THE COUNSELOR DEPARTMENT OF STATE WASHINGTON

INTERAGENCY GROUP ON MICRONESIA

September 12, 1980

CONFIDENTIAL (UNCLASSIFIED UPON REMOVAL OF ATTACHMENTS)

MEMORANDUM FOR:

Interagency Group on Micronesia

FROM:

Rozanne L. Ridgway, Chairman

SUBJECT:

Micronesian Status Negotiations

Attached is a draft memorandum from me to Dr. Brzezinski reporting on U.S. negotiating strategy for the Micronesian Status Negotiations scheduled to commence in Guam on September 22. Also attached is a September 11 memorandum from Ambassador Rosenblatt to OMB requesting additional negotiating authority on economic assistance issues in the Micronesian Status Negotiations. Members of the Interagency Group are invited to provide their comments on these two papers as soon as possible and in any case by no later than COB Tuesday, September 16. The urgency derives from the need of the U.S. negotiating team to depart for Guam late next week for the negotiations.

Attachments.

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THE COUNSELOR DEPARTMENT OF STATE WASHINGTON

MICRONESIA INTERAGENCY GROUP

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MEMORANDUM FOR:

Dr. Zbigniew Brzezinski

The White House

FROM:

Rozanne L. Ridgway, Chairman

SUBJECT:

Report on Micronesian Status Negotiations

The President's Personal Representative for Micronesian Status Negotiations, Ambassador Peter R. Rosenblatt, has scheduled bilateral negotiating sessions with Palau and the Federated States of Micronesia (FSM) for the week of September 21, followed by a multilateral round with them and the Marshall Islands the next week. Ambassador Rosenblatt feels that, given sufficient negotiating authority and flexibility, he may be able to initial ad referendum a Compact of Free Association with the Micronesians. This would constitute a decisive step in realizing the President's commitment to resolve the Micronesian Status issue by 1981.

Ambassador Rosenblatt has requested a modest increase in his authority to deal with remaining economic issues in a memorandum which has been circulated to the Micronesian Interagency Group. Apart from these economic issues, Ambassador Rosenblatt sought guidelines and negotiating authority to address a key issue that has emerged in

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the latter stages of the negotiations: perpetual strategic denial, i.e., embodiment in the Compact of a guarantee of the U.S. right to deny the area militarily to any outside power in perpetuity. To discuss this request, I convened a meeting of representatives of the relevant agencies of the Micronesian Interagency Group on September 11.

At the meeting, the IAG recognized that the question of perpetual strategic denial presents us with a serious dilemma. As currently drafted, the Compact provides a strategic denial right to the United States for an absolute period of 15 years, and thereafter as may be mutually agreed. The Department of Defense and the Organization of the Joint Chiefs of Staff reconfirmed their position that this 15-year guaranteed term of strategic denial provides sufficient opportunity for the U.S. to establish a political relationship in which longterm U.S. strategic interests can be assured.

This position notwithstanding, Senators Jackson,

Johnston and McClure -- whole support is absolutely essential
to passage of the Compact -- have firmly and repeatedly
declared that unless the Compact assures the U.S. the right
of strategic denial in perpetuity, the Senate will reject the
Compact in a Panama-type reaction. At the same time, consultations in the UN with the British and French members of
the UN Trusteeship Council indicate that inclusion of the

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perpetual denial concept would weaken the prospect for UN support for termination of the Trusteeship Agreement. A Compact that includes perpetual strategic denial might also prejudice the international respectability of the Free Association status of the Micronesian states.

The Interagency Group discussed how best to reconcile the need to move decisively in the forthcoming negotiations so as to meet the President's commitment with the as yet unpredictable trade-offs and concessions underlying the perpetual denial issue. For example, the Government of the Marshall Islands supports the perpetual denial concept but has asked for corresponding U.S. concessions, including a perpetual U.S. guarantee of the Islands' territorial integrity and continuation of U.S. support payments in full for the contemplated 15-year term should the Islands opt for independence. Palau and FSM have not clearly expressed their views on strategic denial nor what U.S. concessions they might seek in return.

After its deliberations the group decided:

- -- Ambassador Rosenblatt should be authorized to proceed with the scheduled negotiations;
- -- His objective is to resolve on an <u>ad referendum</u> basis all of the remaining issues, including strategic denial;

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- -- During the course of the negotiations, as he is able to identify costs and trade-offs, he should seek appropriate guidance from the Interagency Group by telephone or cable;
- -- With respect to strategic denial, he must attempt to obtain permanent denial and, if that proves impossible, to obtain a specific period of strategic denial that would be acceptable to the U.S. Senate. While preserving the denial concept, he should seek its expression in language and corresponding understandings that would enhance the prospects for a favorable international reception of Free Association status;
- -- While the entire negotiations will be <u>ad referendum</u>, the U.S. negotiator should underscore to the Micronesians in a separate letter that the strategic denial and associated provisions will be subject to subsequent Washington review and change or approval.
- -- On the basis of his assessment of the progress of the negotiations, and after consultation with Washington, the U.S. negotiator will determine whether the document that emerges from the negotiations should be initialed by the negotiators on an <u>ad referendum</u> basis with a clear understanding that all of the President's choices regarding the final document remain uncompromised.

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-- The U.S. negotiator will present the negotiated document to the Interagency Group by mid-October to be forwarded to the President for his modification, approval or rejection.

The Interagency Group believes that the foregoing negotiating strategy will maximize the possibility of bringing the lengthy Micronesian Status negotiations to a conclusion while at the same time permitting subsequent Washington review and evaluation and preserving full Presidential options and prerogatives.