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DRAFT SECRETARY-PRESIDENT MEMO

Since the U.S.-Micronesian Roundtable Conference in Guam last July 25 to 27 and the subsequent appointment of Peter R. Rosenblatt as your Personal Representative to conduct Micronesian status negotiations, the obstacles which impeded the resumption of negotiations have been eliminated. Negotiations resume in Molokai, Hawaii on October 24 with the Marshall Islands, Palau and the Congress of Micronesia (COM) which represents the four districts of Kosrae, Ponape, Truk and Yap.

Two other issues which have a bearing on the status negotiations have also been settled in a manner satisfactory to all parties. A new air route has been established between Tokyo and Saipan, and High Commissioner Adrian Winkel has approved a compromise COM bill establishing a Micronesian claim to marine resources other than tuna within a 200 mile limit of Trust Territory land areas.

At the Guam Conference, we proposed a negotiating format recognizing the right of the Marshallese and Palauans to negotiate with us on their own behalf and apart from the COM in a two-tiered multilateral-bilateral format. Our Guam proposal also attempted to fill the void left by Micronesian disagreement as to their preferred future political status by proposing "free association". Each of the Micronesian delegations reacted favorably at Guam, but without making a binding commitment.

Subsequent intensive negotiations between Ambassador Rosenblatt and each of the Micronesian parties and their U.S. lawyers produced agreement on the time and place of resumed negotiations and Micronesian

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acceptance of the Guam proposal as the negotiating format. Most importantly, each of the three Micronesian parties accepted the principle that free association will be the sole future political status option to be negotiated at this time.

The main U.S. objectives at the opening round of negotiations are to:

- 1. Persuado each of the three Micronesian parties to agree to preserve common links among them in the post-Trusteeship period, thereby averting a complete administrative separation and simplifying the discharge of continuing U.S. responsibilities in the area.
- 2. Come to an understanding on the division of topics between the bilateral negotiations with each of the three Micronesian entities and the multilaterals, and on the pace of the talks.

We have stressed the importance of accelerating the pace of negotiations to meet your publicly stated objective of ending the trust by 1981.

Ambassador Rosenblatt's negotiating strategy seeks:

- A. A single future political status for all parts of Micronesia.
- B. Micronesian agreement on their own institutions of internal self-government in the post-Trusteeship period.
- C. U.S. defense and foreign affairs authority under a free association agreement to be conferred directly by a plebiscite of the peoples of Micronesia rather than by their future governments, and therefore terminable only by plebiscite.

CONFIDENTIAL

Ambassador Rosenblatt believes that our position on all of these. subjects would be greatly reinforced by a message from you to be read at the Molokai conference. A copy of the proposed message is attached.

CONFIDENTIAL.

J.F.

10/19/77 OMSN

DRAFT STATEMENT FOR PRESIDENT CARTER

ON BEHALP OF THE AMERICAN PEOPLE, I WELCOME YOU, THE REPRESENTATIVES OF THE PEOPLES OF MICRONESIA, TO HAWAII AND TO MOLOKAI ISLAND. I AM VERY PLEASED AND ENCOURAGED THAT PORMAL NEGOTIATIONS ON YOUR FUTURE POLITICAL STATUS HAVE RESUMED.

THE IMPORTANCE OF THESE NEGOTIATIONS IS UNDERSCORED BY THE DETERMINATION OF MY ADMINISTRATION, AS I EXPRESSED IT LAST MAY, TO REPLACE THE PRESENT TRUSTEESHIP BY 1981 WITH A NEW POLITICAL STATUS BASED ON COMMON CONSENT.

OUR AGREEMENT ON A NEGOTIATING FORMAT BASED ON FREE ASSOCIATION IS
A SIGNIFICANT MEASURE OF THE PROGRESS ALREADY ACHIEVED. THIS INDICATES
THE FUTURE RELATIONSHIP BETWEEN THE UNITED STATES AND THE PEOPLES OF
MICRONESIA WILL CONTINUE TO BE CLOSE WHILE REFLECTING YOUR STRONG DESIRE
FOR FULL INTERNAL SELF-GOVERNMENT. THE RIGHT OF SELF-DETERMINATION OF THE
PEOPLES OF MICRONESIA, TO BE EXERCISED IN A PLEBISCITE PRIOR TO THE END
OF THE TRUSTEESHIP, REMAINS A CORNERSTONE OF OUR POLICY IN THESE NEGOTIATIONS.

THE NEED FOR DIALOGUE AND UNDERSTANDING AMONG ALL OF THE PARTIES
TO THESE NECOTIATIONS HAS NEVER BEEN GREATER, SINCE YOUR FUTURE POLITICAL
INSTITUTIONS AND INTERRELATIONSHIPS MUST BE SHAPED BY YOU, THE LEADERS
OF THE MICRONESIAN PEOPLES, IN CONFERENCE AMONG YOURSELVES AS WELL AS
WITH THE UNITED STATES. I MAVE EVERY CONFIDENCE THAT THESE NECOTIATIONS
WILL PRODUCE THE RESULTS FOR WHICH WE ALL STRIVE.

LET ME WISH ALL OF YOU EVERY SUCCESS IN YOUR EFFORTS.