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Draft COMPACT OF FREE ASSOCIATION

1. Kind of Political Status

"A Compact of Free Association." The preamble to the draft Compact speaks of establishing:

"[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."

Further, as section 102 states:

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

2. Source of Political Status

The Compact of Free Association would define the U.S.-Micronesian relationship. The Micronesians would also adopt their own Constitution; this is not a part of the Compact and has not been drafted.

3. Citizenship

This is not specified in the Compact, but implicitly the inhabitants of Micronesia would not be U.S. citizens and would be citizens of Micronesia. See, for example, section 306.

4. Limits on Land Alienation

The Compact has no provisions on this, except with respect to defense requirements. See item #8 below.

5. Taxes

Nothing in the draft Compact, but presumably the Micronesian Government would have its own tax system.

6. Customs Laws

Nothing in the draft Compact on this.

7. Government Revenues and Expenditures

Nothing in the draft Compact on this.

8. Control over Foreign Affairs and National Defense

A. Foreign Affairs

Section 201(a) provides:

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

This sweeping statement is subject to later qualifications regarding U.S.-Micronesian consultations and U.S. efforts to avoid interference in Micronesian internal affairs. See sections 201(b), 201(c) and 202. Moreover, the U.S. assumes certain obligations regarding consular assistance,

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\*/ The draft Compact contains a footnote: "Note: Micronesian side suggests that 'notwithstanding' clause be examined later to see if it is necessary."

diplomatic protection of Micronesians, etc. Section 203.

Finally, the U.S. agrees that the Government of Micronesia may undertake some international activities and the U.S. assumes an obligation to facilitate Micronesian activity in certain areas. See sections 203(c) and 204, and Annex A. This includes: seeking associate or other appropriate membership in regional and international organizations; the negotiation and conclusion of agreements of a cultural, technical or similar nature in the name of Micronesia; and establishing temporary or permanent trade representations with foreign countries.

B. Defense

Section 301 provides broad powers to the United States:

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

See also sections 302-307.

As for military land, Annex B specifies some lands and waters to which the Micronesians will assure the U.S. rights and uses. Moreover, Section 303 provides that the U.S. can request additional areas and the Government of Micronesia ". . . shall negotiate in good faith to achieve on reasonable terms an agreement for the use of such areas."

9. Other Duties of Citizenship

Micronesians would not be subject to being drafted

into the U.S. military. Section 306. Otherwise, the draft Compact is silent.

10. Other Benefits of Citizenship

Nothing in draft Compact.

11. Eligibility for U.S. Grants and Social Programs

Nothing in draft Compact.

12. Eligibility for Loans or Other Assistance from International Lending Institutions

Micronesia is specifically allowed to seek associate or other appropriate membership in regional organizations, U.N. specialized agencies, and the like. Moreover, the U.S. agrees to help facilitate Micronesian activity in these areas. Section 203(c) and Annex A.

Micronesia's eligibility under this Compact of Free Association depends on the membership provisions of the particular agency. This is being researched separately.

13. Internal Political Structure

The draft Compact provides that:

"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.

Section 102

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

See also Section 201 regarding conflicts between internal affairs and foreign affairs.

The draft Compact contains no specifics regarding the form of government.

14. Mechanism for Terminating the Political Status

The draft Compact contains no explicit termination provision; this issue was in dispute. However, section 103 implied that there would be some provision:

"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."

15. Mechanism for Amending the Political Status

The draft Compact contains no explicit provisions. However, the preamble contains the theory that amending the "Compact" would require at least the consent of the people of Micronesia and presumably also the consent of the U.S. Government:

"The United States of America and the People of Micronesia,

....

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. The 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."