

CONFIDENTIAL

03
7
67

67
7,514 8853
P760 076-0660

DEPARTMENT OF STATE

Memorandum of Conversation

37

860 2480,76

TIME: 5:00 PM
DATE: May 14, 1976
PLACE: Mr. Habib's Office

SUBJECT: Micronesian Status Negotiations

PARTICIPANTS: Assistant Secretary Philip C. Habib, EA
Ambassador Franklin Haydn Williams, President's Personal Representative for Micronesian Status Negotiations
Lester E. Edmond, Deputy Assistant Secretary, EA
Mary Vance Trent, Acting Director, Office of Micronesian Status Negotiations
Richard L. Williams, EA/ANP (Notetaker)

767

DISTRIBUTION: EA, EA/ANP, L/UNA, L, IO/UNP, IO, INR -10

The Ambassador thinks there is a good chance of concluding the negotiations within the next 2 to 3 weeks. The present draft Compact provides for all US negotiating objectives from the 1973 guidance: access, denial, survivability of base rights. The provision permitting unilateral termination after 15 years meets one of the UN criteria. The financial side looks OK: we are not going to give more money but new ideas on how to distribute it will contribute to maintaining political unity. Defense has agreed not to let the Palau options interfere with agreement.

Other than foreign affairs and LOS we are in good shape. The foreign affairs issue is a limited one: LOS. Given the fact that the Micronesians have been accorded observer status, and that Oxman of the LOS delegation tells me any observer should have signatory rights ---

Habib (breaking in): We'd better get a lawyer's opinion on that one, if we are reserving foreign relations rights after termination of the Trusteeship. The foreign relations area can be a can of worms unless we proceed carefully.

The Ambassador observed that Annex A of the draft Compact was largely Art Hummal's work, and that State people like Ron Stowe and Tom Johnson had always been with the Ambassador at negotiating sessions.

Was LOS cleared back then? asked Habib. No, said the Ambassador

EA/ANP: R Williams:mhs
(Drafting Office and Office)
5/17/76:x29690
FORM 05-1254
2 68

PL 12 10

CONFIDENTIAL
GDS

3444-302

DEPARTMENT OF STATE A/CDC/MR	
REVIEWED BY <u>W. H. H. H.</u>	DATE <u>AUG 6 1985</u>
RDS <input type="checkbox"/> or XDS <input type="checkbox"/> EXT. DATE _____	TS AUTH. _____ REASON(S) _____
ENDORSE EXISTING MARKINGS <input type="checkbox"/>	
DECLASSIFIED RELEASABLE	
RELEASE DENIED <input type="checkbox"/>	
PA or FOI EXEMPTIONS <u>OS- 413, 282</u>	

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

2.

that's why I want to see you. Paul Warnke has proposed two or three changes I want you and L to look at. I think it is basically a policy not a legal question.

Williams said the Micronesians would like to negotiate their own fisheries treaties, especially tuna. Oxman says there is a basic U.S.-Micronesian conflict over tuna and "people in New York" think we wouldn't be within our rights to hold on this issue. The Micronesians also would want a change in Title II of the Compact: if any treaty had substantial impact on marine resources then they'd have to approve. Habib: This is narrower than earlier statement on substantial economic impact. Williams: Yes, for example copra would be covered under the earlier wording. Trent: thought lawyer earlier said "natural" not "marine" resources. Williams: We'll double-check.

Habib: Where's the IAG study on Micronesia? Williams: With Robinson. I think we don't have a problem with the Compact, but there are other problems. Or is the independence option. Habib: IO favors it. What do you think? There is no strong independence movement, is there, so why object? Williams: There is objection out there to including the independence option. Our UN representative can say they are free to take up independence if they want to. Habib: Has it ever been brought up in the negotiations? Williams: I had guidance that it was "not ruled out" but I was never authorized to offer it. I mentioned to the Micronesians two weeks ago that independence was available. Senator Bennett Johnston said there would be no money for independence. Habib: Pull would be another story.

Williams: They don't want separate agreements in Congress.

Williams: Going down the paper you sent Chuck Robinson: Independence is the surest road to fragmentation. I have no problem with your foreign affairs proviso, although I never had any Department stipulate such a need once I had Presidential instructions in hand. Habib: That depends on how specific the instructions are -- you wouldn't want a negotiating position we could not later sustain. I'm glad to have this memo you have just handed me; have you raised these points before?

Williams: Offering all three options is a tactical matter. Edmond: Yes, but a few years from now we will want a record persuasive to Congress and the UN that we offered on such and such a date and that they responded thus and so. Williams: It is already in the record, for example the Barbers Point negotiations. I am not opposed. Habib/Edmond: Are you worried that introducing the independence option might tip things in that direction? Williams: No. If we insist on independence on the ballot we may have to negotiate a mutual security treaty first; Warnke concurs in this. Their Constitution says they are a sovereign and independent state. Dick

CONFIDENTIAL

CONFIDENTIAL

OS- 413083

CONFIDENTIAL

421

CONFIDENTIAL

3.

Williams asked if there were persuasive reasons why the independence option should not be stated at the final negotiating round. Ambassador Williams said he had no objection to doing so. All agreed that the question of the plebiscite wording need not be addressed at this stage.

Williams: The fifth point in the Habib-to-Robinson memo, on the plebiscite, is all right with me.

Williams: LOS is the central issue.

Habib: We'll try to move fast.

Edmond: We're sympathetic but want to avoid problems.

Williams: Earlier this week I asked Dick Williams to take informal sounding in the Department on two possible U.S. negotiating concessions to the Micronesians. One was the possibility that the Micronesians be given civil air authority, including the right to grant air routes. Dick got a very negative reaction from your aviation people, and we will not make any further attempt to offer a concession to the Micronesians in this field. The second was preferential tariff treatment. The reaction to this one on a top-of-the-head basis was that there were problems -- notably a GATT problem -- but that something might be possible. Accordingly, we will ask Dick to pursue this one further.

CONFIDENTIAL

CONFIDENTIAL

05-413764