



INTERNATIONAL
SECURITY AFFAIRS

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ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

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In reply refer to:
I-13975/72

MEMORANDUM FOR MR. NUTTER

SUBJECT: Micronesian Status Negotiations

The sixth round of subject talks was conducted at NAS Barbers Point, Hawaii, during the period 26 September through 6 October 1972. Captain Schuller was the Defense member of the U.S. Delegation. LTC Kenty (JCS) attended as an observer. Captain Schuller and LTC Kenty kept me informed of the situation as it evolved (SITREPS 1 through 4) during the course of the talks. A summary of this latest round follows.

Background:

- This was the fourth round of talks held this calendar year.
- Third and fourth round talks held earlier this year resulted in agreements-in-principle on the fundamental issues of future status.
- Understandings/assumptions were reached in 3rd and 4th rounds which formed the procedural base upon which we have conducted negotiations.
- Subsequent fifth round talks in July resulted in a negotiated partial draft compact.
 - Joint agreement was reached on the Preamble and Titles I (Internal Affairs), II (Foreign Affairs) and III (Defense).
- A special session of the Congress of Micronesia (COM) was called in Ponape in August for the purpose of endorsing the completed portions of the draft compact and initiating legislation which would provide for a constitutional convention and transition procedures.
- Instead, the special session of the COM resulted in a good deal of antagonistic comments, by the Independence portion, concerning the completed Titles and a band-wagon joint resolution (SJR117) which obligates the Micronesian Joint Future Status Committee (JFSC) to negotiate an Independence Option in addition to a Free Association Option.

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SUBJECT TO GENERAL EXECUTIVE ORDER NO. 11652 OF
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- Little support was forthcoming from the Free Association advocates, including those members of the JFSC who participated in, and agreed to, the drafting to date.
- This departure from course was a new development in the talks. However, Micronesians came to the 6th round anticipating completion of the draft compact.

6th Round Talks:

- Delegations met for the 6th round with aims of arriving at mutual agreement on remaining Titles of the draft compact.
- Ambassador Williams, prompted by all members of the U.S. delegation, took the offensive with a firm opening statement, however, which required answers to questions dictated by the events and implications of the special session of the COM. (TAB A)
 - COM introduced new developments which basically changed our previously agreed direction.
 - Ground rules had been changed. Joint support of the Compact for Free Association was not evident at special session, and the original Micronesian objective had been expanded to include Independence.
- Micronesians were surprised and visibly shocked by U.S. reaction to their behavior. They requested postponement of their prepared opening statement in order to consult.
- Micronesian response did not satisfactorily answer all of the questions posed by the U.S. (In fairness, JFSC did not possess the authority to answer some of the questions.) Most importantly, the response presented the requirement to discuss an Independence Option. (TAB B)
 - Ambassador Williams' instructions preclude him from offering/negotiating Independence. He has only been authorized to say, "The U.S. has not ruled out the possibility of Independence."
 - It became obvious that continuation of drafting was not called for until both sides had a chance to re-assess the situation.
 - Continuation of the draft compact at this time was not considered in our interest. We would have been in the position of presenting the Micronesians with a fairly restrictive compact and a relatively low (\$25M, as opposed to current \$60M) dollar figure. It was believed this would only add ammunition to the Independence movement. It was thought that in order to make the Compact more attractive a balancing zero dollars Independence Option should be presented at the same time.

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- Off the record meetings were held by Williams and Salii (most candid to date). (TAB C)
 - Meetings of the land and finance subcommittees were held, but not much ~~substantive progress~~ was achieved in the way of meaningful progress. No specifics were revealed by the U.S. with respect to exact location of lands required, and no dollar figure was offered. Some progress was made with regard to land committees. Original Micronesian intent was for unilateral hearings in the Districts involved. They finally agreed to allow U.S. representation at these future hearings. (TAB D)
 - Final statements brought out the following points: (TAB E)

U.S.

- Uncertainty remains about how negotiations are viewed from Micronesia and how any agreement reached would be endorsed and supported by JFSC and COM.
- Basic objective of USG has not changed--to find a mutually beneficial relationship.
- U.S. does not intend to abandon above goal or neglect our international and national responsibilities.
- 6th round has confirmed that previous understandings no longer exist. We do not even know, if a compact were agreed to jointly, that the COM would accept it.
- Essential USG consider new developments and re-assess the situation.
- U.S. views on Independence unknown at this time.
- Circumstances which led to TTPI designation as a Strategic Trust will continue to exist, however, whatever Micronesian future status will be.
- Calling a recess to report to USG and Congress before proceeding with negotiations.

Micronesia

- The longer the talks go on, the U.S. must recognize the inevitability of developments such as occurred at Ponape.
- Urged early resumption of talks and presentation of specific proposals on financing and termination.

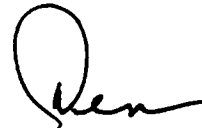
- Recess period will be used by Micronesians to provide answers to questions which will facilitate proceeding.
- They will cooperate with U.S. in conduct of land survey in Palau (bilateral vice unilateral), and hearings will be postponed until after the survey.
- Request that Eniwetok residual rights be presented prior to completion of compact.
- Again requested land details in Marianas. (Again denied by Ambassador Williams.)
- Micronesians will give further attention to appropriate measures for the orderly transfer of authority to GOM under the compact provisions--particularly with respect to land requirements.
- Independence issue will be explored, but at a later date. At this time it would only be diversionary and premature.

Note: There was some fall-off from their original statement on this. The implication was that if a satisfactory Free Association Compact were negotiated, Independence would be dropped.

Likely Future Actions:

- Administrative separation of Marianas from remainder of Districts. This would facilitate separate negotiations with them, expected to commence around 1 December 1972.
- USC meeting to discuss Independence. This question must now be faced.

Attachments



Dennis J. Doolin
Deputy Assistant Secretary