

3

OFFICE FOR MICRONESIAN STATUS NEGOTIATIONS
WASHINGTON, D.C. 20240

December 15, 1975

LIMITED OFFICIAL USE

MEMORANDUM

To: Interagency Working Group on Micronesian Status Negotiations
From: Acting Director, Office for Micronesian Status Negotiations *mm*
Subj: Meeting with JCFS Leaders

Ambassador Williams is tentatively scheduled to meet with the leaders of the JCFS--Salii and Silk--on the weekend of January 4, 1976 in order to review the status of the negotiations and to consider next steps. These discussions will be strictly informal and exploratory in nature, but will provide both sides with an opportunity to ascertain reactions to events since the last meeting in Hawaii in October 1974, particularly to obtain indications of changed positions on the draft Compact.

In order to ensure that the Ambassador is fully informed on all outstanding issues and problems regarding the Compact and how best to proceed, backup papers on the following topics will be required:

1. Impact of the proposed Micronesian constitution on the draft Compact. Salii has already mentioned the need for revisions to Titles 1, 2, 3, 4, 11 and 12 in order to bring the Compact into line with the draft constitution; therefore the Ambassador would appreciate your informal or preliminary analysis of the compatibility of the two documents and what he might indicate as our tentative reaction to substantial amendment to these sections of the Compact, e.g., the willingness of the U.S. to revise Title 2 to permit the new Micronesian Government broad powers in foreign affairs. It is suggested that all concerned with this matter provide their comments on this subject. OMSN will attempt a synthesis.

Suggested Action Agencies -- State, DOD, Interior and Justice.

2. A legal analysis of the draft constitution and its legislative history. We are concerned here with the probable viability of this document and possible conflicts with the Trusteeship Agreement and international law. For example, will the proposed Executive of the Federated States be able to fulfill its international obligations or agreements, and are there any conflicts or inconsistencies between the powers assigned to the States and to the executive or legislative branches?

Suggested Action Agencies -- State, Interior, Justice and OMSN, although the views of DOD on this would also be welcome.



3. Foreign policy problems. Title II of the draft Compact. Salii and others have referred to the differences between the U.S. position and Micronesian views on the Law of the Sea as an indication of the need to amend this part of the Compact to permit the new Federation to establish a distinctive position in areas for direct concern to Micronesia. We assume that they also have in mind foreign commercial policy, etc. Your views on how basic Micronesian attitudes on this can be accommodated, if at all, would be helpful.

Suggested Action Agencies -- State in coordination with DOD and Interior.

4. Title III - defense responsibilities and future U.S. requirements. The draft constitution appears to nullify the current language of Title III of the Compact and Salii might press the Ambassador for reaffirmation of our prior positions on this matter. Also, given the relationship between our requirements and the level of future financial assistance to Micronesia, it would be extremely useful to have the latest thinking in the DOD on these issues and the status of the Palau requirements or options.

Suggested Action Agency -- DOD.

5. Title IV, future financial assistance. The COM rejected the levels of annual U.S. assistance agreed to tentatively last year--Carmel, Guam and Hawaii--but this was prior to the CONCON and the emergence of the draft constitution*. Obviously any substantial revisions in Titles II or III would call for drastic reductions in the previous levels. On the other hand, the Ambassador's instructions do permit him to increase the levels discussed in Hawaii if the need arises. Your views on this problem would be appreciated, particularly on the worth of a weakened Compact or alternatively, a mutual defense treaty under which the new Federation would have full powers except for well defined U.S. requirements and general responsibility for defense of the area.

Suggested Action Agencies -- all concerned.

6. Political fragmentation. In view of the possibility that one or more of the districts will reject the draft constitution and request separate status negotiations with the U.S., especially Palau, the Ambassador wishes to be in a position to respond to any pressing questions regarding probable U.S. reactions to such requests. He might also wish to discourage any attempts by Salii to obtain U.S. support for special projects, e.g., the superport in Palau, or requests for a U.S. commitment to support an "independent" Palau.

Suggested Action Agencies -- all concerned.

7. Transition issues or problems. Salii has indicated a degree of anxiety concerning the succession of events culminating in the establishment of a new Micronesian Government and the termination of the Trusteeship following an affirmative status referendum, e.g., the movement of the capital

*Last July Salii expressed the hope that the U.S. would support the initiation of a comprehensive development plan which could provide an "informal basis" for further discussions re aid levels.



and the implementation of any agreements with the MPSC or MDL regarding separate administration in the NMI. He has also expressed some reservations regarding the status of the JCFS as the proper vehicle for concluding a formal status agreement with the U.S.; the alternative would be to recess the status talks until the new Micronesian Government is organized and it or the people designates a negotiating agent. While all of this is somewhat hypothetical at this juncture, we would welcome any views or suggested talking points on this matter.

Suggested Action Agencies -- Interior in coordination with State and DOD.

8. Other - contingency subjects. The Ambassador would like also to be prepared to discuss informally the following matters:

a. status of U.S. Congressional action on the proposed Covenant--i.e., what plans do we have in the event it is rejected or delayed? Action - OMSN;

b. forthcoming COM session, likely actions re status. Action - Status LNO and OMSN.

A preliminary meeting of the Working Group on the above will be held at 10:00 A.M., Wednesday, December 17, in OMSN.

Mary Vance Trent

Mary Vance Trent

Photocopy from Gerald R. Ford Library



SAL:kkc