

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
ROUTE SLIP

TO Jeff Farrow

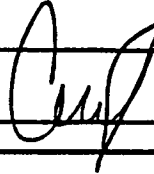
Room 420

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FROM Curt Hessler



DATE 12/14/79

- Take necessary action
- Approval or signature
- Comment
- Prepare reply
- Discuss with me
- For your information
- See remarks below

REMARKS

If Peter is right, we are back where we started--i.e. needing Presidential guidance on the inflation adjustment, the present program squeeze, and the continuation of programs after the Compact. Should we caucus on the memo to the President?

cc: Don Crabill

SEARCHED  
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FILED  
MAR 14 1980  
FBI - WASH DC  
NLC-76-60  
8/14/80



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

December 14, 1979

MEMORANDUM FOR JEFFREY FARROW

SUBJECT: Burton Letter

Subsequent to the completion yesterday of my memorandum and draft reply to Burton I broached alternatives to a Compact initialling with Marshall Islands counsel, Dick Copaken.

Copaken has exhibited particular concern about the precise manner in which agreement on the Compact language is to be expressed. The Marshallese objective may be characterized as the precise opposite of Burton's; to obtain maximum USG commitment to the negotiated language. To that end Copaken had earlier advocated a species of conditional signature of the Compact rather than an initialling. Initialling, he argued, reminded too many Micronesians of the ill-fated 1976 draft Compact which disintegrated after having been initialled in June 1976.

Not surprisingly, therefore, Copaken asserted his adamant opposition to an exchange of letters as a substitute for an initialling or, as he argues, a signature. He takes this position even though a letter might say no less than an initialling is generally deemed to imply, and whatever risk there may be in Burton's continued dissatisfaction. There is some indication that Copaken might consider a letter tightly committing the USG to the negotiated Compact language, subject only to the condition subsequent that agreement be reached on the subsidiary agreements. However a letter phrased that way would be counterproductive with Burton. Copaken declared that he was authorized to inform me that the Marshallese would not appear at the next negotiating round if the U.S. was not prepared to sign or initial the Compact. He has obtained a copy of the Burton letter and states that on this issue the Administration's credibility as a negotiating partner is at stake. I asked Copaken not

to set that position in concrete, but to talk it over with his principals when they meet in Tokyo next week, which he agreed to do. I am not optimistic.

Burton has, in my view, resorted to a procedural demand (suspension of the negotiations) only because he feels that he cannot obtain his substantive objectives from this Administration. Points 1, 2 and 3 of my draft letter identify what I believe those objectives to be. If we are able to work out an agreement on his substantive concerns, we may be able to achieve a modus vivendi with him without satisfying the procedural demand. To do this, however, we would need to adopt language on the substantive points which goes as far as possible toward satisfying his core concerns.

Accordingly, I suggest the amendment of my draft letter to eliminate Alternative 1 under Paragraph 3 and to drop Paragraph 4 altogether.

  
Peter R. Rosenblatt

cc: Honorable James Joseph  
Honorable Matthew Nimetz  
Mr. Curtis Hessler  
Mr. Ron Cogswell  
Mr. Nick Platt  
Mrs. Madeleine Albright  
Mr. Donald Gregg



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

December 13, 1979

MEMORANDUM FOR JEFFREY FARROW

FROM: Peter R. Rosenblatt

Enclosed herewith please find a draft response to Burton's November 1 letter. I have prepared this in accordance with our understanding, in light of your undertaking to Burton to send the Administration written response to his letter within a week of the December 11 meeting.

This draft obviously raises some fundamental policy issues. These will have to be considered from the standpoint of whether (a) they would succeed in neutralizing Burton's opposition and (b) they would be acceptable to the Administration as the price of such agreement. From the negotiating standpoint I think I could probably live with all of them, though Number 4 will be dicey.

I suggest that a meeting be convened ASAP to consider our approach. Please note that I will be leaving for Honolulu Tuesday afternoon to meet with the new Palauan leadership. I expect to be back Sunday, December 23.

A handwritten signature in dark ink, appearing to read 'Peter R. Rosenblatt', written in a cursive style.

Peter R. Rosenblatt

Attachment

cc:

Honorable James Joseph  
Honorable Matthew Nimetz  
Mr. Curtis Hessler  
Mr. Ron Cogswell  
Mr. Nick Platt  
Mrs. Madeleine Albright  
Mr. Donald Gregg

DRAFT

December 13, 1979

Honorable Phillip Burton, Chairman  
Honorable Robert J. Lagomarsino  
Honorable Don H. Clausen  
Subcommittee on National Parks  
and Insular Affairs  
Committee on Interior and Insular Affairs  
U. S. House of Representatives  
Washington, D. C. 20515

Dear Sirs:

The Administration has given intensive consideration to the views expressed in your letter to me of November 1, 1979 and to the exchange of views which occurred at your meeting with Administration representatives on the evening of December 11.

The Micronesian political status negotiations will not be concluded prior to the 1980 national election. Conclusion of the negotiations requires agreement on wording of the Compact itself and months of negotiation on various agreements subsidiary to and dependent upon the Compact.

Negotiation of the Compact itself has reached a point where few issues of genuine substance remain to be resolved as between ourselves and the Governments of the Marshall Islands (MI) and the Federated States of Micronesia (FSM).

Both governments have expressed an urgent desire to complete this phase of the negotiations at the earliest possible date.

Meaningful negotiations with Palau have not been possible recently and they will not be resumed until the newly elected Palau Legislature takes office next month. We do not know what positions the new Palauan leadership will take, but we will shortly meet with them to brief them on the negotiations.

In light of this overall negotiating situation, and in an effort to promote full agreement on U. S. objectives in the negotiations, the Administration is prepared to support the following measures:

1. The so-called "federal programs containment policy" of November 1978 will be replaced by a new policy which will be worked out with your Committee and the Senate Energy and Natural Resources Committee.

2. 

3. Section 224 of the draft Compact will be revised to [Alternative 1] express the U. S. Government's agreement to sympathetically consider requests by the Micronesian governments for extension of federal health and education programs under free association.

[Alternative 2] permit the continuation under free association of selected federal health and education

programs. We would expect to work with your committee and the Senate Energy and Natural Resources Committee in identifying such programs.

4. Agreement with the Micronesian parties on the text of the Compact may be memorialized, through an exchange of letters which would state that agreement on the text is subject to the subsequent conclusion of the subsidiary agreements.

5. The next round of status negotiations will probably take place in early January. The Administration hopes that the House of Representatives will agree to the inclusion of one majority and one minority representative in the U. S. delegation. A similar invitation is being extended to the Senate.

Finally, I should like to emphasize the spirit of friendship and cooperation in which the negotiations are being conducted. While no party has secured all of its objectives the Administration and, we strongly believe, each of the Micronesian parties will be prepared to testify that its essential objectives are assured by the draft Compact.

The Administration continues to look forward to an opportunity to brief you, your associates and staff with respect to the negotiations at your convenience.

Sinc