

THE WHITE HOUSE

WASHINGTON

November 14, 1979

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David
Kathy
(files)

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MEMORANDUM FOR STU EIZENSTAT

FROM: JEFFREY FARROW *JFR*

SUBJECT: "How America Killed a Constitution" - Palau and the Trust Territory negotiations

A recent Outlook article in THE WASHINGTON POST asserted that the Administration was attempting to force the people of one of the three Trust Territory entities with which we're negotiating (Palau) to scrap a constitution we don't like in favor of one we prefer.

[REDACTED] elements of it are distorted in an effort to prove the point. After inquiry, my conclusion is that our Trust Territory Government (headed by former Burton aide Adrian Winkel) acted properly in a confused situation. However, our strategy for a 1981 termination (conducted by Ambassador Peter Rosenblatt at the direction of an interagency group) deserves high-level re-examination. Persevering on the present course -- in view of this type of snafu as well as questions about Federal program aid and Congressional opposition -- could lead to domestic concern and international complications far out of proportion to the importance of the issue.

The salient point about the Palau situation is that we have become identified with the rejected political leadership with which we began negotiating and which accomodates our objectives but which leaves office this year. We are, meanwhile, perceived as attempting to thwart the overwhelming popular will as articulated by the leadership which takes office in January.

The controversy concerns the Palauan's opposition to nuclear weapons and waste storage, intention to exercise 200 mile territorial jurisdiction and plans to put stringent controls on U.S. military land acquisition. It is essential to remember in evaluating this that the Trust Territory districts would become freely associated states on termination which will have every character of independence save military responsibilities.

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The immediate problem is that we are scheduled to begin a new negotiating round with the Micronesians December 10 in Hawaii. There is no problem in sitting down with the Marshall Islands (which is anxious to negotiate) or the Federated States of Micronesia (which will but is not anxious); but negotiating with the lame-ducks of Palau seems untenable in view of the impending leadership change.

Congressmen Burton, Clausen and Lagomarsino are insisting that Rosenblatt call off the Palau talks until January. They demand further that no compacts be initiated prior to the 1980 elections and that we concentrate now on negotiating ancillary agreements.

While delaying the termination would subject the United States to international criticism, the submission of agreements Burton would block would be futile. Of course, although Burton's first line on delay is that he wants to prevent Panama Canal-type giveaway charges during an election year, his real interest seems to be in hoping that a new administration would concede to his desire to continue Federal programs (about \$25 million) post-trusteeship.

I attended a meeting of the Micronesia Interagency Group (headed by State Counselor Matt Nimetz) Tuesday. They are not inclined to delaying the negotiations until after the election but will seek a decision from you and Brezinski regarding the question of postponing the December meeting. They are beginning to realize the importance of Burton's opposition but feel committed to a 1981 termination because of the complications in the negotiations and with the U.N. that missing that deadline would cause.

They did not focus on what I regard as the real issue: whether we should change our Federal programs position so that the USG as a whole can adhere to a 1981 date. (I did impress this on Nimetz and Rosenblatt after the meeting).

RECOMMENDATIONS

I will advise you when the memo comes in but preliminarily I would suggest:

- a. We consider the problem as a whole. I suspect the President was

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not aware that a negative Federal programs decision would generate enough House opposition to a Micronesia agreement to probably kill it. A delay to January for the next negotiating round would make even better sense if it were justified by an amendment to our position.

b. You speak to Brezinski about our involvement. DPS has apparently not been involved to date, although administration of the Trust Territory is a domestic responsibility and Federal programs would mean continued domestic policy responsibility. We should participate in the interagency group (as they have willingly recognized).

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