

JCFS

7/74

Cher

GUAM TALKS - Strategy and Tactics

- Objectives of talks from U. S. standpoint:

1. Preserve substance of U. S. position on foreign affairs, meaning almost all of original language less a few non-essential bones.
2. Secure acceptance other major points in Compact prior to entering into any sort of financial commitments in pre or post termination periods.
3. Finalize arrangements for Palau land survey and completion of actual negotiations as pre-condition to final signature of Compact.
4. Secure acceptance or at least de facto acquiescence by Salii in Marianas separate negotiations and early separate administration.
5. Arrange for plebiscites and orderly transitional arrangements.

- Possible Salii objectives:

1. At best: Use Guam talks to show opposition and doubters on JCFS that U.S. remains absolutely firm in its adherence to basic principles of agreed Draft Compact as it emerged at Carmel with view to getting on with final actions after minimal cosmetic changes.
2. At worst: Outright repudiation of Draft Compact, especially Title II and possibly Title III as well, with a view to forcing continued stalemate in negotiations, further muddling through with indefinite continuation of status quo during which U.S. gives Micronesia progressively greater role in government, and increasing financial assistance, particularly CIP, leading to

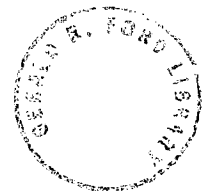


situation where COM could demand independence in a few years.

3. Probability: Efforts designed to appease Truk contingent in JCFS brought on by Salii's own feeling of personal insecurity within COM and within internal Palau political scene, leading to continual new demands for U. S. concessions.

- U. S. Tactics to be Adopted:

- Put and keep burden of proof on Salii to justify any changes in agreed Carmel draft, particularly in the case of major segments like foreign affairs and defense.
- Respond to attempts to make major alterations in foreign affairs by pointing out this is no longer free association but independence.
  - Lean on State/L technical argumentation
  - Cite examples of other countries.
  - Note practical differences in individual cases.
- Suggest that if Salii wants independence we approach matter directly and not back into it indirectly.
- Point out that in our view independence carries with it two important qualifications:
  1. We will make no financial guarantees
  2. We will insist on validity of Kwajalein lease and U.S. denial rights for third countries.
- Indicate U. S. still determined to go ahead with Marianas separate negotiations and administration .
- Query what other districts really want
  - Marshalls - play on Silk and Commonwealth
  - Yap - play up Mangefel's remarks in Palau



- Ponape - draw out Ieshi on ability of district to survive economically
- Palau - ask if Tmetuchl has considered amounts and types of assistance that might be forthcoming from other countries if U. S. assistance withdrawn.
- Make it clear that transition funding especially Stage II will not be forthcoming in independence situation (it is designed for Compact type of free association only).
- Suggest indirectly that U.S. has every intention of monitoring results of Con-Con to make sure basic rules are followed, in order to avoid any ideas that Con-Con will determine future status unilaterally.
- Query how new JCFS position jibes with Kendall remarks before UNTC restating goal of free association and liberal transition period