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*Summit of Micronesia
Status Negotiations*

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COMTWELVE FOR AMBASSADOR WILLIAMS
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(NOTE TO EDITORS AND NEWS DIRECTORS: THE FOLLOWING STATEMENT WAS ISSUED BY AMBASSADOR FRANKLIN HAYDN WILLIAMS ON THURSDAY, APRIL 19, AS HE DEPARTED FROM SAIPAN FOR HIS TOUR OF THE EASTERN DISTRICTS OF THE T.T. MNS IS TRANSMITTING THE STATEMENT IN ITS ENTIRETY FOR YOUR USE AS YOU WISH. THE STATEMENT CONSTITUTES A SUMMARY OF THE ENTIRE TWO WEEKS OF THE PALAU STATUS TALKS AS VIEWED BY THE HEAD OF THE U.S. DELEGATION.

PAGE THREE RUHGSAA4701 UNCLAS

THE FOURTH ROUND OF STATUS TALKS AT KOROR, PALAU WAS CONSIDERED BY THE AMERICAN AND THE MICRONESIAN DELEGATIONS TO BE A HIGHLY USEFUL AND PRODUCTIVE FURTHER EXPLORATION OF THE ISSUES INVOLVING THE FUTURE STATUS OF MICRONESIA, AND THE FUTURE RELATIONSHIP BETWEEN MICRONESIA AND THE UNITED STATES.

THE KOROR TALKS WERE AN EXTENSION OF THOSE HELD LAST OCTOBER IN HANA, MAUI, HAWAII. BUILDING ON THE FOUNDATION OF PRELIMINARY UNDERSTANDINGS REACHED AT HANA, FURTHER PROGRESS WAS MADE IN ARRIVING AT TENTATIVE AGREEMENTS IN PRINCIPLE ON A NUMBER OF IMPORTANT AREAS. THESE INCLUDED: THE NATURE OF THE FUTURE RELATIONSHIP BETWEEN THE UNITED STATES AND MICRONESIA AND THE COMPACT WHICH WOULD GOVERN THIS RELATIONSHIP; THE DIVISION OF RESPONSIBILITIES THAT WOULD FLOW FROM THE COMPACT; AND, FINALLY, THE TERMINATION PROVISIONS OF THE COMPACT. THE QUESTION OF OF TRANSITIONAL ARRANGEMENTS, AND FINANCIAL PROVISIONS TO BE INCLUDED IN THE COMPACT, WERE ALSO EXPLORED IN A PRELIMINARY EXCHANGE OF VIEWS AT KOROR.

THE FOURTH ROUND OPENED ON EASTER MORNING WITH AN INVOCATION BY FATHER FELIX AND A BENEDICTION BY PASTOR SAVAGE. THE HEADS OF BOTH DELEGATIONS ACKNOWLEDGED THE SIGNIFICANCE OF THE BEGINNING

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OF THE TALKS ON EASTER WITH ITS ETERNAL MESSAGE OF FAITH AND HOPE FOR THE FUTURE. RECOGNIZING THE IMPORTANCE OF THE TALKS, THE PRESIDENT OF THE UNITED STATES SENT HIS GREETINGS AND BEST WISHES TO BOTH DELEGATIONS. HIS CABLED PERSONAL MESSAGE, STATING THAT

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"THE U.S. LOOKS FORWARD TO THE CONTINUATION OF A RELATIONSHIP WITH MICRONESIA THAT WILL BRING LASTING BENEFITS TO BOTH OUR PEOPLES," WAS READ INTO THE RECORD OF THE FIRST SESSION OF THE KOROR TALKS.

IN THE FIRST WORKING SESSION, THE CHAIRMAN OF THE JOINT COMMITTEE ON FUTURE STATUS, SENATOR LAZARUS SALII, SAID THAT THE MICRONESIAN DELEGATION "WAS APPROACHING THESE TALKS IN A SPIRIT OF GREATER OPTIMISM THAN HAD PREVAILED AT THE BEGINNING OF PRIOR SESSIONS AND THAT THIS OPTIMISM WAS WARRANTED BY THE SUBSTANTIAL PROGRESS MADE AT HANA." IN RESPONSE TO THAT STATEMENT I STATED MY HOPE THAT PALAU "WILL BE REMEMBERED AS A PLACE WHERE OUR FRIENDSHIP WAS REAFFIRMED AND RENEWED, AND THAT IT WAS HERE THAT A FIRM FOUNDATION WAS LAID FOR A FUTURE MUTUALLY SATISFYING RELATIONSHIP BETWEEN YOUR PEOPLE AND MINE, AND FOR A TRUE, IMPROVED, AND JUST PARTNERSHIP."

THESE OPENING REMARKS SET THE TONE FOR THE EXCHANGES THAT

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TOOK PLACE IN THE INFORMAL SESSIONS AND MEETINGS THAT FOLLOWED. A SERIOUS AND CONSTRUCTIVE EFFORT WAS MADE BY BOTH DELEGATIONS TO LISTEN TO, TO STUDY, AND TO RESPOND TO THE VARIOUS POSITIONS PUT FORWARD BY BOTH SIDES. AS A RESULT, WE FIRMLY BELIEVE THAT OUR DIFFERENCES WERE NARROWED, THAT WE HAVE COME MUCH CLOSER TOGETHER ON A NUMBER OF FUNDAMENTAL ISSUES, AND THAT AGREEMENT IN PRINCIPLE HAS NOW BEEN REACHED ON THE BASIC NATURE OF OUR FUTURE RELATIONSHIP. AT THE SAME TIME, A NUMBER OF IMPORTANT QUESTIONS REMAIN TO BE RESOLVED AND MUCH HARD WORK LIES AHEAD BEFORE A FINAL COMPACT OF FREE ASSOCIATION CAN BE DRAFTED FOR SUBMISSION TO THE PEOPLE OF MICRONESIA FOR THEIR APPROVAL.

THE QUESTIONS OF CONTROL OF LANDS AND CONTROL OF LAWS HAD BEEN LARGELY SETTLED AT HANA. AT KOROR, THE U.S. DELEGATION REAFFIRMED ITS EARLIER STATEMENTS THAT, UNDER THE TERMS OF A COMPACT, MICRONESIA WOULD BE FREE TO GOVERN ITS INTERNAL AFFAIRS, TO DRAFT AND ADOPT ITS OWN CONSTITUTION, AND TO ENACT ITS OWN LAWS. LIKewise, WE STATED AGAIN THAT UNDER ITS NEW STATUS MICRONESIAN LANDS WOULD BE UNDER THE CONTROL OF MICRONESIANS, AND THAT IN THE FUTURE THE U.S. WOULD ACQUIRE LAND ONLY IN ACCORDANCE WITH THE TERMS OF THE COMPACT AND MICRONESIAN LAW.

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WITH THESE TWO ISSUES BEHIND US, THE TALKS AT KOROR CENTERED ON THE NATURE OF OUR FUTURE RELATIONSHIP, FOREIGN AFFAIRS, DEFENSE, TRANSITIONAL ARRANGEMENTS, FINANCE, AND POSSIBLE MEANS OF TERMINATING THE COMPACT. IT WAS AGREED THAT OUR FUTURE RELATIONSHIP WOULD BE GOVERNED BY A COMPACT OF FREE ASSOCIATION BETWEEN THE UNITED STATES AND MICRONESIA. THIS COMPACT, BEFORE IT CAN COME INTO FORCE, MUST BE SUBMITTED TO THE CONGRESSES OF MICRONESIA AND OF THE UNITED STATES FOR THEIR APPROVAL. FOLLOWING THOSE ACTIONS, IT MUST BE SUBMITTED TO THE PEOPLE OF MICRONESIA FOR THEIR APPROVAL AS AN EXERCISE OF THEIR SOVEREIGN RIGHT OF SELF-DETERMINATION, AND OF THEIR INHERENT RIGHT TO CHOOSE THEIR OWN FUTURE.

~~BY POPULAR VOTE THE PEOPLE OF MICRONESIA, SHOULD THEY APPROVE THE COMPACT, WOULD VEST AUTHORITY OVER INTERNAL AFFAIRS IN THE FUTURE GOVERNMENT OF MICRONESIA, AND AUTHORITY FOR FOREIGN AFFAIRS AND DEFENSE IN THE GOVERNMENT OF THE UNITED STATES. ALL POWERS AND RESPONSIBILITIES OF EITHER PARTY TO THE COMPACT WOULD DERIVE FROM THE COMPACT AND THE U.S. WOULD NOT HAVE ANY AUTHORITY IN MICRONESIA NOT VESTED IN IT BY THE PEOPLE OF MICRONESIA.~~

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IT WAS AGREED THAT THE GOVERNANCE OF MICRONESIA'S FUTURE INTERNAL AFFAIRS WOULD BE DETERMINED BY MICRONESIA'S OWN CONSTITUTION, AS AN IMPORTANT TRANSITIONAL STEP TO MICRONESIA'S FUTURE STATUS. THE U.S. DELEGATION PROPOSED AT KOROR THE EARLY CONVENING OF A BROADLY REPRESENTATIVE MICRONESIAN CONSTITUTIONAL CONVENTION TO BEGIN THE TASK OF DETERMINING THE STRUCTURE OF MICRONESIA'S FUTURE GOVERNMENT AND THE RELATIONSHIPS BETWEEN THE

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CENTRAL GOVERNMENT AND THE DISTRICTS. THE U.S. DELEGATION WAS PLEASED TO LEARN THAT IT IS THE INTENT OF THE CONGRESS OF MICRONESIA TO ADOPT ENABLING LEGISLATION FOR SUCH A CONVENTION.

IN THE SAME MANNER AS AUTHORITY OVER INTERNAL AFFAIRS WOULD BE VESTED IN THE FUTURE GOVERNMENT OF MICRONESIA, IT WAS AGREED THAT THE PEOPLE OF MICRONESIA, BY APPROVAL OF THE COMPACT, WOULD VEST AUTHORITY FOR FOREIGN AFFAIRS IN THE GOVERNMENT OF THE UNITED STATES. ALTHOUGH MANY DETAILS REMAIN TO BE WORKED OUT, THE U.S. DELEGATION MADE CLEAR THAT IT ENVISAGED A MAJOR AND DIRECT ROLE FOR MICRONESIA IN INTERNATIONAL ACTIVITIES OF DIRECT CONCERN TO MICRONESIA.

IN OUR FUTURE RELATIONSHIP MICRONESIA WOULD BE ENCOURAGED TO PARTICIPATE IN REGIONAL AND OTHER INTERNATIONAL ORGANIZATIONS OF IMPORTANCE TO MICRONESIA, AND COULD SOLICIT AND OBTAIN ASSISTANCE FROM SUCH ORGANIZATIONS AS THE UN SPECIALIZED AGENCIES. FURTHER, THE MICRONESIAN GOVERNMENT AND PEOPLE WOULD BE FREE TO ENTER INTO NON-GOVERNMENTAL AGREEMENTS WITH FOREIGN PRIVATE OR GOVERNMENT-OWNED DEVELOPMENT AND TRADING BANKS, EXPORT-IMPORT BANKS, ECONOMIC AND TECHNICAL ASSISTANCE AGENCIES, AND SIMILAR INSTITUTIONS FOR THE PURPOSE OF PROMOTING TRADE, INVESTMENT, AND

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FOREIGN ASSISTANCE IN THE WAY OF LOANS, GRANTS, AND TECHNICAL AID. THE U.S. DELEGATION ALSO REAFFIRMED ITS STATEMENTS, MADE AT HANA, THAT FOREIGN INVESTMENT MATTERS, TRADE, ALIENATION OF LAND, AND IMMIGRATION ARE ALL MATTERS WHICH WOULD BE EXCLUSIVELY

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WITHIN THE JURISDICTION OF THE MICRONESIAN GOVERNMENT.
 THE U.S. DELEGATION FURTHER PROPOSED THAT THE U.S. GOVERNMENT WOULD PROVIDE WHATEVER ASSISTANCE MIGHT BE NECESSARY WITH RESPECT TO THE NEGOTIATIONS AND CONCLUSION OF OFFICIAL GOVERNMENT-TO-GOVERNMENT AGREEMENTS FOR ECONOMIC OR TECHNICAL AID FROM OTHER GOVERNMENTS, OR FOR OTHER PURPOSES. WE STATED THAT, IN ALL CASES INVOLVING INTER-GOVERNMENTAL AGREEMENTS RELATING TO MATTERS OF PURELY MICRONESIAN CONCERN, THE U.S. GOVERNMENT WOULD ENTER INTO NEGOTIATIONS ONLY AT THE REQUEST OF THE MICRONESIAN GOVERNMENT, AND WOULD CONCLUDE AGREEMENTS ONLY WITH THE PARTICIPATION AND CONSENT OF THE MICRONESIAN GOVERNMENT. ALTHOUGH DETAILS ON THE ABOVE PROPOSED ARRANGEMENTS NEED TO BE WORKED OUT, IT WAS AGREED THAT THERE WILL BE CONSULTATIONS BY BOTH THE U.S. GOVERNMENT AND THE FUTURE GOVERNMENT OF MICRONESIA ON INTERNATIONAL MATTERS DIRECTLY IN THEIR COUNTERPART'S INTEREST.

AT KOROR IT WAS FURTHER AGREED IN PRINCIPLE THAT THE

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 MICRONESIAN PEOPLE, SHOULD THEY APPROVE THE COMPACT, WOULD ALSO VEST DEFENSE RESPONSIBILITIES AND AUTHORITY IN THE U.S. GOVERNMENT. THE DETAILS ON HOW U.S. DEFENSE RESPONSIBILITIES WOULD BE EXERCISED NEED TO BE FURTHER REFINED. BUT ~~AT KOROR IT WAS AGREED THAT THE U.S. WOULD HAVE: (A) COMPLETE RESPONSIBILITY FOR THE DEFENSE OF MICRONESIA; (B) THE ABILITY TO PREVENT OTHER FOREIGN POWERS FROM USING MICRONESIA FOR MILITARY PURPOSES; AND (C) THE RIGHT TO USE U.S. MILITARY BASES IN MICRONESIA TO SUPPORT U.S. SECURITY RESPONSIBILITIES IN THE PACIFIC OCEAN AREA.~~

AT THE SAME TIME, THE U.S. DELEGATION MADE CLEAR THAT THE MICRONESIAN GOVERNMENT WOULD BE FULLY AND REGULARLY CONSULTED ON DEFENSE AND OTHER SECURITY MATTERS DIRECTLY AFFECTING MICRONESIA. THE U.S. DELEGATION FURTHER POINTED OUT THAT MICRONESIA NEED NOT BE INVOLVED AGAINST ITS WILL IN CONFLICTS WHICH DO NOT CONCERN MICRONESIA. MICRONESIANS WOULD NOT BE SUBJECT TO INDUCTION IN THE ARMED FORCES OF THE UNITED STATES, UNLESS THEY ARE PERMANENT RESIDENTS OF THE U.S. AGREEMENT, BASED ON A U.S. PROPOSAL, WAS ALSO REACHED ON THE PRINCIPLE THAT RELATIONSHIPS BETWEEN THE MICRONESIAN PEOPLE AND THEIR GOVERNMENT OF THE ONE HAND, AND THE U.S. ARMED FORCES STATIONED IN MICRONESIA ON THE OTHER, WOULD BE

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GOVERNED BY A JURISDICTIONAL AGREEMENT TO GO INTO EFFECT
SIMULTANEOUSLY WITH THE COMPACT OF FREE ASSOCIATION.

THE QUESTION OF POSSIBLE MEANS OF TERMINATING A FUTURE
COMPACT WAS RECOGNIZED BY THE U.S. DELEGATION AS BEING ONE OF
GREAT CONCERN AND IMPORTANCE TO THE JOINT COMMITTEE ON FUTURE
STATUS BECAUSE OF THE LATTER'S MANDATE FROM THE CONGRESS OF
MICRONESIA. THE U.S. DELEGATION THEREFORE GAVE CAREFUL
ATTENTION AND CONSIDERATION TO THE VIEWS PUT FORWARD BY THE
MICRONESIAN DELEGATION, AND TO THEIR DESIRE THAT THE COMPACT
PROVIDE FOR UNILATERAL TERMINATION OF OUR FUTURE RELATIONSHIP
BY EITHER PARTY.

THE U.S. HAS FELT AND CONTINUES TO BELIEVE THAT ITS
PROPOSAL AT HANA FOR TERMINATION OF A COMPACT BY MUTUAL CONSENT
WOULD BEST ASSURE TO MICRONESIA PROTECTION OF MICRONESIAN
INTERESTS, AND PROVIDE TO MICRONESIA THE SECURITY AND STABILITY
SO ESSENTIAL TO HER DEVELOPMENT. UNDER THAT ARRANGEMENT, THE
U.S. COULD NOT ALTER OR TERMINATE ITS OBLIGATIONS TO MICRONESIA
WITHOUT THE CONSENT OF MICRONESIA. NEVERTHELESS, AS STATED AT
KOROR, THE U.S. DOES NOT INTEND TO IMPOSE OR FORCE AN UNWANTED
FRIENDSHIP AND ASSOCIATION ON MICRONESIA AGAINST THE WILL OF ITS

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COMTWELVE FOR AMBASSADOR WILLIAMS
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PEOPLE. WE UNDERSTAND FULL WELL THAT FORM OF POLITICAL
ASSOCIATION COULD BE EXPECTED TO BE PERMANENT, OR EVEN LONG-LASTING,
UNLESS IT IS SATISFYING TO BOTH PARTIES AND UNLESS MUTUAL NEEDS
AND INTERESTS WERE BEING SERVED."

ACCORDINGLY, DESPITE OUR BELIEF THAT THE INTERESTS OF BOTH
PARTIES WOULD BE BEST SERVED BY TERMINATION ONLY BY MUTUAL
CONSENT, THE U.S. DELEGATION AGREED TO THE PRINCIPLE PUT FORWARD

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BY THE MICRONESIAN DELEGATION THAT, AFTER A CERTAIN PERIOD OF
YEARS, EITHER PARTY WOULD HAVE THE RIGHT UNILATERALLY TO TERMINATE
THE COMPACT AND OUR RELATIONSHIP. THERE WAS AGREEMENT THAT THERE
SHOULD BE AN INITIAL PERIOD OF YEARS DURING WHICH TERMINATION
COULD BE ONLY BY MUTUAL CONSENT IN ORDER TO ASSURE THAT THE
COMPACT AND OUR FUTURE RELATIONSHIP HAVE A FULL AND FAIR TEST.
TERMINATION PROCEDURES REMAIN TO BE WORKED OUT, INCLUDING THE
LENGTH OF THE INITIAL PERIOD DURING WHICH TERMINATION COULD BE
ONLY BY MUTUAL CONSENT. AT KOROR THE U.S. PROPOSED THIS PERIOD
SHOULD BE FIFTEEN YEARS.

SHOULD THE COMPACT BE TERMINATED, IT WAS AGREED THAT U.S.
DEFENSE LAND LEASES AND OPTIONS WOULD STILL RUN THEIR FULL
CONTRACT LENGTH AND THAT A MUTUAL SECURITY PACT, NEGOTIATED
BEFORE THE SIGNING OF THE COMPACT, WOULD COME INTO FORCE
SIMULTANEOUSLY WITH TERMINATION.

ALTHOUGH VIEWS ON OUR POSSIBLE FUTURE FINANCIAL RELATIONSHIPS
WERE EXCHANGED AT KOROR, IT WAS THE U.S. POSITION THAT RESOLUTION
OF THIS VITAL ISSUE REQUIRES ANSWERS TO MANY QUESTIONS BEFORE ANY
DETAILED ARRANGEMENTS CAN BE ARRIVED AT. WE NEED TO HAVE FAR MORE
INFORMATION ON MICRONESIA'S FUTURE REQUIREMENTS, ON THE NATURE

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OF HER FISCAL POLICIES AND INSTITUTIONS, ON THE CATEGORIES OF U.S.
PROGRAMS AND SERVICES THAT WILL APPLY IN MICRONESIA IN A NEW
RELATIONSHIP, AND ON THE DEGREE TO WHICH MICRONESIA WILL WISH TO
RELY ON ASSISTANCE FROM OTHER GOVERNMENTS AND INTERNATIONAL
ORGANIZATIONS. WE PROPOSED THAT OUR FUTURE FINANCIAL RELATIONSHIP
AND, AS APPROPRIATE, THE ABOVE RELATED ISSUES BE THE SUBJECT OF

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A JOINT U.S. MICRONESIAN STUDY. THAT STUDY COULD PROVIDE THE BASIS OF OUR FUTURE DISCUSSIONS AND AGREEMENTS. BUT MOST IMPORTANTLY, THE CHARACTER OF OUR FINANCIAL RELATIONSHIP AND THE NATURE OF U.S. FINANCIAL OBLIGATIONS WILL IN VERY GREAT MEASURE BE DETERMINED BY THE SUBSTANCE OF OUR FUTURE POLITICAL RELATIONSHIP. IN THIS REGARD, CONSIDERATION MUST BE GIVEN NOT ONLY TO HOW MICRONESIANS VIEW THEIR RELATIONSHIP WITH THE U.S., BUT ALSO AS TO HOW THE AMERICAN PEOPLE AND CONGRESS VIEW OUR MUTUAL TIES. IF THE BONDS BETWEEN US ARE SEEN AS REPRESENTING A CLOSE PARTNERSHIP BETWEEN THE MICRONESIAN AND AMERICAN PEOPLES, CAPABLE OF SATISFYING BOTH OUR MUTAL AND SEPARATE INTERESTS, THEN THE FINANCIAL RELATIONSHIP CAN BE A RELIABLE ONE.

THE U.S. DELEGATION ALSO REAFFIRMED THE AMERICAN VIEW THAT MICRONESIA'S ECONOMY AND DEVELOPMENT, AND THE EXTENT OF

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MICRONESIA'S RESOURCES, SHOULD AND WILL BE UNDER MICRONESIAN CONTROL. THE MICRONESIAN GOVERNMENT WOULD HAVE THE RESPONSIBILITY FOR DETERMINING MICRONESIA'S PRIORITIES AND OVERAL ECONOMIC NEEDS AND GOALS. THE QUESTIONS OF WHAT FUTURE PROJECTIONS (#) MICRONESIA WILL WISH TO TAKE IN TERMS OF ITS ECONOMIC GROWTH, THE RELATIONSHIP OF DEVELOPMENT TO CULTURAL AND TRADITIONAL VALUES, AND THE PACE OF CHANGE AND OTHER CONSIDERATIONS AFFECTING THE QUALITY OF LIFE FOR MICRONESIA'S PEOPLE, WILL BE FOR MICRONESIA TO DEBATE AND DETERMINE. THE U.S. DELEGATION EXPRESSED ADMIRRTION AND RESPECT FOR MICRONESIA'S RESOLVE TO SEEK ECONOMIC SELF-SUFFICIENCY AND ECONOMIC INDEPENDENCE, A GOAL STATED BY THE MIERONESIAN DELEGATION.

IN EXCHANGING VIEWS ON TRANSITIONAL ARRANGEMENTS, BOTH DELEGATIONS MADE CLEAR THAT THEY BELIEVE THE REMAINING YEARS OF THE TRUSTEESHIP SHOULD BE UTILIZED TO ASSURE A SMOOTH AND ORDERLY CHANGEOVER TO MICRONESIA'S FUTURE STATUS. THE U.S. DELEGATION STATED THAT IT ENVISAGED TWO BASIC AREAS OF TRANSITIONAL CHANGE. FIRST, THERE IS THE NEED TO PLAN AND IMPLEMENT THE DETAILS OF THE FUTURE RELATIONSHIP BETWEEN MICRONESIA AND THE UNITED STATES IN SUCH AREAS AS THE OPERATION

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OF FEDERAL PROGRAMS AND SERVICES, DEFENSE, FOREIGN AFFAIRS, LIAISON AND REPRESENTATION FUNCTIONS, FINANCIAL ARRANGEMENTS,

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AND THE LIKE. IT WILL BE ESPECIALLY IMPORTANT, IN THIS AREA OF CHANGE, TO GIVE EARLY ATTENTION TO NEGOTIATION OF U.S. DEFENSE HAND ARRANGEMENTS, A JURISDICTIONAL AGREEMENT RELATING TO U.S.

ARMED FORCES THAT MIGHT BE STATIONED IN MICRONESIA, AND TO THE FUTURE APPLICABILITY OF U.S. LAWS AND PROGRAMS. THE LATTER ACTION WILL BE ESPECIALLY IMPORTANT IN TERMS OF REACHING AGREEMENT ON WHICH PROGRAMS AND LAWS, WHICH PRESENTLY APPLY TO MICRONESIA, SHOULD BE PHASED OUT. THIS IS CONSISTENT WITH OUR HANA STATEMENTS TO THE EFFECT THAT U.S. LAWS, PROGRAMS, AND SERVICES WOULD APPLY TO MICRONESIA ONLY BY REQUEST OF MICRONESIA, AND BY MUTAL CONSENT. WE SUGGESTED THAT ALL OF THESE AND OTHER AREAS OF TRANSITIONAL CHANGE MIGHT BEST BE CONSIDERED INITIALLY BY A JOINT STUDY. SUCH A JOINT MICRONESIAN-AMERICAN EFFORT COULD DETERMINE AREAS OF CONCERN, PROPOSE PROCEDURES FOR THEIR RESOLUTION, AND RECOMMEND THE ORGANIZATIONAL STRUCTURE FOR CONSIDERING TRANSITIONAL MATTERS OF JOINT CONCERN.

WE BELIEVE THE SECOND MAJOR AREA OF TRANSITIONAL CHANGE WILL INVOLVE THE TURNOVER OF INTERNAL ADMINISTRATIVE AND FINANCIAL

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RESPONSIBILITIES TO THE NEW GOVERNMENT OF MICRONESIA, AS WELL AS
STEPS IN THAT DIRECTION TO BE TAKEN BY BOTH THE UNITED STATES AND
MICRONESIA DURING THE REMAINING YEARS OF THE TRUSTEESHIP. WE
STATED THAT PLANNING AND ACTION FOR THIS INTERNAL TRANSITION
SHOULD RELATE TO THE NATURE OF MICRONESIA'S FUTURE GOVERNMENT AND
ITS INSTITUTIONS, THE RELATIONSHIP BETWEEN THE CENTRAL GOVERNMENT
AND THE DISTRICTS, THE RELATIONSHIPS BETWEEN BRANCHES OF

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GOVERNMENT AND THE NATURE OF REVENUE-SHARING BETWEEN DISTRICTS.
BECAUSE THESE MATTERS WILL BE PRIMARILY FOR A MICRONESIAN
CONSTITUTIONAL CONVENTION TO CONSIDER AND TO DETERMINE, WE URGED
THE EARLY ESTABLISHMENT OF A CONVENTION, AND THAT IT BE BROADLY
REPRESENTATIVE. WE OFFERED TO PROVIDE ANY ASSISTANCE THAT MIGHT
BE DESIRED AND REQUESTED IN CONNECTION WITH THE ORGANIZATION
AND OPERATIONS OF SUCH A CONVENTION. BUT THE IMPORTANCE OF A
MICRONESIAN CONSTITUTIONAL CONVENTION TO TRANSITIONAL CHANGE IS
THAT ITS DECISIONS AND VIEWS SHOULD BE TAKEN INTO CONSIDERATION
DURING THE PHASED TURNOVER OF MICRONESIAN AFFAIRS TO MICRONESIAN
INSTITUTIONS. THE U.S. GOVERNMENT DOES NOT WISH TO ACT ON
ASSUMPTIONS. WE WISH TO PROCEED ON THE BASIS OF A MANDATE FROM
THE MICRONESIAN PEOPLE THROUGH THEIR CONSTITUTIONAL CONVENTION.
TOO, IT WILL NOT BE POSSIBLE TO FINALIZE A COMPACT OF FREE
ASSOCIATION AND TERMINATE THE TRUSTEESHIP UNTIL A MICRONESIAN
CONSTITUTION HAS BEEN PREPARED FOR APPROVAL BY THE MICRONESIAN
PEOPLE.

THERE WERE ALSO MAJOR DEVELOPMENTS AT KOROR RELATING TO
THE FUTURE POLITICAL STATUS OF THE MARIANA ISLANDS DISTRICT,
ALTHOUGH THESE DEVELOPMENTS WERE OUTSIDE THE FRAMEWORK OF THE

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FORMAL NEGOTIATIONS AND THE MANDATE OF THE JOINT COMMITTEE ON
FUTURE STATUS.

WHILE U.S. POLICY HAS BEEN TO DEVELOP ALL OF MICRONESIA
TOWARD A COMMON FUTURE STATUS, EVENTS IN THE MARIANA ISLANDS OF
THE PAST TEN OR MORE YEARS HAVE SHOWN THAT FULL IMPLEMENTATION OF
THAT POLICY IS NOT LONGER FEASIBLE. THE PEOPLE AND LEADERS OF

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THE MARIANAS, THROUGH REFERENDA, PETITIONS TO THE UNITED NATIONS AND TO THE U.S. GOVERNMENT, RESOLUTIONS OF THEIR DISTRICT LEGISLATURE, AND BY THEIR ENDORSEMENT OF THE 1970 COMMONWEALTH PROPOSAL, HAVE CLEARLY INDICATED THEIR DESIRE FOR CLOSE, SEPARATE, AND PERMANENT TIES WITH THE UNITED STATES. THESE ASPIRATIONS WERE NOTED BY THE MICRONESIAN DELEGATION AT THE HANA TALKS LAST OCTOBER. DURING THE KOROR TALKS ~~THE MARIANAS REPRESENTATIVES ON THE STATUS COMMITTEE, WITH THE AGREEMENT OF THAT COMMITTEE, FORMALLY APPROACHED THE U.S. DELEGATION AND REQUESTED SEPARATE NEGOTIATIONS TOWARD A CLOSE AND PERMANENT UNION WITH THE UNITED STATES.~~ THE U.S. DELEGATION, GIVEN THESE CIRCUMSTANCES AND THE REQUIREMENT TO RECOGNIZE THE RIGHT OF SELF-DETERMINATION OF THE PEOPLE OF THE MARIANAS, INFORMED THE MICRONESIAN DELEGATION AND THE MARIANAS REPRESENTATIVES THAT ~~THE UNITED STATES IS NOW~~

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~~PREPARED TO RESPOND TO THE MARIANAS INITIATIVE AND REQUEST FOR SEPARATE TALKS LEADING TO A POLITICAL UNION BETWEEN THE MARIANAS DISTRICT AND THE U.S. TO HAVE RESPONDED OTHERWISE WOULD~~ ULTIMATELY REQUIRE IMPOSITION OF A FORM OF STATUS ON THE MARIANAS UNWANTED BY THE PEOPLE OF THAT DISTRICT, AND WOULD HAVE IGNORED ASPIRATIONS ALREADY RECOGNIZED AS BEING DIFFERENT BY THE MICRONESIAN DELEGATION. AT THE SAME TIME, WE ALSO REAFFIRMED OUR POLICY THAT THE TRUSTEESHIP AGREEMENT MUST BE TERMINATED SIMULTANEOUSLY IN ALL DISTRICTS. SUBSEQUENT TO THE ABOVE DEVELOPMENTS IN KOROR, THE ELECTED LEADERS OF THE MARIANAS, DURING A MEETING WITH ME ON SAIPAN, REAFFIRMED THE DESIRE OF THE PEOPLE AND LEADERS OF THE MARIANAS TO HAVE SEPARATE TALKS WITH THE UNITED STATES DIRECTED AT A CLOSE AND PERMANENT POLITICAL UNION WITH THE UNITED STATES.

THE AGREEMENTS REACHED AT HANA AND THE NEW AGREEMENTS ARRIVED AT IN KOROR HAVE PROVIDED A FOUNDATION ON WHICH THE U.S. AND MICRONESIAN DELEGATIONS CAN DIRECT THEIR FUTURE EFFORTS TOWARD FINAL NEGOTIATIONS OF A CRAFT COMPACT OF FREE ASSOCIATION. THE AGREEMENTS AND UNDERSTANDINGS REACHED THUS FAR ARE INTER-DEPENDENT AND PROVISIONAL, AND THE ULTIMATE TASK OF DRAFTING

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A COMPACT WILL BE A LONG AND COMPLEX ONE. BUT WE NOW HAVE THE

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FRAMEWORK OF A PROPOSED NEW RELATIONSHIP, BASED ON THE PRINCIPLE THAT SOVEREIGNTY RESIDES IN THE PEOPLE OF MICRONESIA, THAT CAN SERVE THE INTERESTS OF BOTH PARTIES. THE LATTER POINT IS ESSENTIAL. AS WITH ANY PARTNERSHIP, AN ASSOCIATION BETWEEN MICRONESIA AND THE UNITED STATES TO BE FEASIBLE AND VIABLE MUST OFFER ADVANTAGES TO BOTH PARTIES - NOT TO JUST ONE OR THE OTHER. OTHERWISE THERE IS NO POINT IN THE RELATIONSHIP. NATURALLY, THERE MUST BE FURTHER DISCUSSIONS BETWEEN THE TWO DELEGATIONS TO REFINE AGREEMENTS REACHED, AND TO CLARIFY AND RESOLVE ISSUES THAT REMAIN. IN ALL OF THE ABOVE WE ON THE U.S. DELEGATION LOOK FORWARD TO AGAIN WORKING WITH THE MICRONESIAN DELEGATION, TO FURTHER CONSULTATIONS AND EXCHANGES OF VIEWS. WE WILL BE RESPONSIVE TO ANY REQUEST FROM THE JOINT COMMITTEE AND ITS CHAIRMAN FOR FURTHER ROUNDS OF FORMAL TALKS, OR FOR MORE INFORMAL SUBNEGOTIATIONS BETWEEN WORKING GROUPS. IN CERTAIN AREAS A JOINT STUDY APPROACH MAY BE ESPECIALLY SUITABLE AND PRODUCTIVE. WE WILL BE PLEASED TO PARTICIPATE IN SUCH JOINT EFFORTS AS MAY BE DESIRED BY THE MICRONESIAN DELEGATION.

WE LOOK FORWARD TO BUILDING ON THE PROGRESS MADE AT HANA

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COMTWELVE FOR AMBASSADOR WILLIAMS

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AND KOROR -- PROGRESS TOWARD ESTABLISHMENT OF A FUTURE RELATIONSHIP WHICH WILL ASSURE TO THE PEOPLE OF MICRONESIA CONTROL OF THEIR LANDS, THEIR CONSTITUTION AND LAWS, AND OF THEIR FUTURE POLITICAL AND ECONOMIC DESTINY.

IN CONCLUSION, THE UNITED STATES WISHES THE PEOPLE OF MICRONESIA TO KNOW THAT IT DESIRES OUR FUTURE RELATIONSHIP TO BE CLOSE AND ENDURING -- BUT AT THE SAME TIME FLEXIBLE. WE

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RESPECT AND ADMIRE MICRONESIA'S DESIRE TO PRESERVE AND PROTECT HER IDENTITY, HER CULTURES, HER TRADITIONS, AND HER VALUES. ALL OF THIS CAN BE ACCOMPLISHED WITH THE RELATIONSHIP WE ARE NOW NEGOTIATING TOWARD, AND CAN BE PROTECTED UNDER A COMPACT OF FREE ASSOCIATION.

LASTLY, ALL MEMBERS OF THE U.S. DELEGATION DEEPLY APPRECIATED AND WERE HEARTILY GRATEFUL FOR NOT ONLY THE FRANK AND FRIENDLY FASHION IN WHICH VIEWS WERE EXCHANGED BY THE TWO DELEGATIONS IN KOROR, BUT ALSO FOR THE HOSPITALITY AND MANY KINDNESSES EXTENDED TO ALL OF US BY THE MICRONESIAN DELEGATION, AND BY THE PEOPLE AND LEADERS OF PALAU. THE HOSPITABLE AND FRIENDLY ATMOSPHERE WHICH SURROUNDED THE KOROR TALKS WILL LONG BE IN OUR MEMORIES TOGETHER WITH THE BEAUTY OF PALAU ITSELF.

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