

**DENY**

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- Pls pass to Cdr

MEMORANDUM

TO : Captain Crowe - CSN

FROM : Ronald F. Stone - L/UNA ←

SUBJECT: TTPI: Draft Compact Titles VI, VII, VIII, X and XI.

TTPI

On September 5 I sent you proposed redrafts of the Compact provisions on Trade and Commerce (Title VI), Citizenship (VII), Immigration (VIII), Dispute Settlement (X), and Amendment and Termination (XI). With regrets for the delay I would now like to pass along a few comments on those proposals.

1. Title VI, Trade and Commerce

a. Section 601: I believe that these provisions are generally acceptable within the USG and to the Micronesian Status Committee. The last clause provides an obligation on the GOM to respect international standards adhered to by the U.S., such as the GATT. The first part of the sentence could in my opinion be simplified to read "The GOM may regulate the importation of and commerce in goods from outside Micronesia..." if the "E" bureau has no objection and if you consider it desirable. The present longer formula at first glance looks more impressive, but in fact it conceivably could be more limited than the general shorter one, and Warnke may prefer the latter.

b. Section 602: Whether we open with a duty-free entry is a decision the IAG and perhaps Ambassador Williams will have to make. You already have a draft I suggested in July to provide MFN treatment to Micronesian goods. By far the most important provision here, however, is that the USG retains the right to decide unilaterally what is or is not a good of Micronesian origin. This can not and must not be compromised.

c. Section 603: Our present position on this issue as expressed at Nana is that we will give Micronesian goods duty-free entry if the GOM reciprocates with U.S. goods. Although we certainly want to extract a price for any concession we make on this issue, in fact general U.S. trade policies require that we not conclude an agreement giving U.S. goods preferential treatment. MFN is the most we can agree on. N.B. I have used the somewhat awkward phrase "non-Micronesian goods" deliberately in order to avoid the standard M.F.N. language "goods from any other country."

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY J. FELDMAN DATE 1/8/86

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[REDACTED]

d. Section 604: The State aviation office was to be in touch with Charlie Sylvester on this draft.

B1, A5  
B5

2. Title VII, Citizenship and Nationality

a. Section 701: Not contentious within USG; requested at Hana by the Micronesian delegation.

b. Section 702: It is my opinion and I believe that of HM, that the earlier draft of this section was unnecessarily complex and probably unenforceable. This draft says simply that anyone who is a citizen of the TTPI and who does not take affirmative steps to preserve or acquire a foreign citizenship or nationality is automatically a US non-citizen national.

B1, A5  
B5

[REDACTED]

I believe that the High Commissioner still maintains some control in this area and someone should first discuss with Interior whether this problem is realistic and second advise the High Commissioner what we are about to do and how we want him to handle any reactions.

b. Section 703: This section says two things. First, it says that anyone who is a citizen or national of a country other than the US and does not want to become a US national can be excluded from Section 702 if he makes an appropriate decision.

B1, A5  
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[REDACTED]

There is one conceivable difficulty which I wish Herman Marceuse in particular would address.

B1, A5  
B5

[REDACTED]

B1, A5  
B5

Would it lead to any abuse? Worse than is going to happen anyhow? Finally, should the draft be modified?

3. Title VIII, Immigration and Travel

a. Section 801:

[REDACTED]

B1, A5  
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(b) This says simply that the GOM cannot restrict entry of US citizens more severely than the USG restricts entry of Micronesians who are US nationals into the US.

B1, A5  
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[REDACTED]

b. Section 802:

[REDACTED]

B5

4. Title X, Dispute Settlement

This is not exactly going to produce overwhelming enthusiasm among those Micronesians concerned with the mature development of international law through the application of principles of third party arbitration for the peaceful settlement of disputes. But then again, what does this Compact have to do with international law? Nothing! We must remember that. I'm still looking.

5. Title XI, Amendment and Termination

a. Section 1101: Everybody's happy with this one.

b. Section 1102: Same as last draft. Key is (b) (3) which might be toyed with a bit more. Maintains 15 years and two-thirds votes formula.