



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

August 6, 1980

MEMORANDUM FOR THE MICRONESIA INTERAGENCY GROUP

FROM: Peter R. Rosenblatt

SUBJECT: Enclosed Letter

I have just received from Jim Stovall, Washington counsel for the Federated States of Micronesia, the enclosed long-awaited letter from the Chairman of the Commission on Future Political Status and Transition, Andon Amaraich.

This letter is significant in several respects:

First, the normally careful, reticent and elliptical Amaraich is for the first time writing of the next complex of bilateral and multilateral negotiations as the "last". We know from Stovall that prior to his sending this letter, Amaraich cleared it with top level state and national FSM leaders.

Second, Amaraich acknowledges that we have achieved "at least limited success" in meeting the FSM's monetary concerns with the Compact through the recent agreement on interim financing.

Third and of greatest immediate concern, the second and third paragraphs of page two of the letter refer to the Marshallese permanent denial proposal. Stovall advises that Amaraich has been fully briefed on the proposal and that he foresees no insurmountable problems with it from the FSM's point of view. However, Amaraich's is telling us that the FSM Political Status Commission "will not now express an opinion" on the denial proposal until it is "placed before" the Commission as a U.S. "position". It is therefore imperative that we be in a position to inform Stovall prior to his meeting with the Commission, scheduled for August 18, of the Administration's response to the Marshallese proposal. It is Amaraich's intention to procure an FSM decision on the denial issue at that meeting. Should we fail to do so, the September negotiating round for which the Commission will be preparing itself at the August 18 session will prove "inconclusive", i.e., there will be no initialling.

Long experience in dealing with the Commission has taught us that Amaraich's warning must be taken with utmost seriousness; the Commission needs time to reach decisions because of its large size, the diversity of opinion among its members and the Micronesian and Commission practice of reaching decisions by consensus. We know also that the Commission leadership, which supports the Compact, will not undertake the political risk of supporting the denial proposal unless and until it can be presented as a firm USG position. They are fully aware of the Senate committee's position; now they want the Administration's.

I am encouraged by this letter and believe it holds the promise of commitment by the FSM which has eluded us for so long. I hope that we will not let this opportunity elude us now for lack of a position on the remaining issues.



Peter R. Rosenblatt

Attachment

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Commission on Future Political Status and Transition

FEDERATED STATES OF MICRONESIA

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July 24, 1980

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Ambassador Peter R. Rosenblatt
The President's Personal Representative
to Micronesian Status Negotiations
Room 3356
Department of Interior
Washington, D.C. 20240

Dear Mr. Ambassador:

In the months since the Kona round of negotiations our Commission, in conjunction with the leadership of the Federated States of Micronesia, has pursued a dual course. First, as we indicated we would following Kona, we have brought the document that emerged from those negotiations to the attention of a broad group of leaders at various levels of government within the Federated States of Micronesia.

The reaction to this draft as a rather specific format for our future relationship of Free Association has been positive, and has buttressed our desire to complete these negotiations with a conviction that this could indeed be achieved before the end of this year.

The key to that possibility, however, lies in the success of our second area of concentration since Kona, that is, to find a solution to fundamental deficiencies of the Compact draft in the financial area. These are, as our state leaderships have confirmed, inadequate grant funding for operations and for infrastructure development, and the lack of protection against the effects of inflation.

As you know, we have bent maximum efforts since January to exhaust every possible source of funding in the pre-termination period for purposes that could possibly ease the remaining compact deficiencies. This has been an exhausting process which, only within recent weeks, seems to have produced at least limited success.

Ambassador Peter R. Rosenblatt
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In addition, I received your notification from Guam regarding the prospect of involving the Civic Action Teams in some of our development projects. We wish to pursue your invitation to discuss this proposal in detail.

These developments by themselves would prompt us to seek direct discussions with you at an early date. However, in addition, we are now aware that a variety of new suggestions are being made by other parties within and without the negotiating circle affecting fundamental compact provisions having to do with the scope and term of our relationship. We could not now express an opinion as to these reports, but they seem to suggest that further negotiating rounds are now in order, and that at least in part, it appears they should be multilateral in nature.

We continue to maintain the hope that our next meetings could be the last, and accordingly, we call upon you in reacting to this letter to take account of the practical necessity that any new positions to be put forward, either multilaterally or bilaterally, must be placed before our Commission sufficiently in advance and in sufficient details so as to avoid inconclusive results.

Our Counsel in Washington will be available to work with you in the coming weeks. We will await your response.

Sincerely yours,



ANDON L. AMARAICH
Chairman

xc: James T. Stovall, III, Esq.

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