

MEMORANDUM

NATIONAL SECURITY COUNCIL

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April 3, 1978

ACTION

MEMORANDUM FOR: ZBIGNIEW BRZEZINSKI
DAVID AARON

FROM: MIKE ARMACOST *MA*

SUBJECT: PRC Meeting on Micronesian Political Status Negotiations

A PRC meeting has been scheduled for 3:30 Tuesday, April 4, in the Situation Room to discuss general principles which Peter Rosenblatt intends to negotiate with the Micronesian delegations later this week in Hawaii. These principles embodied a new approach to free association which has evolved over the past several months out of informal discussions with the lawyers representing Palau, the Marshall Islands, and the Central Districts.

These principles represent a defensible approach to free association. In general they appear to protect our most critical defense/security interests in Micronesia. State and the Office of Micronesian Status Negotiations regard them as negotiable. Indeed they feel this represents our best chance of nailing down an agreement in the near term.

Several of the principles, however, stretch to the limits the negotiating guidelines which you issued last May. Consequently, I felt -- and Mat Nimetz and Peter Rosenblatt readily agreed -- that a PRC meeting would be helpful to assure the understanding and agreement of the major departments prior to this coming round of talks.

The Meeting

You will recall that the PD determined that "departmental recommendations concerning the negotiations will be coordinated by the NSC Policy Review Committee, chaired by the President's Special Assistant for National Security Affairs." I would suggest that you begin the meeting by requesting Mat Nimetz to brief the participants on the current status of the negotiations. You might then request Ambassador Rosenblatt to briefly review the legal and political case for these principles. I believe

Review ?

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some review will be useful, because in general these issues have been dealt with primarily at the working levels, and the political leadership in the departments has not been kept up to speed. I would suggest that you focus attention particularly upon principles 6, 7, and 8 (attached at Tab A).

-- Principle 6 confers on Micronesia wider range authority for foreign affairs than was envisaged in the PD, while retaining for the U.S. a veto over any foreign policy actions which we determined to be incompatible with our security and defense interests.

-- Principle 7 gives to the Micronesians a right to unilaterally terminate the political status of free association by plebiscite while guaranteeing, however, our defense rights for the last 15 years and our land leases (e.g. in Kwajalein) for their full negotiated term regardless of any change in political status.

-- Principle 8 provides that if we terminate free association unilaterally we would be obliged to continue the financial payments for 15 years at the originally negotiated levels, while reserving the right to renegotiate those levels in the event the Micronesians terminate the free association agreement.

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OMB objects to the latter principle. They argue that the only circumstances in which we would unilaterally terminate would involve conditions in which the free association arrangements evolved in ways detrimental to our interests -- i.e. circumstances in which we would not be disposed to continue the originally negotiated levels of financial payments. I believe that we may perhaps finesse this issue by simply affirming our willingness to continue the negotiated levels of financial payment through the full term of the free association agreement provided all parties live up to its obligations. This would enable us to assert our intention positively, while finessing the issue of what happens if the Micronesians so harrass us as to make the arrangement unworkable.

Congressional Dimensions

We are going to have to deal with the Micronesian issue in the post-Panama era in which Congressmen scrutinize carefully arrangements in which we pay more to control less. Following discussion of the principles, therefore, you should request the judgment of State, Defense, Interior, and others as to the support we can anticipate from the Hill on this negotiated approach.

Sen. Johnson?