

*Chior*

*Noted by Gen. Scowcroft*

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MEMORANDUM

NATIONAL SECURITY COUNCIL

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ACTION

July 2, 1976

MEMORANDUM FOR BRENT SCOWCROFT

FROM: JAY TAYLOR *JT*

SUBJECT: Your Meeting, 10:00 a.m., July 5, with Ambassador Williams

Ambassador Williams requested to see you. Very likely he wishes to urge an immediate and favorable Presidential decision on the question of what concessions we are prepared to make to the Micronesians on the issue of marine resources and related foreign relations issues.

The Under Secretaries Committee on June 30 circulated to concerned departments and agencies a draft memorandum for the President concerning these issues. Ambassador Williams desires a Presidential decision in time to negotiate an agreement on this issue with the Micronesians prior to the special session of the Congress of Micronesia scheduled to begin July 19.

Background

As you may recall, in late May and early June the Ambassador attempted to stampede through the bureaucracy a decision to grant concessions on the issue of marine resources to the Micronesians. He flew off to Saipan for a scheduled negotiating session, and we cabled him an instruction not to make any commitment on the issue of marine resources and to negotiate within the terms of his existing instructions. On June 2 Williams and the Micronesians initialed a draft Compact of Free Association with two sections left blank for later agreement. The question of authority and control over Micronesia's waters and resources under the Compact is one of these issues. The other unresolved subject is largely an internal but a potentially difficult one concerning the formula for the allocation of future U. S. grant assistance among the districts of Micronesia.

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The Problem

In the negotiations to date, the United States has opposed granting any foreign affairs responsibilities or authority to the future government of Micronesia other than those already provided for in Annex A of the Compact. On the other hand, Micronesia has taken the position that it must preserve essential Micronesian jurisdiction over all marine resources because of the fundamental conflict of interests between the United States and Micronesia over the question of coastal-state authority over tuna. Micronesia believes that an exception should be made to U. S. authority over foreign affairs under Free Association to enable Micronesia to act in its own name internationally with respect to its own waters and marine resources. The Micronesians agree that such authority should not infringe upon necessary U. S. Government powers and responsibilities in the field of defense or foreign affairs generally, and they are prepared to grant the U. S. veto power in this field.

The Importance of the Issue

The future of the negotiated Compact of Free Association is uncertain even if we make the necessary concession on marine resources. A Marshallese representative in the U. N. Trusteeship Council, for example, on June 30 condemned the Compact of Free Association and asserted that the Marshall Islands would under no circumstances join a united Micronesia. Palau District also seems primarily interested in a separate arrangement with the United States. Nevertheless, a unified Micronesia in a Free Association arrangement with the United States would seem to be the best feasible alternative from the U. S. point of view. All elements in the U. S. Government agree to this thesis. Ambassador Williams is probably correct in believing that the last hope that such a unified settlement can be achieved will very likely evaporate if the United States refuses to compromise on marine resources and related issues.

The Under Secretaries Committee draft memorandum to the President sets out four options on this issue. Ambassador Williams will argue that while he would negotiate from the bottom of the scale and would make concessions only grudgingly, he should be authorized full flexibility. The Ambassador will also urge that once the NSC receives the USC's memorandum and agency recommendations -- probably at the end of the week -- we do everything possible to obtain an early Presidential decision so that he can begin negotiations the following week.



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Your Position

You should express understanding for Ambassador Williams' concerns and promise to do what is possible to obtain an early Presidential decision once we have received the memorandum. You may also wish to emphasize the complexity of the problem and express pleasure that the issue is being fully vetted within the government.

Talking Points

-- I understand your concerns. I agree that a unified Micronesia with a Free Association relationship with the United States is the best possible solution in terms of U. S. defense interests.

-- I appreciate the importance of the marine resources issue to the Micronesians. It is a complicated question, however, and many elements of the government have an interest in it.

-- I am glad to hear that the Under Secretaries Committee is addressing the question and obtaining the recommendations of all concerned agencies.

-- Once the Under Secretaries Committee memorandum reaches us, we will attempt to obtain an early Presidential decision. As you will understand, we cannot make any commitment.

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