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MARSHALL ISLANDS POLITICAL STATUS COMMISSION  
P. O. BOX 100  
MAJURO, MARSHALL ISLANDS 96960  
CENTRAL PACIFIC  
CABLE ADDRESS POLSTACOM

September 21, 1976

Honorable Philip Manhard  
Deputy Ambassador at Large  
Office of Micronesian Status Negotiations  
Department of the Interior  
Washington, D.C. 20040

Dear Ambassador Manhard:

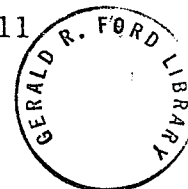
Here is a tentative draft position paper, still under discussion by the Commission. While the paper has not yet been formally adopted, Commission deliberation of the substantive points in it has progressed to the point where we believe it is fair to say the final paper issued by the Commission will be substantially similar to this draft.

We hope this draft will be of use to you and your staff as you review the present state of affairs within the several island groups of the Trust Territory and prepare for commencement of substantive negotiations toward final resolution of the still unresolved question of the future political status of the several island groups of the Trust Territory following the termination of the present trusteeship. As soon as the Commission issues a final position paper it will be forwarded through our Washington, D.C. legal counsel to you.

Raymond McKay of the Office of the District Administrator here in Majuro advised us earlier today that you would like to have a chance for an exchange of views with leaders here in the Marshalls, either this evening or tomorrow morning. I have communicated with Amata Kabua, the Chairman of the Commission, and with the Speaker and Vice-Speaker of the Nitijela, Atlan Anien and Iroij Namo Hermios, and all of them would be happy to meet with you at your convenience, either this evening or tomorrow morning.

Several other persons and groups have asked me to request meetings with you, both here at Majuro, and at Kwajalein Atoll tomorrow or the next day. I shall pass these requests on to you in person this evening. And I plan to travel to Kwajalein tomorrow myself, as does Speaker Anien.

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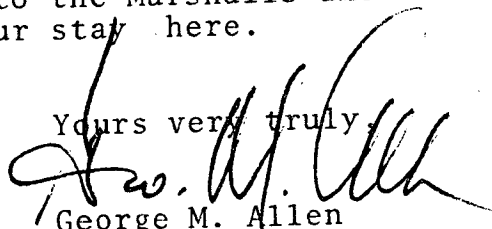


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One of these requests should be mentioned at this time. The Information Committee of the Marshallese Work Force Committee at Kwajalein (numbering about eight) and the Kwajalein Municipal Council (numbering about 15) would like to have a joint meeting with you tomorrow evening at Ebeye and asked me, when I was at Kwajalein last week, to relay their request to you. Because most of these people must work on Kwajalein Island during the daytime hours, an evening meeting at Ebeye tomorrow night would be the only practical time to have you see these persons.

Finally, welcome to the Marshalls and we hope you and your staff enjoy your stay here.

Yours very truly,



George M. Allen  
Legal Counsel

GMA:am  
Enclosure

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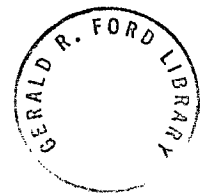


POSITION PAPER  
FOR SEPARATE NEGOTIATIONS

Marshall Islands Political  
Status Commission  
Majuro, Marshall Islands

September, 1976

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POSITION PAPER  
FOR SEPARATE NEGOTIATIONS

Introduction

This is a working paper to set forth the position of the Political Status Commission as it prepares to enter separate negotiations with the United States. The paper sets forth the formal position of the Commission relative to separate negotiations with the United States so the United States can have a reasonably good idea of the requests which will be made by the Marshalls in separate negotiations.

1. Self-Government Leading to Independence:

The Commission, after meetings with people throughout the Marshalls since its inception in 1973, and after extensive deliberation of all possible alternatives, has concluded that the future political of the Marshall Islands, following the end of the present Trusteeship, should be self-government, leading, after a period of several years, to independence.

The precise date for transition from self-government to full independence does not need to be set at the time the Trusteeship ends, but should be a date reasonably ascertainable at that time, and conditioned only upon the decision of the people of the Marshall Islands, expressed by them. For a tentative timetable, the Commission



foresees self-government coming into being by 1978 or 1979, existing for a period of another two to three years under the Trusteeship; the Trusteeship would then end in 1981, with self-government continuing for another three to four years while the United States continues to have a stewardship over certain external affairs of the Marshalls. Then, on a one-by-one basis, the Marshalls would assume control over each external area of concern, such as marine resources, defense treaties, etc., so that after a gradual progression, the Marshalls would become fully independent, probably at a point between 1985 and 1988, or about ten years from now.

By the time of full independence, the institutions of self-government would thus have been in operation for at least six and perhaps as much as ten years and the new government would have acquired maturity and seasoning in handling of its own affairs. Simultaneously, the Marshalls would have moved substantially toward economic self-sufficiency.

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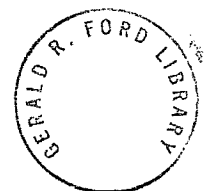


2. Resolution of Past Problems Arising Out of American Strategic Use of the Marshalls

The strategic use of the lands and waters of the Marshall Islands has caused some problems which should be discussed at least briefly before negotiations proceed to other points. The Commission would expect the negotiators for the Marshalls and the negotiators for the United States to spend at least some time in preliminary meetings discussing the resolution of past problems, such as land use compensation, Bikini and Enewetak, before proceeding to the resolution of future relations between the United States and the Marshall Islands.

3. Future Strategic Use of the Marshall Islands

The Commission has concluded that future strategic use of the Marshall Islands by the United States, whether



at Kwajalein or elsewhere, should be pursuant to a treaty between the future government of the Marshall Islands and the government of the United States. The Commission is prepared to negotiate the terms and conditions of that treaty, with the expectation that the government of the Marshall Islands, which should be self-governing prior to the date of actual independence, will ratify the treaty prior to the date of independence.

The treaty should provide for compensation for ~~strategic use of~~ the lands and waters and air space of the Marshall Islands at going world rates for compensation for use of military bases.

Under no circumstances can the Commission foresee that initial compensation for such use, based on the present rate of usage at Kwajalein, would be less than \$20 million per year, taking into account all forms of compensation.

Under the foreign assistance program contemplated by any such treaty, it would be expected that the United States will provide sufficient assistance to make possible at least the following projects:

- (A) Creation of Additional Infrastructure for the Marshalls, Including at Least:
  1. Transportation airstrips for STOL-type aircraft on all major islands and atolls.
  2. Dock facilities at all major islands and atolls.



3. Operating equipment for the transportation system, consisting of aircraft and ships.

4. A complete communication system, including satellite relay stations, television for use for both entertainment and education for all major inhabited islands and atolls, regular telephone and radio telephone communication providing effective, instantaneous communications throughout the Marshalls and from the Marshalls to the rest of the world.

(B) Funding for an Education Program Calculated to Make College Education Available to Every Qualified Student in the Marshalls not Later than 1985

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(C) Cultural Assistance to Provide Funding for Creation of a Major Program for Preservation of Marshallese Culture and Arts

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(D) Funding for Post Graduate Education Within the Marshalls, Contemplating Initial Creation, Hopefully Prior to the End of the Trusteeship, of a Junior College in the Marshalls, Working Eventually to a Four-Year College, to be Established in the Marshalls, Probably outside of the Present Population Centers, Perhaps at Either Jaluit or Wotja.

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(E) Funding of Creation of a Complete Health Care System including a General Hospital at Majuro with Support Facilities Throughout the Marshall Islands and Fully Integrated with the Transportation System.

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#### 4. Trade Relations

Trade relations between the Marshall Islands and the United States have been a source of great difficulty throughout the Trusteeship. As Trustee, the United States has failed to secure for the citizens of the Trust Territory and the businesses in the Trust Territory operated by indigenous persons, even the most basic form of protection of trade rights. For example, the General Agreement on Treaties and Tariffs (GATT) does not include the Trust Territory. Consequently, the businesses operating in the Trust Territory which wish to export goods to the United States are not able to obtain even Most Favored Nation status. Many of America's adversaries in world politics, such as the Soviet Union, have more favored trade relationships with the United States than the citizens of the Trust Territory.

The proposed Compact of Free Association, between a so-called "Micronesia" and the United States, approved at Saipan in June, 1976, by Congress of Micronesia negotiators ( with the exception of Ataji Balos of the Marshalls ) failed to resolve this problem.

The Commission has concluded that any future relationship between the Marshall Islands and the United

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States by which the United States continues to enjoy the right of strategic use of the lands, waters and airspace of the Marshall Islands should afford the Marshalls at least Most Favored Nation status and, with respect to certain export items, particularly handicrafts, fish, copra products and other products of basic industrial development, preferential duty-free status.

However, quite candidly, the Commission does not believe the trade relationship should be a two-way street. The government of the Marshalls should be entitled, under the terms of agreement on trade with the United States, to impose either tariffs or quotas to protect industrial development in the Marshalls from competition by American imports.

The government of the Marshalls should also be entitled to impose tariffs as a means of both raising revenue and directing consumer spending of the people of the Marshalls.

##### 5. Currency and Banking

The Commission has concluded that while residual control of currency and banking activities should rest with the government of the Marshall Islands



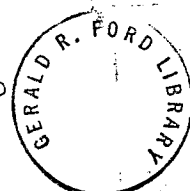
the foreseeable future (10 to 15 years) makes it desirable that the currency and banking systems of the Marshalls be tied to the United States. The Commission does not believe it is practical for the government of the Marshall Islands to operate currency or banking systems at the outset.

6. Foreign Affairs

Following independence, the Marshall Islands would expect to be part of a bilateral or regional structure insuring the defense of the Marshall Islands under the protection of the United States and its allies. In this regard, the Commission would strongly recommend the inclusion of the Marshall Islands in a structure such as that created by the ANZUS treaty.

However, despite the military and strategic alignment of the Marshalls with the United States and its allies for purposes of mutual defense, the government of the Marshall Islands would expect to retain complete autonomy to control trade relationships of the Marshall Islands and to control development of the terrestrial and marine (both living and nonliving) resources of the Marshalls. The Commission would expect, as a condition of the assistance under the treaty giving the United States the right to military bases in the Marshalls, to

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preclude certain nations from participation in economic development of the Marshall Islands, such as the Soviet Union, China, North Korea, Vietnam and their allies.

The Commission would also accept, as a condition of the assistance provided, restriction of the right to look to so-called non-aligned countries for economic development when such countries are closely identified with the Soviet Union, China, North Korea, Vietnam and their allies.

#### 7. Marine Resources

Even before the end of the Trusteeship, the United States should commence assisting the Marshalls with full-scale development of marine resources. There must be recognition that this will require an extensive and expensive commitment on the part of the United States to enforcement of a 200 mile economic zone which will encompass approximately 400,000 square miles of ocean surface area from which the United States must prohibit all commercial fishing except that agreed to by the government of the Marshall Islands after the creation of effective self-government, expected to come into existence by 1979.

Only those commercial fishing operators licensed by the new government of the Marshall Islands and paying substantial consideration to the new government of the Marshall Islands should be permitted to engage in commercial



fishing activities.

The Commission recognizes that part of the revenue from licensing commercial fishing operations within the Marshall Islands economic zone could be used to help defray the cost of enforcement.

The government of the Marshall Islands, after the end of the Trusteeship, would have sole jurisdiction over the marine resources of the Marshall Islands. With the exception of the limitations the Commission is willing to recommend, as set forth under Heading 6, above, the government of the Marshalls should have full freedom to enter into bilateral or multi-national agreements for development of the marine resources of the Marshalls.

The Commission expects that the new government of the Marshall Islands will realize substantial revenue from licensing of commercial long-line fishing operations from its inception. The Japanese and others are presently conducting a multi-million dollar industry, whose true dimensions are known only to the operators, at the expense of the people of the Marshall Islands. The failure of the United States, as administrating authority, to either license or regulate these activities and the United States' failure to provide for effective enforcement against this exploitation has been one of the great drawbacks of the Trusteeship.

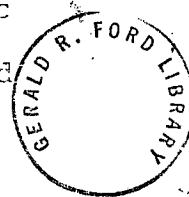
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The fact is that the marine resources of the Marshall Islands are extensive and, by virtue of fishing operations already being conducted, have already been developed. The Marshalls could be economically self-sufficient today if fair compensation were paid by those exploiting the marine resources of the Marshalls to a legitimate government of the Marshall Islands.

The popular notion that the several island groups of the Trust Territory are economically underdeveloped areas and dependent on the United States, is without real merit when applied to the Marshalls. The resources of the Marshalls, at the present stage of development, are more than adequate to meet the present economic needs of the people of the Marshalls and the present revenue needs of a government for the Marshalls. The problem is one of reaping fair compensation for the people of the Marshalls and a government for the Marshalls from the present economic use of the Marshalls, both by foreign fishing operations and by the United States for its continuing strategic use of the Marshall Islands.

The underlying economic strength at the present time is so great that if either the United States began payment of fair compensation for its continuing strategic use of the Marshalls or foreign fishing operators started



making fair payment for their economic activity in the Marshalls, there would be more than adequate revenue to meet the needs of all governmental activities and a substantial portion of the revenue necessary for development of further economic infrastructure.

8. Citizenship and Nationality of People of the Marshall Islands

Some citizens of the Marshall Islands presently enjoy status as United States' permanent residents. The transition documents by which the Trusteeship is ended and the Marshall Islands become first self-governing, then independent, under United States stewardship, should provide protection for those Marshall Islanders who wish to retain certain rights as U.S. permanent residents.

Similarly, the transition documents should protect the right of Marshall Islanders to immigrate to the United States and travel within the United States, during and after the period of transition from Trusteeship to independence.

The transition agreement should also provide for extension by the United States of its foreign diplomatic and consular services to the people of the Marshall Islands and the government of the Marshall Islands during the entire transition period and, potentially, after independence. The Commission recognizes that the



government of the Marshall Islands will never at any point in the foreseeable future have sufficient resources to maintain ambassadorial and consular services to more than a few of the more important trading partners of the Marshall Islands. For example, it is expected the Marshall Islands will maintain permanent personnel and diplomatic operations for dealings with the United States, Nauru, the future government of the Eastern and Central Caroline Islands and Japan. However, the Marshall Islands would expect to engage the reciprocal assistance of the United States for diplomatic and consular services beyond that ambit.

#### 9. Dispute Settlement

The Commission believes the transition documents, including a treaty for continued American strategic presence in the Marshall Islands, should recognize the jurisdiction of the International Court of Justice as the forum for resolution of such disputes as may arise between the United States and the Marshall Islands arising out of the future relationship between the governments of the United States and the Marshall Islands. The transition documents should specifically provide that United States citizens and nationals who are present in the Marshall Islands shall be subject to all civil and criminal laws





of the Marshall Islands. It should be specifically recognized that such American citizens and nationals shall be subject to the domestic tax laws of the Marshall Islands and shall be further subject to enforcement of the criminal laws of the Marshall Islands.

The only American citizens and nationals who could expect to be exempted from these laws would be a minimal number of Americans involve in American diplomatic or consular work in the Marshall Islands.

10. Format for Negotiations

The Marshall Islands Political Status Commission will be ready to commence formal negotiations / <sup>toward the</sup> end of the present Trusteeship at any time on or after January 1, 1977. The Commission believes any such formal negotiations should be preceded by an extensive familiarization period on the part of the United States negotiators with the Marshall Islands. The Commission believes that only in that manner can the American negotiators fully understand the needs of the people of the Marshall Islands.

The Commission is prepared to engage in several rounds of formal negotiations, with an expectation that agreement can be reached on substantially all points during the year 1977, so that self-government, when it



comes into being in the Marshall Islands, can be implemented in the context of transition procedures already agreed upon between the United States and the Marshall Islands.

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