



OMSN-23-80

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

July 14, 1980

MEMORANDUM FOR THE RECORD

FROM: Peter R. Rosenblatt

SUBJECT: Meeting with Roz Ridgway, July 11, 1980

I met with Roz this morning for 75 minutes in an attempt to bring about a reversal of the outcome of the IAG meeting of July 1, to obtain forward movement on other matters related to the negotiations, and to brief her on recent developments. The meeting was quite satisfactory and should, I believe, lead to more rapid movement than the record of the last few days had promised. Dick Teare of my staff and Russ Surber of hers were also present.

The most significant points were as follows:

Fall-out from the July 1 IAG Meeting: Roz stated her interpretation of that meeting and its results. She said the Copaken/Beirne proposal on perpetual denial represented a response to a major concern expressed by a few very influential members of the Senate. Recalling the various agency positions presented, she said she believed the IAG had decided that the Marshallese proposal needed careful consideration before the Executive Branch could decide how far to go in meeting it. Further, we had to consider the effects on our position at the U. N. of accepting that proposal in whole or in part and the manner in which we formulated any such qualified acceptance. Finally, she said, there had been consensus that we needed to sound out the attitudes of the FSM and Palau to the Marshallese proposal. Without answers on all of these points, we would be in the position of sending forward to the PRC a vague concept paper with numerous unknowns.

I rejoined that I had found the July 1 meeting's decision not to decide how to deal with the Marshallese proposal unacceptable. My primary objective was to

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reverse that decision. A determination as to how to deal with the substance of the Marshallese proposal would have to follow soon thereafter. I was also disturbed that the lawyers' committee seemed to interpret its mandate as requiring a redrafting of the Marshallese proposal in terms acceptable to the USG, which required it to make policy decisions, whereas I had expected a prompt and more limited analysis of the issues, defining the policy issues which needed to be decided by policy-makers. I was even more disturbed that the lawyers had not yet met and--according to Ralph Martin--might not begin meeting for another two weeks.

Roz interjected that this last point could be resolved with a phone call to Ralph Martin, and she directed Russ Surber to call him. She said she believed the lawyers should produce an analysis of the Marshallese proposal and a comparison of it with other U. S. defense commitments, e.g., to NATO, as well as a full exploration of the meaning and implications of a U. S. commitment to Marshallese "territorial integrity." She added that she had learned since July 1 of DOD concern that we might wind up with a commitment to guarantee Micronesian security that would outlast the defense rights we obtained through the Compact. She repeated that she had wanted to give me time to consult with the FSM and Palau and added that she had also wanted to be sure that Senators Jackson, Johnston and McClure fully understood the implications of the security and territorial-integrity commitments that Marshallese are seeking and that the lawyers' committee could get back to Committee staff to expose these potential problem areas. She added that, given Ambassador McHenry's cabinet rank, USUN would have a "separate vote" on the Marshallese proposal. She clearly implied that the issue would have to be settled at the PRC or White House rather than within the IAG.

I pointed out here that Copaken had been pressing me and everyone else in the Executive Branch for an early response. No one admires Copaken's personality or tactics, but we must acknowledge the plight of the MIG: six months have passed since they initialed the Compact; virtually nothing has happened meanwhile except the surfacing of a serious Senate concern that might be

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sufficient to prevent Congressional acceptance of it; and Copaken has undertaken a serious initiative to meet that objection. Roz observed that Copaken was "obscene" in seeking such a far-reaching commitment from the USG in the space of two weeks, and she added that if the answer to the Marshallese proposal is ultimately to be negative we wouldn't want to inform the Senators at this time, in any event, a year before the Compact is likely to be submitted to the Congress.

I then noted my other main concern in the aftermath of the July 1 IAG: that we should send a memorandum that contained real conclusions and recommendations to the NSC and the President, not merely a status report. Roz agreed and said that State's Policy Planning Staff was of the same opinion. In her view the report should include an analysis of the Marshallese proposal and the problems it presents; a description of the FSM and Palauan reactions; a discussion of Congressional attitudes; and treatment of the implications for our position at the U.N. Here and again at the end of the conversation she made clear that she was thinking of a late July/early August submission date.

I told Roz that perhaps the most damaging outcome of the July 1 meeting was the unintended interpretation which agency reps had placed upon her proposals for no decision on denial, delay through a slow-moving lawyers' committee and a report to the President without recommendations. They perceived that the heat was off 1981 and that each agency could relax its efforts and permit the forward motion of the negotiations to be overtaken by bureaucratic inertia. Each of the major agencies was willing--each for its own reasons. Roz protested my interpretation that USG momentum had vanished on July 1 but added that she had always believed the decisions taken at that meeting could be reversed, and forward movement restored, when circumstances warranted.

The FSM Attitude: I then briefed Roz on my most recent conversations with FSM attorney Jim Stovall. I said I had told him immediately after the July 1 meeting that I sensed an erosion of the USG consensus on the Compact, something which Matt Nimetz and I had warned various FSM leaders for the past year would happen by now if the FSM failed to move swiftly.

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I warned him that if the FSM failed to indicate promptly its desire to initial, everything would slip until after the election. Stovall had taken this seriously and had gone to meet Andon Amaraich in Honolulu this week. By fortunate coincidence, Jim Beirne had also been there this week and had participated in one of their meetings. This had led to the possibility of a dramatic breakthrough of which Stovall had informed me by phone the prior evening: the FSM would propose a "final" negotiating round in early September, after resolution of a few remaining issues in July and early August and a Commission meeting in the latter part of August. Stovall told me to expect word of this in a letter from Andon to me. I added that I had word from Stovall, through Copaken, that Andon was "on board" with the Marshallese perpetual-denial concept, a subject I had not wished to discuss with Stovall over the phone. Roz clearly understood the significance of what Stovall had communicated to me.

Palau: I noted that I had deliberately wanted to consult the FSM before putting the Marshallese proposal before the Palauans and their new attorney, but I thought it would now be appropriate to do so. At her request, I then outlined the three problem-areas in the Palau Constitution and the manner in which Sutcliffe proposed to deal with them. I added my personal opinion that all three issues can be resolved by mechanisms that will amount to de facto amendments of the Constitution but will enable the present government to claim that the Constitution it has championed remains untouched. She asked me to explain these and I did.

Other Issues: In response to Roz's question about a possible calendar, I said I could foresee another round with the Palauans in early August and a "final" round with the FSM in early September at which the Marshallese would also be looking to reinitial the Compact with the new permanent denial provision. Meanwhile, however, there was the new issue of funding for Palau, which Interior had belatedly brought to my attention just yesterday: Interior's FY 82 budget proposal for Palau Government operating expenses is significantly higher than the level set by the Compact. Interior's working-level budget analysts are

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genuinely convinced that Palau simply cannot exist at the Compact's \$8+ million level even now; it is costing appreciably more even in FY 80 and, at that, running a substantial deficit. Fuel costs are a major factor, although of course not the only one. Furthermore, any upward adjustment for Palau would raise problems with the FSM and the Marshalls and probably require at least token adjustment of their figures. I told Roz I would give her a memo within the next few days on this issue to get it out in the open in advance of Interior's statelike budgetary process and would, of course, send a copy to OMB.

With my encouragement, Roz then outlined a comprehensive memo to the PRC that would treat the Marshallese proposal in all the dimensions already mentioned, indicating that any negotiations so authorized could well lead to initialing by all parties and citing the need for modest increases in the dollar-figures for all three entities. She felt that the two issues were mutually reinforcing. A favorable decision on the money and a decision on denial could be justified by the representation that together they would seal agreement on the Compact. She repeated here the late July/early August target-date for submission of such a memo.

"Independence Option" on the Marshallese Ballot:  
I mentioned my discussions with Copaken on this subject and his response, received this week, that this would be possible if an independence option had been negotiated and "fully articulated" in advance. I said I had given him my personal reaction that such a procedure would not be workable and would run contra our earlier understanding that we would pursue negotiations on free association to a conclusion one way or another, negotiating independence if we failed to reach agreement on free association, but that if we succeeded we would only note briefly the manner in which the independence option would have differed. Copaken, I noted, appeared in the last day or so to be backing off, but I recognized the need to take into account the French/British/USUN view that the independence option should appear on the ballot. In response to her question, I said I did not think we needed at this time to confront the issue of piece-meal handling of the Marshalls but that I felt strongly that this would be necessary if we couldn't bring the others along on the Compact.

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Marshallese Involvements: Stressing the close-hold nature of the subject and the still-fragmentary character of my information, I mentioned that I heard of the possibility that the same sort of Nevada interests that had fueled the current separatist movement on the island of Espiritu Santo in the New Hebrides might have some interest in the Marshalls. I said that gambling seemed to be involved but that my information at this point was insufficient to permit a judgment as to the seriousness of such a possibility. I undertook to pass on any further information I was able to obtain.

Follow-up Actions: As noted above, Roz instructed Russ Surber to get Ralph Martin moving on the lawyers' committee, and she also told him to find out what has happened to USUN's indication of interest in speaking to more "liberal" members of Congress.

She said she had on her desk Russ's draft of the "status report" to the NSC. She made no commitment as to when this draft might be circulated; my own speculation is that, in light of this meeting, that draft has been overtaken by events and that a much more complete and worthwhile document will ultimately have to be prepared.

I am committed to prepare for her a memo on proposed increases in funding for Palau in particular and at least in token amounts for the other two entities.

Finally, Roz authorized me to tell Copaken, should the need arise, of her view that the security obligations implicit in the Marshallese proposal need to be properly refined and presented to the President, and that this cannot be done in a matter of days despite the desire for speed generated by Copaken's own excitement.



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EYES ONLY

July 15, 1980

Jeff:

This is for your personal  
information only.

A handwritten signature in dark ink, appearing to be 'P. H. ...', written in a cursive style.