STAYS A/CDC/KR SECRET ARTMENT OF STATE November 5, 1976 XFNI FA or FOI DRAWFTTORS

Mr. Finn Mr. Schiele

Mr. Stewart

Amb. Manhard

Mr. Siegal Mr. Busby, Mr. Dalton

Mr. Taft

Mr. Edmond signed forwarded the memc on November 9.

Dick Williams

T0:

Mr. Rutherford M. Poats

Acting Staff Director

NSC Under Secretaries Committee

FROM:

Lester E. Edmond

Department of State Member

Interagency Group For Micronesian Status Negotiations

LOS and Related SUBJECT: Micronesian Status Negotiations:

Foreign Relations Issues

Your Memorandum of June 30, 1976 REF:

The Micronesian side has asked Ambassador Manhard for a negotiating session during the week of December 12, stipulating that a principal subject should be marine rescurces. The Department by this memorandum submits its recommendations with regard to a US position on marine resources. We have reviewed the draft marine resources study of June 1976. Although we do not endorse the background or analysis sections of the study, which in our view are inaccurate and biased in critical respects, we recommend that the US negotiators be authorized to make a proposal to the Micronesians aimed toward achievement of a solution

We would, however, recommend that any utilization of Option 2 or 3 authority-be made subject to the following conditions:

the US negotiators should propose, in both Options II and III, that a joint consultative body be established

SECRET 3 2 -

to coordinate the exercise of control over, and to endeavor to resolve questions relating to, marine resources;

-- it should be made clear that the US is not recognizing the archipelago concept; and

BI, AS

BI, AS

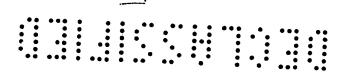
---3.**

BI,AS

-- The Micronesian negotiating commission, in the public statement issued at the close of its just-concluded meeting, called into question at least three elements of the Compact which the US side had considered long resolved:

-- The Micronesian negotiating commission also declared that at the proposed US-Micronesian December session it would not be prepared to discuss the Compact provision dealing with the internal allocation of US assistance funds (except for marine resources, the only "gap" in the Compact draft initialed last summer), indicating that this problem is considerably more difficult to resolve than may have appeared last summer.

B1, A5



4. -

Blins

- 5. The Department is concerned that in recent months the marine resources question has tended to overshadow other serious problems confronting the status negotiations, and we have renewed an August request to OMSN to convene an interagency meeting or meetings to consider how best to achieve a realistic negotiating strategy. If, as seems to us nearly certain, further elaboration or a reassessment of the total US negotiating position seems in order following the December meeting, we would welcome a full review of the marine resources and other issues by the Interagency Group.
- 6. The Department in addition wishes to comment that it considers marine resources study seriously defective in its treatment of the enforcement and surveillance of Micronesian waters. We believe that unless a section on this subject is added, the US negotiators would in all likelihood be forced to return to the President for additional instructions before serious US-Micronesian discussions could be pursued.

Clearances: S/P - .RFinn

لأللا

IO - JBaker L/UNA - DStewart L/OES - CSiegal OES/OFA - MBusby D/LOS - GTaft

Drafted by

EA/ANP: RLWilliams: pp