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STATEMENT OF AGREED PRINCIPLES FOR FREE ASSOCIATION AND OF THE MUTUAL RIGHTS OF THE PEOPLES OF MICRONESIA AND THE UNITED STATES (WITH A PRINCIPLE-BY-PRINCIPLE ANALYSIS)

PRINCIPLE 1. AN AGREEMENT OF FREE ASSOCIATION WILL BE CONCLUDED ON A GOVERNMENT-TO-GOVERNMENT BASIS AND EXECUTED PRIOR TO TERMINATION OF THE UNITED NATIONS TRUSTEESHIP.

ANALYSIS. The scenerio is envisioned as follows:

(a) A single agreement of free association will be initialled by the USG and the negotiating commissions of however many Micronesian political entities emerge from the July 1978 Federated States of Micronesia constitutional referendum.

(b) Constitutional governments would be formed in each such entity, probably during 1979, and would sign the agreement with the U.S.

(c) The signed agreement would be approved by the Micronesian peoples in plebiscite (per Principle 2, below).

(d) Subsequent thereto, but prior to termination of the trusteeship, the agreement would be ratified by joint resolution of the two houses of the U.S. Congress.

PRINCIPLE 2. THE AGREEMENT OF FREE ASSOCIATION WILL BE PUT TO A U.N. OBSERVED PLEBISCITE IN WHICH THE PEOPLES OF MICRONESIA SHALL FREELY EXERCISE THEIR RIGHT OF SELF DETERMINATION.

ANALYSIS. Safeguards to assure the freedom of the plebiscite would be set forth in the agreement itself.

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PRINCIPLE 3. THE PEOPLES OF MICRONESIA WILL ENJOY FULL INTERNAL SELF-GOVERNMENT.

ANALYSIS. This principle was incorporated in the 1976 Draft Compact and has remained the consistent U.S. position.

PRINCIPLE 4. CONSTITUTIONAL ARRANGEMENTS FOR THE GOVERNANCE OF MICRONESIA SHALL BE IN ACCORD WITH THE POLITICAL STATUS OF FREE ASSOCIATION AS SET FORTH IN THESE PRINCIPLES.

ANALYSIS. The negotiating commissions will undertake to ensure that there will be no incompatibility between the Micronesian constitution(s) and the concept of free association embodied in these principles. This would resolve the long-standing disagreement between the Congress of Micronesia and the U.S. on this issue.

PRINCIPLE 5. THE UNITED STATES WILL HAVE FULL AUTHORITY AND RESPONSIBILITY FOR SECURITY AND DEFENSE MATTERS IN OR RELATING TO MICRONESIA. THIS AUTHORITY AND RESPONSIBILITY WILL BE ASSURED FOR 15 YEARS, AND THEREAFTER AS MUTUALLY AGREED. SPECIFIC LAND ARRANGEMENTS WILL REMAIN IN EFFECT ACCORDING TO THEIR TERMS WHICH SHALL BE NEGOTIATED PRIOR TO THE END OF THE TRUSTEESHIP AGREEMENT.

ANALYSIS. U.S. defense interests shall remain fully secured even if the political status of free association were to be terminated by either party prior to the expiration of its 15 year term. The separation of U.S. security interests from the political relationship with the Micronesians represents a fundamental departure from the past U.S. approach.

PRINCIPLE 6. CONSISTENT WITH THE STATUS OF FREE ASSOCIATION, THE PEOPLES OF MICRONESIA WILL HAVE AUTHORITY AND RESPONSIBILITY FOR THEIR FOREIGN AFFAIRS INCLUDING MARINE RESOURCES. THEY WILL UNDERTAKE TO CONSULT WITH THE UNITED STATES IN

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THE EXERCISE OF THIS AUTHORITY AND TO REFRAIN FROM ACTIONS WHICH THE UNITED STATES DETERMINES TO BE INCOMPATIBLE WITH ITS AUTHORITY AND RESPONSIBILITY FOR SECURITY AND DEFENSE MATTERS IN OR RELATING TO MICRONESIA. THE UNITED STATES MAY AGREE TO ACT ON BEHALF OF THE PEOPLES OF MICRONESIA IN THE AREA OF FOREIGN AFFAIRS AS MAY BE MUTUALLY AGREED FROM TIME TO TIME.

ANALYSIS. The Micronesian governments would assume authority and responsibility for their foreign affairs, including marine resources, subject to a consultation obligation and agreement to refrain from actions which the United States determined to be incompatible with its security and defense interests. The United States would therefore have a defense/security veto over Micronesian exercise of foreign affairs authority. Division of foreign affairs authority within the free association relationship is an important Micronesian negotiating position and State preferred that it be spelled out in such a way as to relieve the U.S. of responsibility in those areas in which it did not exercise authority. The Micronesian government(s) would remain less than fully sovereign or independent and would therefore be unable to dispatch plenipotentiary ambassadors or to become full members of the United Nations.

PRINCIPLE 7. THE AGREEMENT WILL PERMIT UNILATERAL TERMINATION OF THE FREE ASSOCIATION POLITICAL STATUS BY THE PROCESSES THROUGH WHICH IT WAS ENTERED AND SET FORTH IN THE AGREEMENT AND SUBJECT TO THE CONTINUATION OF UNITED STATES DEFENSE AUTHORITY AND RESPONSIBILITY AS SET FORTH IN PRINCIPLE 5.

ANALYSIS. The Micronesians would be able to terminate the political status of free association unilaterally by plebiscite. The United States would be able to terminate unilaterally by decision of the U.S. Government. U.S. defense rights would, however, be guaranteed for at least 15 years, and U.S. land leases would be guaranteed for their full negotiated terms regardless of any change in political status. This concept accedes to the single most important Micronesian demand; the right to unilaterally alter their political status, which was first advanced in October 1969. It does so, however, without jeopardizing hard U.S. interests in strategic denial and the continuation of base rights in Kwajalein and possibly Palau.

PRINCIPLE 8. SHOULD THE UNITED STATES TERMINATE THE FREE ASSOCIATION RELATIONSHIP, ITS ECONOMIC ASSISTANCE TO MICRONESIA SHALL CONTINUE AT THE LEVELS AND FOR THE TERM INITIALLY AGREED. IF THE AGREEMENT IS OTHERWISE TERMINATED, THE AMOUNTS OF ECONOMIC ASSISTANCE FROM THE UNITED STATES SHALL BE RENEGOTIATED FOR THE REMAINDER OF THE TERM INITIALLY AGREED. UNITED STATES ECONOMIC ASSISTANCE SHALL BE SUBJECT TO THE APPROPRIATION AUTHORITY OF ITS CONGRESS.

ANALYSIS. The free association agreement would provide for economic assistance for 15 years. In order to (a) discharge the U.S. obligation to nurture the Micronesians toward self-sufficiency and to preserve the political stability of the area during this 15 year period, and (b) preserve U.S. defense interests guaranteed during the same period, financial assistance would continue undiminished in the unlikely event

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that the U.S. chose to unilaterally terminate the free association relationship. In the event of unilateral termination by a Micronesian government(s), the level of economic assistance to that government would be subject to renegotiation.

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