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E.O. 11652: NA
TAGS: PFOR, TO
SUBJECT: COMPACT OF FREE ASSOCIATION
FOR STATUS LNO BERGESEN FROM AMBASSADOR WILLIAMS

PLEASE DELIVER FOLLOWING LETTER FROM ME TO SENATOR SALII
AND CONGRESSMAN SILK WITH COPIES TO ALL MEMBERS OF THE JOINT
COMMITTEE ON FUTURE STATUS: QUOTE

JANUARY 10, 1975
DEAR SENATOR SALII AND CONGRESSMAN SILK:

THE CHAIRMAN'S LETTER DATED DECEMBER 2, 1974 AND POSTMARKED
DECEMBER 16TH REACHED ME IN SAN FRANCISCO AFTER MY RETURN
FROM SAIPAN JUST BEFORE CHRISTMAS. I AM RESPONDING NOW ON
THE EVE OF THE CONVENING OF THE CONGRESS OF MICRONESIA WITH
THE THOUGHT THAT A REVIEW OF OUR EFFORTS IN 1974, WHERE WE
NOW STAND, AND WHAT REMAINS TO BE DONE MIGHT BE USEFUL TO
YOU AND TO ALL OF THE MEMBERS OF THE JOINT COMMITTEE ON
FUTURE STATUS.

1974 WAS A YEAR IN WHICH SIGNIFICANT PROGRESS WAS MADE TO-
WARD OUR COMMON OBJECTIVE--A COMPACT OF FREE ASSOCIATION.
IT BEGAN WITH A SERIES OF INFORMAL MEETINGS AND CONSULTA-
TIONS IN SAIPAN BETWEEN THE DEPUTY U.S. REPRESENTATIVE, MR.
WILSON, OTHER OFFICIALS FROM WASHINGTON, D.C., MEMBERS OF
THE JOINT COMMITTEE AND CERTAIN MEMBERS OF THE CONGRESS OF

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MICRONESIA, AND REPRESENTATIVES OF THE TTPI ADMINISTRATION TO DISCUSS MICRONESIA'S FUTURE FINANCIAL REQUIREMENTS DURING THE PERIOD OF TRANSITION TO FULL SELF-GOVERNMENT AND DURING THE EARLY YEARS OF THE POST-TRUSTEESHIP PERIOD. THESE INFORMAL SESSIONS AND THE DATA COLLECTED PROVIDED A USEFUL BACKGROUND FOR THE CARMEL, CALIFORNIA TALKS WHICH WERE HELD IN APRIL FOLLOWING THE TTPI BUDGET HEARINGS IN WASHINGTON.

THE CARMEL MEETING WITH THE CO-CHAIRMEN OF THE JOINT COMMITTEE (AND SENATOR OLTER) AND THE JOINT COMMITTEE'S WASHINGTON LEGAL COUNSEL CONCENTRATED ON THREE MAJOR ITEMS: FINANCE, TERMINATION AND TRANSITION. TENTATIVE AGREEMENTS WERE REACHED IN ALL THREE AREAS AND ALSO ON THE TEXT OF A COMPLETE DRAFT COMPACT OF FREE ASSOCIATION. FOLLOWING THIS MEETING THE UNDERSTANDINGS REACHED AND THE LANGUAGE OF THE AGREED DRAFT COMPACT WERE SUBMITTED TO THE FULL MEMBERSHIP OF THE JCFS FOR ITS REVIEW. I WAS SUBSEQUENTLY INFORMED THAT THE JCFS WISHED TO PROPOSE SEVERAL MODIFICATIONS IN THE DRAFT COMPACT, IN TITLE II (FOREIGN AFFAIRS) AND TITLE IV (ON THE ADMINISTRATION OF FUNDS TO BE PROVIDED UNDER THE COMPACT).

THESE MATTERS WERE TAKEN UP IN OUR SECOND MEETING OF 1974 WITH THE CO-CHAIRMEN IN GUAM IN JULY. ALSO IN ATTENDANCE AT THESE SESSIONS WERE THREE OTHER MEMBERS OF THE JCFS, PRESIDENT NAKAYAMA AND SENATORS IEHSI AND OLTER, AND THE COMMITTEE'S WASHINGTON COUNSEL, MR. PAUL WARNKE. AGAIN, FULL AGREEMENT WAS REACHED AND MOST OF THE CHANGES PROPOSED BY THE JCFS AT ITS GUAM MEETING WERE INCORPORATED IN A REVISED DRAFT COMPACT AGREED TO ON JULY 12.

IT IS MY UNDERSTANDING THAT THE REVISED COMPACT WAS REFERRED TO THE JCFS DURING THE SPECIAL SESSION OF THE CONGRESS OF MICRONESIA HELD ON SAIPAN IN AUGUST 1974. I WAS SUBSEQUENTLY ADVISED BY LETTER OF SEPTEMBER 9, 1974 THAT THE JOINT COMMITTEE HAD REQUESTED A NUMBER OF AMENDMENTS TO THE JULY 12 DRAFT COMPACT. THESE CHANGES INCLUDED DROPPING THE TITLE "FREE ASSOCIATION", MODIFYING THE PREAMBLE AND PROPOSING FURTHER CHANGES IN TITLE II (FOREIGN

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AFFAIRS), TITLE III (DEFENSE), TITLES VII AND VIII (CITIZENSHIP AND NATIONALITY, AND IMMIGRATION AND TRAVEL), AND ANNEX B. THE LETTER ALSO SET FORTH SOME "INTERPRETATIONS" OF CERTAIN SECTIONS OF THE COMPACT FOR DISCUSSION. SOME OF THESE SUGGESTED CHANGES WERE NON-SUBSTANTIVE IN NATURE; OTHER PROPOSED CHANGES AND THE "INTERPRETATIONS" REPRESENTED SIGNIFICANT DEPARTURES FROM THE AGREED JULY 12, 1974

DRAFT COMPACT AND SOME OF OUR EARLIER UNDERSTANDINGS.

ALL OF THESE MATTERS WERE REVIEWED AT THE THIRD MEETING OF 1974 BETWEEN MR. WILSON AND MYSELF AND THE CO-CHAIRMEN OF THE JOINT COMMITTEE. THESE TALKS WERE HELD IN HAWAII IN LATE OCTOBER. ALSO IN ATTENDANCE WERE THE JOINT COMMITTEE'S LEGAL COUNSEL FROM WASHINGTON AND THE LEGAL ADVISER FROM SAIPAN. THE REASONS FOR THE JCFS REQUEST TO DROP THE TITLE "FREE ASSOCIATION" AND ITS OTHER SUBSTANTIVE AND NON-SUBSTANTIVE PROPOSALS FOR CHANGES IN THE DRAFT COMPACT WERE FULLY DISCUSSED. THE CHANGES THAT WERE AGREED TO ARE REFLECTED IN THE LATEST REVISED DRAFT COMPACT. OTHER UNDERSTANDINGS REACHED WERE SUMMARIZED IN MY LETTER OF NOVEMBER 15, 1974 TO THE CHAIRMAN.

ENCLOSED IS A COPY OF THE LATEST DRAFT COMPACT OF FREE ASSOCIATION WHICH INCLUDES ALL THE REVISIONS AGREED TO BY BOTH SIDES AT THE OCTOBER MEETING IN HONOLULU. THIS PRESENT COMPLETE DRAFT REFLECTS OUR FULL AGREEMENT IN PRINCIPLE IN ALL SUBSTANTIVE AREAS: SELF-GOVERNMENT, FOREIGN AFFAIRS, DEFENSE, FINANCE, APPLICABLE LAWS, TRADE AND COMMERCE, CITIZENSHIP AND NATIONALITY, IMMIGRATION AND TRAVEL, REPRESENTATION AND CONSULTATION, DISPUTE SETTLEMENT, TERMINATION AND THREE ANNEXES DEALING WITH FOREIGN AFFAIRS ACTIVITIES, DEFENSE LAND NEEDS, AND REPRESENTATION STATUS. IN ITS TOTALITY IT REPRESENTS THE RESULTS OF SEVEN ROUNDS OF FORMAL NEGOTIATIONS BETWEEN THE UNITED STATES AND THE JOINT COMMITTEE ON FUTURE STATUS.

WHILE AGREEMENTS HAVE BEEN REACHED IN PRINCIPLE IN ALL AREAS THERE ARE STILL SOME POINTS ON WHICH ONE OR THE OTHER PARTY HAS RESERVED. FOR EXAMPLE, YOU

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HAVE INDICATED THAT YOU WISH TO GIVE FURTHER THOUGHT TO TITLES VII AND VIII AND WE STILL HAVE TO DISCUSS THE PROVISIONAL AGREEMENTS ON TRANSITION INCLUDING THE LEVELS OF FUNDING CONTEMPLATED BEFORE FINAL UNDERSTANDING CAN BE REACHED IN THIS AREA. THE SUB-NEGOTIATIONS CALLED FOR IN ANNEX B MUST ALSO BE COMPLETED BEFORE THE COMPACT CAN BE SIGNED AND REFERRED TO THE CONGRESS AND THE PEOPLE OF MICRONESIA AND THE CONGRESS OF THE UNITED STATES FOR THEIR APPROVAL.

WE ARE PREPARED TO PURSUE THESE REMAINING MATTERS AND WOULD PROPOSE THAT AN EARLY MEETING BE CALLED WITH THE FULL JCFS TO REVIEW AS NECESSARY THE RESULTS OF THE 1974 CARMEL, GUAM AND HONOLULU DISCUSSIONS. THIS MEETING (ROUND VIII) IN ADDITION TO REVIEWING THE COMPACT SHOULD

ALSO TAKE UP THE IMPORTANT QUESTION OF TRANSITION TO INCLUDE THE TIMETABLE, THE LEVEL OF FUNDS TO BE PROVIDED AND THE TRANSFER OF GOVERNMENT RESPONSIBILITIES PRIOR TO THE TERMINATION OF THE TRUSTEESHIP AGREEMENT. FINALLY, THE UNITED STATES WOULD LIKE TO HAVE THE CORPORATE VIEWS OF THE JOINT COMMITTEE ON THE LAST STEPS TO BE TAKEN BEFORE CONCLUDING THESE NEGOTIATIONS. THIS SEQUENCE WOULD INCLUDE THE LAND SUB-NEGOTIATIONS, THE SIGNATURE FORMALITIES, THE APPROVAL PROCESS, POLITICAL EDUCATION, THE PLEBISCITE ITSELF, AND FINALLY THE TIMETABLE FOR ALL OF THESE AND OTHER RELATED STEPS LEADING TO A TERMINATION OF THE TRUSTEESHIP AGREEMENT.

WE ARE FLEXIBLE AS TO WHEN AND WHERE SUCH A MEETING WITH THE JCFS MIGHT BE HELD. IF FEASIBLE AND CONVENIENT IT MIGHT BE HELD SOME TIME IN MARCH IN MICRONESIA FOLLOWING THE ADJOURNMENT OF THE CONGRESS OF MICRONESIA'S REGULAR 1975 SESSION.

WITH RESPECT TO LAND NEGOTIATIONS, 1974 WAS ALSO A YEAR OF PROGRESS. IN MAY THE PALAU DISTRICT LEGISLATURE EXTENDED AN INVITATION TO THE U.S. TO SEND A SURVEY TEAM TO PALAU FOR THE PURPOSE OF MAKING AN ON-THE-SPOT TECHNICAL-ENGINEERING SURVEY OF POSSIBLE MILITARY LAND SITES AND ALTERNATIVE SITES. AFTER DISCUSSING THIS MATTER AT THE

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GUAM MEETING IN AUGUST THE U.S. RESPONDED BY SENDING A TEAM TO PALAU IN AUGUST UNDER THE LEADERSHIP OF ADMIRAL WILLIAM J. CROWE, JR., USN. THE SPIRIT OF COOPERATION AND ASSISTANCE TENDERED TO ADMIRAL CROWE AND HIS PARTY BY THE ELECTED AND TRADITIONAL LEADERS OF PALAU WAS WARMLY APPRECIATED AND GREATLY FACILITATED THE EARLY COMPLETION OF THE SURVEY MISSION.

AS SOON AS THE PALAU DISTRICT LEGISLATURE CAN TAKE THE NECESSARY STEPS TO PREPARE FOR THE LAND SUB-NEGOTIATIONS THE U.S. WILL BE READY IN COOPERATION WITH THAT DISTRICT TO MOVE TO THE NEXT PHASE, WHICH WILL INCLUDE A DISCUSSION OF THE LOCATION AND SIZE OF THE PREFERRED SITES AND THE ALTERNATIVES. THE FINAL STEPS WILL INVOLVE REACHING FINAL AGREEMENT ON THE FINANCIAL TERMS OF THE "LAND OPTION" ARRANGEMENTS AND THE ENTERING INTO BINDING AGREEMENTS WITH APPROPRIATE PALAUAN ENTITIES WHICH WILL BE INCLUDED IN THE COMPACT OF FREE ASSOCIATION TO BE PRESENTED TO THE COM.

WITH RESPECT TO THE RETURN OF PUBLIC LANDS, WE BELIEVE THE RECORD OF THE UNITED STATES IN FULFILLING ITS PROMISE TO RETURN PUBLIC LANDS TO THE CONTROL OF THE MICRONESIANS SPEAKS FOR ITSELF. WE ARE WILLING TO STAND ON THAT RECORD.

IN VIEW OF THE IMPORTANCE OF THE FOREGOING TO ALL OF THE MEMBERS OF THE JOINT COMMITTEE ON FUTURE STATUS, I AM SENDING COPIES OF THIS LETTER AND THE ENCLOSURE TO EACH MEMBER FOR HIS INFORMATION. THIS LETTER ALSO BRINGS WITH IT MY BEST WISHES TO YOU BOTH AND TO EACH OF THE MEMBERS OF THE JOINT COMMITTEE ON FUTURE STATUS FOR A VERY HAPPY AND PRODUCTIVE NEW YEAR. SINCERELY YOURS, F. HAYDN WILLIAMS. END QUOTE. KISSINGER.

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40. Draft dated January 13, 1975, re Agreed Statement of the
Negotiating Parties.

Withheld 09/18/86

41. Memorandum of Conversation dated January 13, 1975, on
Covenant Language.

Withheld 09/18/86