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August 1, 1972

EXCISE

EA/RA - John C. Dorrance

Micronesian Future Political Status

The sixth round of Micronesian future political status talks ended on August 1. During the course of the talks, agreement was reached on draft language for a Compact of Free Association in the following areas: Preamble, Internal Affairs (Title I), Foreign Affairs (Title II and Annex A), and Defense (Title III and Annex B). Copies of these sections of the Compact are attached. The Joint Communique, issued at the close of the talks, is also attached. The next round of talks is tentatively scheduled for Hawaii on September 28.

Remaining key areas of the Compact to be drafted include finance, trade and commerce, nationality, and termination procedures. Finance and termination are expected to be the problem areas. The Micronesians are asking for an annual lump sum payment of \$100 million (which would also cover land rental payments). The U.S. negotiating range is a starting point of \$25 million with an upper limit of \$50 million.

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Although not clear from the attached documents, agreements in principle reached at the fourth round of status talks (April, 1972, Koror, Palau, TTPI) provide that U.S. basing rights, land leases, and defense authority and responsibilities would survive any termination of the Compact of Free Association. U.S. defense authority in any post-Compact period would be spelled out in a Mutual Security Pact. The Pact will be negotiated prior to termination of the present trusteeship, and would automatically go into effect, under the terms of the Compact, in the event of unilateral termination of the Compact by the Micronesians.

DEPARTMENT OF STATE A/CDC/MR

cc: Ambassador Hummel
EA/RA - Mr. Moore
EA/ANZ - Mr. Martin

Attachments: Copies of sections of the Compact of Free Association

EA/RA:JCDorrance:ajk:8/1/72

REVIEWED BY B.H. BMAAS DATE 3/25/8
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PDS FOR XEROXING DATE 11/04/8
TS AUTH. 1, 2, 3 REASON(S) E.O. 12351
ENDORSE EXISTING MARKINGS Sec. 1.3(a) (c)
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FINAL JOINT COMMUNIQUE

Washington Talks

July 12 - August 1, 1972

The members of the Joint Committee on Future Status of the Congress of Micronesia and the President's Personal Representative for Micronesian Status Negotiations met at Washington, D.C. on July 12 through August 1, 1972 for the fifth round of talks relating to the future political status of the Trust Territory of the Pacific Islands.

After an opening plenary session, in which both sides reaffirmed the tentative agreements in principle reached at Hana and Koror, a Joint Drafting Committee composed of members of the two delegations was formed to commence drawing up a draft Compact of Free Association. Working in an informal atmosphere, the Joint Drafting Committee reached tentative agreement on the language for a preamble and three of the most important Titles of the Compact--Internal Affairs, Foreign Affairs, and Defense. The Committee draft was subsequently approved by both delegations at the final plenary session. In addition, some preliminary discussions were held regarding the financial aspects of the relationship.

Both delegations agreed that the draft Compact language remains tentative and preliminary, pending final agreement on the Compact as a whole. There remain a number of areas which

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are in need of further discussion. These matters include Finance, Trade and Commerce, Nationality, Termination and Transition Procedures.

The Chairman of the Joint Committee on Future Status and the President's Personal Representative have agreed to communicate with one another to arrange for further discussions of the remaining issues and the completion of the drafting of the Compact.

Both delegations agreed that the Washington talks have been among the most productive yet held and have provided the basis for a mutually beneficial relationship of free association between the United States and Micronesia. Both delegations look forward to the early continuation of the drafting process begun in Washington.

The full membership of the two delegations was as follows:

The Micronesian Joint Committee

Senator Lazarus Salii
(Chairman)
Representative Ekpap Silk
(Co-Chairman)
Senator Roman Tmetuchl
Senator Isaac Lanwi
Senator Andon Amaraich
Senator Tosiwo Nakayama
Senator Petrus Tun
Representative John Mangefel
Representative Oltor Paul
Senator Bailey Oltor
Senator Edward Pangelinan
Representative Herman Guerrero

The U.S. Delegation

Ambassador Franklin Haydn Williams
Captain William J. Crowe, Jr., USN
Mr. Lindsey Grant
Mr. Stanley Carpenter
Mr. Herman Marcuse
Mr. John Dorrance
Mr. Ronald F. Stowe
Colonel Athol M. Smith, USA
Mr. Thomas Whittington

Lazarus Salii

Franklin Haydn Williams

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PREAMBLE

The United States of America and the People of
Micronesia,

Recognizing that among the responsibilities of the
Government of the United States as Administering Authority
of the Trust Territory of the Pacific Islands is the
obligation to promote the development of the inhabitants
of that territory toward self-government or independence,
and

Recognizing their common interest in developing a new
political status for the people of Micronesia to replace
the present trusteeship,

AGREE to establish through this Compact of Free Association
a system of self-government appropriate to the particular
circumstances of Micronesia and its people and in accordance
with the freely expressed wishes of the people concerned.
This Compact, approved by the people of Micronesia through
their sovereign right of self-determination and by the
Government of the United States, shall determine the respective
rights and responsibilities of the Government of Micronesia and
the Government of the United States.

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TITLE I

INTERNAL AFFAIRS

Section 101

The people of Micronesia have the right to adopt their own constitution and form of government and to amend or change any such constitution or form of government at any time, provided that the constitution and laws of Micronesia shall remain consistent with the provisions of this Compact, and shall guarantee to the inhabitants of Micronesia their fundamental human rights and shall establish a governmental structure consistent with the principles of democracy.

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Internal
Affairs

Section 102

The duly constituted Government of Micronesia shall have full responsibility for and authority over the internal affairs of Micronesia.

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Section 103

Micronesian
Self-
Determi-
nation

The people of Micronesia, in the exercise of their right of self-determination, may in the event of termination of this Compact freely choose their own future political status in accordance with Title ___ of this Compact.

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TITLE II

FOREIGN AFFAIRS

Section 201

(a) The Government of the United States shall have full responsibility for and authority over all matters which relate to the foreign affairs of Micronesia, notwithstanding any other provision of this Compact.

(b) The Government of the United States and the Government of Micronesia shall consult at any time requested by either of them on matters of mutual concern relating to foreign affairs. While not derogating from its full responsibility and authority in this area, the United States will, to the extent feasible without prejudice to the fulfillment of its overall foreign affairs responsibilities, accommodate the expressed wishes of the Government of Micronesia.

(c) In the exercise of its powers under Section 201 the United States will faithfully adhere to the basic principle that the Government of Micronesia has full responsibility for and authority over the internal affairs of Micronesia, and the United States will avoid to the greatest extent possible any interference in those internal affairs pursuant to its foreign affairs authority.

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NOTE: Micronesian side suggests that "notwithstanding" clause be examined later to see if it is necessary.

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Section 202

The authority of the United States under Section 201 shall include the right to apply to Micronesia any appropriate treaty or agreement to which the United States is a party, provided, however, that the United States shall negotiate and conclude such international treaties or agreements which are intended to relate exclusively or predominantly to Micronesia only on the request and with the consent of the Government of Micronesia.

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Section 203

In the exercise of its authority under Section 201, the Government of the United States undertakes the following responsibilities:

(a) The Government of the United States will extend consular assistance and diplomatic protection to citizens of Micronesia traveling outside of Micronesia and of the United States.

(b) The Government of the United States will give sympathetic consideration to applications by foreign countries for the establishment of Consulates in Micronesia, subject in each case to assurance from the Government of Micronesia that it would welcome the establishment of such a Consulate. The Government of the United States and the Government of Micronesia shall establish arrangements for the joint accreditation of foreign consular officers in Micronesia.

(c) The Government of the United States will facilitate Micronesian activity in the areas for which the Government of Micronesia may exercise responsibility under Annex A.

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Section 204

(a) In the exercise of its full authority over foreign affairs under Section 201, the United States agrees that the Government of Micronesia may undertake the activities specified in Annex A of this Compact in accordance with the terms of that Annex.

(b) In undertaking those activities provided for in Annex A, the Government of Micronesia agrees that its policies and activities shall not be in conflict with U. S. foreign policy and U. S. security interests. The procedures outlined in Paragraphs II, III and IV of Annex A are intended to implement this undertaking.

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ANNEX A

I. The Government of Micronesia may undertake the following activities pursuant to Section 204 of the Compact.

(a) The Government of Micronesia may seek associate or other appropriate membership for which Micronesia may be eligible in regional organizations, United Nations Specialized Agencies, or their subsidiary bodies, of which the United States is a member. The Government of the United States will sponsor such applications and will give sympathetic consideration to requests from the Government of Micronesia to apply for appropriate membership in other such organizations in which the United States is not a member. The United States will assist Micronesia in training personnel to participate in these organizations.

(b) The Government of Micronesia may negotiate and conclude in the name of Micronesia agreements of a cultural, educational, financial, scientific or technical nature that apply only to Micronesia with any international organization in which Micronesia is a member.

(c) The Government of Micronesia may establish temporary or permanent representation of Micronesian trade or other commercial interests in foreign countries, or accept foreign trade or commercial representation in Micronesia.

(d) The Government of Micronesia may request the Government of the United States to negotiate with foreign countries agreements

of a commercial, cultural, educational, financial, scientific or technical nature which shall apply to Micronesia. The Government of the United States shall give sympathetic consideration to such requests.

II. In advance of undertaking any initiative pursuant to its discretion under Paragraph I of this Annex, the Government of Micronesia shall inform the Government of the United States of its proposed action and shall keep the Government of the United States fully informed of the progress and conduct of such activities.

III. The Government of the United States will promptly notify the Government of Micronesia if it appears that any proposal or activity of the Government of Micronesia pursuant to this Annex conflicts with the international commitments, responsibilities or policies of the Government of the United States or if it is likely to lead to such conflict. In accordance with Section 201(b) of this Compact the Government of the United States will consult as requested with the Government of Micronesia and will seek to consult before issuing a notification pursuant to this paragraph.

IV. Upon notification by the Government of the United States, that an activity proposed or engaged in by the Government of Micronesia pursuant to this Annex conflicts or is likely to conflict with the international commitments, responsibilities or policies of the United States, the Government of Micronesia will refrain from or promptly terminate such activity.

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TITLE III

DEFENSE

Section 301

The Government of the United States shall have full responsibility for and authority over all matters which relate to defense in Micronesia.

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Section 302

(a) The defense responsibility and authority of the United States Government provided for in Section 301 shall include:

- (1) The defense of Micronesia, its people and territory, from attack or threats thereof.
- (2) The right to prevent third parties from using the territory of Micronesia for military purposes; and
- (3) The use of United States military bases which are established in Micronesia for the security of the United States, and to support its responsibilities for the maintenance of international peace and security.

(b) The Government of the United States may conduct all activities and operations on the lands and waters in the territory of Micronesia necessary for the exercise of its responsibility and authority under Section 302.(a).

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Section 303

(a) The Government of the United States shall have the exclusive right to establish, maintain and use military areas and facilities in Micronesia, the unencumbered right to protect all United States military facilities in Micronesia, and full freedom of use and access to all facilities and areas used for the conduct of military activities.

(b) The Government of Micronesia shall assure the United States the rights and uses in the lands and waters specified in Annex B, which shall be an integral part of this Compact.

(c) If in the exercise of its authority and responsibilities under this Title the United States Government requires the use of areas within the territory of Micronesia in addition to those specified in Annex B, on the effective date of the Compact, requests may be made of the Government of Micronesia to satisfy these requirements. The Government of Micronesia shall establish suitable procedures to provide prompt response to any such request by the United States, and shall negotiate in good faith to achieve on reasonable terms an agreement for the use of such areas.

(d) The agreements for the lands and waters listed in Annex B shall conform with the provisions of this Compact and such agreements shall not contain any limitations on the use of such lands and waters which conflict with the basic authorities and responsibilities of the United States under Sections 301, 302, and 303 of this Title.

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(e) The rights and uses specified in this Compact, and in agreements existing upon the entry into force of this Compact, shall at the option of the United States extend in full force and effect for the period specified in this Compact, unless a particular agreement provides for a longer term. Whenever agreements are extended, the terms of such agreements relating to payment shall continue, unless amended by mutual agreement.

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Section 304

(a) No country other than the United States shall enjoy the right to conduct military activities or to establish and maintain military facilities and areas within the territory of Micronesia at any time.

(b) The United States Government may invite military units of other countries acting in conjunction with and under control of United States forces to utilize such military facilities and areas.

(c) The rights accorded the United States in paragraphs (a) and (b) above may not be assigned to any other country.

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Section 305

The legal status of United States military personnel, of United States citizen civilian employees, and of their dependents, while stationed in Micronesia shall be established by mutual agreement. That jurisdictional agreement shall come into force simultaneously with this Compact.

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Section 306

Citizens of Micronesia who are otherwise qualified in accordance with United States law shall be eligible to volunteer for service in the Armed Forces of the United States, but shall not be subject to involuntary induction into military service unless they become permanent residents of the United States, as determined by United States law.

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The Government of the United States and the Government of
Micronesia shall consult at any time requested by either of them
on matters relating to defense. While not derogating from its
responsibility and authority in this area, the United States
to the extent possible without prejudice to the fulfillment
of its defense responsibilities accommodate the expressed wishes
of the Government of Micronesia.

DATE: 7/24/72

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ANNEX B

(a) Pursuant to Sections 302 and 303 of the Compact, the parties agree that the rights and uses of the United States in the lands and waters of Micronesia shall include:

(1) Marshall Islands

- a) Within the Kwajalein Atoll, continuing rights for the use of those lands and waters associated with and currently controlled as part of the Kwajalein Missile Range, the land portion of which encompasses approximately 1,320 acres.
- b) In the Bikini Atoll, continuing rights for use of 1.91 acres of Ourukaen and Eniman islets, and to use the pier, airfield, and boat landing on Eneu Island.
- c) In the Eniwetok Atoll, retention of such use rights as may be negotiated upon return of the atoll.

(2) Palau Islands

- a) Access and anchorage rights in Malakal harbor and adjacent waters, together with rights to acquire 40 acres for use within the Malakal harbor area, composed of submerged land to be filled and adjacent fast land.

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- b) Rights for the joint use of an airfield capable of supporting military jet aircraft (the proposed airfield at Garreru Island reef, or Babelthuap airfield/Airai site), the right to improve that airfield to meet military requirements and specifications, and the right to develop an exclusive use area for aircraft parking, maintenance and operational support facilities.
 - c) On the island of Babelthuap the right to acquire 2,000 acres for exclusive use, along with the right for non-exclusive use of an adjacent area encompassing 30,000 acres, for intermittent ground force training and maneuvers.
- (3) Continuing rights to occasional or emergency use of all harbors, waters and airfields throughout Micronesia.
 - (4) Continuing rights to use of existing Coast Guard facilities.

(b) Agreements for lands and waters specified in paragraph (a) above are listed below. All agreements for the use of lands and waters concluded after the effective date of this Compact, and all modifications to any agreement under this Title, shall conform to the provisions of this Compact and shall be listed in this Annex.

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