition Programs
Food and Nutrition Service
U. S. Department of Agriculture
Washington, D. C.

Dear Ms. Snyder:

This letter follows my interesting and useful meeting today at the office of Mrs. Ruth Van Cleve, Director of the Office of Territorial Affairs, Department of the Interior, with Mr. Del Castillo. He suggested that it would be useful for your Department's purposes if I were to describe my perspective on USDA's food programs in the Trust Territory of the Pacific Islands (TTPI). This letter complies with that request and is intended for your Department's planning purposes only.

I must begin by emphasizing the distinction between my functions and interests and those of the Department of the Interior. While the Department of the Interior and the High Commissioner are responsible for the administration of the TTPI, mine is an interagency office which is charged by the President with responsibility for negotiating a new political status to replace the United Nations Trusteeship under which the United States has administered the TTPI since shortly after World War II. The President has stated that it is the Administration's objective to terminate the Trusteeship in 1981.

The negotiations which I have been conducting for the past year have achieved agreement in principle with political status commissions representing three separate and distinct entities within the TTPI, the Marshall Islands, Palau and the future Federated States of Micronesia, embracing the districts of

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Yap, Truk, Ponape and Kosrae. A copy of the signed Statement of Principles describing the future relationship between the U. S. and each of these entities is enclosed herewith. We are now negotiating a full Compact of Free Association to implement these principles.

You will note that the Statement is silent on the matter of post-Trusteeship U. S. economic assistance. This has not yet been negotiated with the Micronesian commissions, but negotiations on this topic are scheduled for the next negotiating round in mid-January. For present purposes, however, it may suffice for me to tell you as, indeed, I have already told the Micronesian commissions, that we plan to give each government a flat cash grant from which they will fund nearly all of their requirements. The only exceptions planned are the continued provision of three federal agencies' programs, the FAA, the Weather Service and the Postal Service, without additional cost to them. We do not contemplate the continuation of any other federal programs in the post-Trusteeship period except for such as the Micronesians themselves might wish to pay for out of their cash grants. I do not, frankly, believe that the latter is a likely eventuality as the cash grants I am authorized to negotiate are not large enough and the administrative costs are so high, that the future Micronesian governments are likely to conclude that their limited funds could be better spent otherwise.

✓ I should also add that additional U. S. post-Trusteeship assistance will not be available to the Micronesians through AID, both for all the reasons set forth in the preceding paragraph and because the Micronesians' unprecedented "free association" political status will leave them neither a U. S. territory nor independent. This means that the Micronesians will not be eligible for food assistance either through USDA or through AID. I should add, however, that the foregoing represents the Administration's position going into negotiations with the Micronesians. It may become necessary to adjust that position to some extent in order to attain both a negotiated agreement and congressional approval.

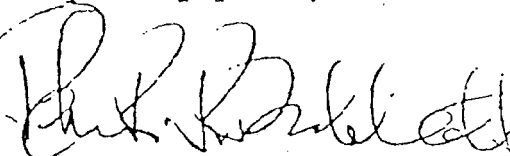
With this background you may well understand the dismay with which I learned that food programs in the TTPI were to be drastically increased in the near future. I have, since nearly the first day of my incumbency, argued that, far from expanding federal categorical programs in the Trust Territory in the waning days of the Trusteeship, the USG should be cutting them back since, as a practical matter, our negotiating position precludes their continuation under free association. Failure to do so would simply make the transition from current levels of expenditure to those which will be feasible for the Micronesians under free association less politically and economically disruptive.

My concern has been focussed on those federal categorical programs which distribute commodities and services which do not contribute to the Micronesians' ability to become economically self-sufficient. Chief among these programs, even before the recent authorized increases, have been the various USDA feeding programs.

On the other hand, it is in the interests of both the USG and the Micronesians to promote the creation of an economic infrastructure and productive enterprises which will aid a Micronesian drive toward economic self-sufficiency. I support such programs since they will reduce Micronesian pressure for higher levels of U. S. post-Trusteeship assistance. I oppose programs which do not contribute to Micronesian self-sufficiency since the new Micronesian governments will be under political pressure to replace or continue them in the post-Trusteeship period for which they will need more costly assistance from the U. S.

I hope that this explanation will be helpful to you in understanding the total USG perspective on current USDA feeding programs in the TTPI. I am very grateful to Mr. Del Castillo for his initiative in bringing the new situation created by massive new program requests to the attention of my office, and I will be more than happy to furnish any further explanations which you may desire.

Very truly yours,



Peter R. Rosenblatt
Ambassador

Encl: Statement of Principles

cc: Director, Office of Territorial Affairs
High Commissioner, Trust Territory of the
Pacific Islands

bcc: Mr. Bob Bauerlein
Honorable Matthew Nimetz

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