

STATEMENT OF AGREED PRINCIPLES FOR FREE ASSOCIATION

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. During the life of the agreement the political status of the peoples of Micronesia shall remain that of free association as distinguished from independence. The agreement will be subject to the implementing authority of the United States Congress.
2. The agreement of free association will be put to a United Nations observed plebiscite.
3. Constitutional arrangements for the governance of Micronesia shall be in accord with the political status of free association as set forth in these principles.
4. The peoples of Micronesia will enjoy full internal self-government.
5. The United States will have full authority and responsibility for security and defense matters in or relating to Micronesia, including the establishment of necessary military facilities and the exercise of appropriate operating rights. The peoples of Micronesia will refrain from actions which the United States determines after appropriate consultations to be incompatible with its 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.
6. The peoples of Micronesia will have authority and responsibility for their foreign affairs including marine resources. They will consult with the United States in the exercise of this authority and will 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 act on behalf of the peoples of Micronesia in the area of foreign affairs as mutually agreed from time to time.

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 the United States defense authority and responsibility as set forth in Principle 5, but any plebiscite terminating the free association political status will not require United Nations observation.

8. Should the free association political status be mutually terminated the United States' economic assistance shall continue as mutually agreed. 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 United States shall no longer be obligated to provide the same amounts of economic assistance for the remainder of the term initially agreed.

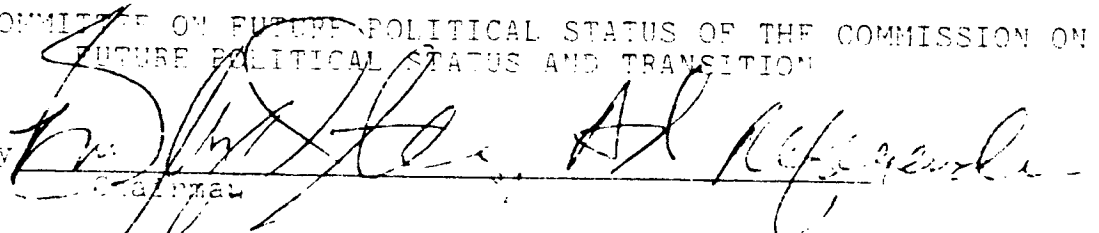
An early free association agreement based on the foregoing eight principles shall be pursued by the parties.

Hilo, Hawaii

April 9, 1978

COMMITTEE ON FUTURE POLITICAL STATUS OF THE COMMISSION ON
FUTURE POLITICAL STATUS AND TRANSITION

By


Chairman

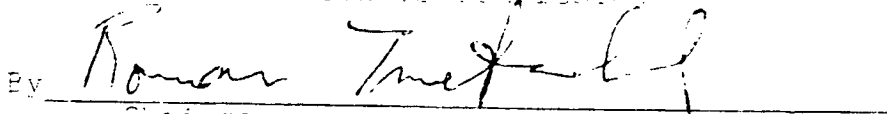
MARSHALL ISLANDS POLITICAL STATUS COMMISSION

By


Chairman

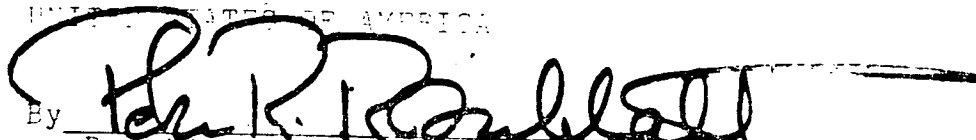
PALAU POLITICAL STATUS COMMISSION

By


Chairman

UNITED STATES OF AMERICA

By


President's Personal Representative to the
Negotiations on the Future Political Status
of Micronesia