



THE PRESIDENT'S PERSONAL REPRESENTATIVE
FOR MICRONESIAN STATUS NEGOTIATIONS
WASHINGTON, D.C. 20240

September 17, 1979

NOTE FOR
UNDERSECRETARY JOSEPH

FROM: Peter R. Rosenblatt

SUBJECT: The Negotiations on
the Future Political
Status of the Trust
Territory of the
Pacific Islands

Attached is some background
information for your use in your
meeting with Stu Eisenstadt.

A handwritten signature in black ink, appearing to be 'P. Rosenblatt', written over a large, stylized flourish.

Peter R. Rosenblatt

cc: Ms. Barbara Heller
Mrs. Ruth Van Cleve

The Negotiations on the Future Political Status
of the Trust Territory of the Pacific Islands

I. U. S. Government organization/policy formulation

President Carter is represented in the negotiations by his personal representative, Ambassador Peter R. Rosenblatt who is supported by the interagency Office for Micronesian Status Negotiations. U. S. policy for the negotiations and negotiating strategy are determined by the Ambassador in coordination with the Micronesia Interagency Group (IAG) chaired by the Counselor of the State Department, Matthew Nimetz. Members of the IAG are State, Defense, Interior, OMSN, OMB, Justice and Commerce. Unresolved questions from the IAG as well as general negotiating instructions are determined by the President through the Policy Review Committee of the NSC. NSC action officer for the negotiations is Nicholas Platt.

II. Background of the negotiations

Political status negotiations with elected representatives of the Micronesians commenced in 1969. In 1972, the U. S. agreed to negotiate separately with the people of the Northern Mariana Islands toward a commonwealth (territorial) political status which was approved by those people in a U. N. observed plebiscite in 1975 and by the Congress and President Ford in March of 1976 (PL 94-241). In June of 1976, a compact of free association (a non-territorial status)

between the United States and the Micronesians (other than the Northern Mariana Islands) was initialled. This agreement subsequently collapsed due largely to internal political divisions among the Micronesians.

III. The negotiations under the Carter Administration

This Administration began its review of the Micronesia issue shortly after assuming office (PRM-19, April 7, 1977) and the President issued new negotiating instructions (PD/NSC-11) on May 1, 1977. In two large conferences in May and July of 1977, senior Administration representatives informed the Micronesian leaders of the President's policy of ending the Trusteeship Agreement through a U. S. - Micronesian future political status agreement by 1981. They also succeeded in agreeing with the Micronesians on a new negotiating framework for free association discussions. Two negotiating rounds were then held in October 1977 and January 1978. At the third (Hilo, Hawaii in April 1978) Ambassador Rosenblatt and the three Micronesian negotiating commissions signed a statement of principles defining the basics of the free association relationship (copy attached). Three subsequent negotiating rounds (the most recent held in New York/Washington in May/June 1979) have concentrated on translating the Hilo principles into a detailed Compact of Free Association.

IV. Micronesian fragmentation and constitutional government

Political unity has never existed among the various Micronesian peoples although outside administering powers have long imposed varying degrees of administrative unity upon them. As a result, following the Northern Mariana Islands precedent, the U. S. acceded to the clearly expressed demands of the peoples of the Marshall Islands and Palau for separate political status. This was confirmed in July 1978 when both of these districts rejected a single constitution for all of Micronesia. Accordingly, we are now negotiating with three separate Micronesian entities--the Marshall Islands, Palau and the Federated States of Micronesia (Yap, Truk, Ponape and Kosrae)-- but contemplate entering into a single Compact of Free Association with all three. The Marshall Islands and

the Federated States of Micronesia have each adopted local constitutions and have installed popularly elected governments which are now responsible for most of the day-to-day administration in their areas. Palau will soon follow suit. The chief U. S. representative in the Trust Territory is the presidentially appointed High Commissioner, Adrian Winkel.

V. Immediate Prospects in the negotiations

Ambassador Rosenblatt is scheduling the next round of the negotiations for December of this year. During the June 1979 round and in the following weeks, the Micronesians accepted in principle U. S. proposals on economic assistance and environmental protection, the two remaining major negotiating issues. With these roadblocks removed, all three Micronesian negotiating parties have indicated their desire to come to agreement on a compact at this next round. We also believe that agreement may be imminent. After a compact has been initialled, additional work will be required on a number of subsidiary agreements.

VI. Compact approval and Congressional issues

Because the compact will probably not be signed until the subsidiary agreements have been completed we do not expect to be able to submit the compact to Congress for majority approval in both houses until the beginning of the 97th Congress. It continues to be the Administration's announced objective (which PD/NSC-11 authorizes be attributed to the President personally) to effect termination of the Trusteeship Agreement in CY 1981.

Ambassador Rosenblatt has made sustained efforts to keep key committee chairmen and members in the House and Senate informed on the progress of the negotiations. We have experienced excellent reception and cooperation from the Senate Energy and Natural Resources Committee (which will have primary jurisdiction for compact approval) but have experienced uneven treatment from its House counterpart, the Subcommittee on Territories

and National Parks of the Committee on Interior and Insular Affairs. Its Chairman, Phillip Burton, has objected strenuously to so much of our presidentially approved instructions as mandate the termination of approximately \$25 million worth of federal domestic programs under free association and, most particularly, to our efforts to taper these programs off during the remaining two year transition period. Burton has also warned the Administration not to send a new status agreement to Congress prior to the presidential election and has even demanded that the compact negotiations be entirely suspended until then. His objective is presumably to keep the substantive terms open against the possibility that he could persuade a different Administration to take a different view of his position on federal programs. We believe that suspension of the negotiations or U. S. stalling would swiftly produce a crisis in U. S. - Micronesian relations and would torpedo what now appears to be imminent agreement on generally excellent terms.

Since Burton's active support of the compact is considered critical, we believe we will have to reach an accommodation of some sort with him, at least with regard to our transitional policies for the Trust Territory. Interior, in consultation with the Ambassador, is now attempting to devise a federal programs policy which, with OMB's concurrence, can serve as the centerpiece of this accommodation.

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.

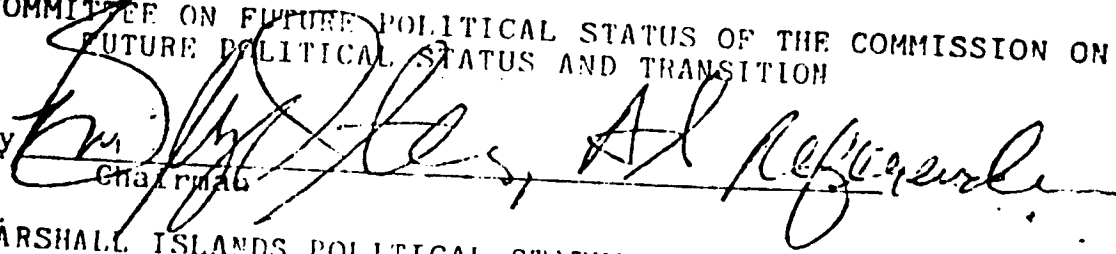
An early free association agreement based on the foregoing eight principles shall be pursued by the parties.

Hilo, Hawaii

April 9, 1978

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

By


Chairman

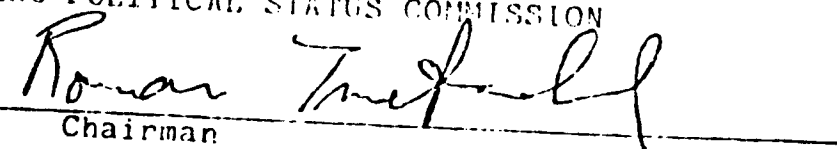
MARSHALL ISLANDS POLITICAL STATUS COMMISSION

By


Chairman

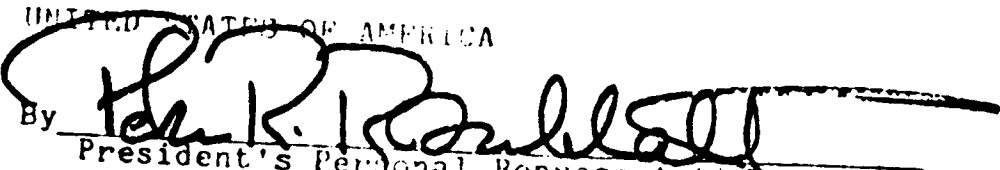
PALAU POLITICAL STATUS COMMISSION

By


Chairman

UNITED STATES OF AMERICA

By


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