

THE COUNSELOR
DEPARTMENT OF STATE
WASHINGTON

MICRONESIA INTERAGENCY GROUP

September 17, 1980

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~~CONFIDENTIAL~~ (Entire Text)

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 believes 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 goal of resolving the Micronesian Status issue by 1981.

By virtue of PD/NSC 11, 34 and 49, Ambassador Rosenblatt has existing Presidentially-approved negotiating authority. Those provisions of the Compact negotiated under his existing authority and unrelated to strategic denial and issues immediately associated therewith are subject to normal ad referendum Presidential review and are not addressed here. 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.



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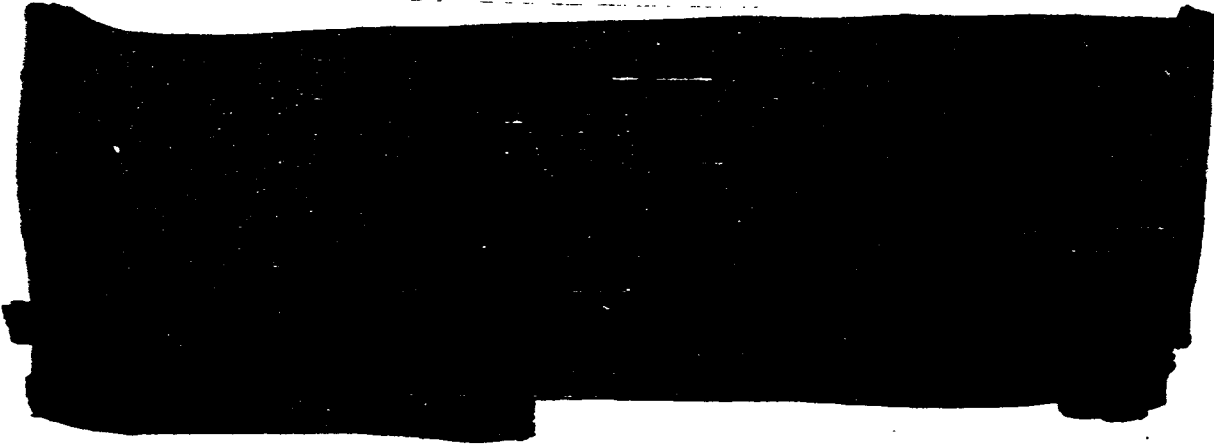
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-- Ambassador Rosenblatt should be authorized to proceed with the scheduled negotiations;

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Apart from these economic issues, Ambassador Rosenblatt sought guidelines and negotiating authority to address a key issue that has emerged in the latter stages of the negotiations: perpetual strategic denial, i.e., embodiment in the Compact of a permanent guarantee that the area will be denied militarily to any outside power. To discuss this request, I convened a meeting of representatives of the relevant agencies of the Micronesian Interagency Group on September 11.

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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 Office of the Secretary of Defense and the Organization of the Joint Chiefs of Staff reconfirmed their position favoring the longest possible period of guaranteed strategic denial but accepting the 15-year period as providing sufficient opportunity for the U.S. to establish a political relationship in which long-term U.S. strategic interests can be assured.

This position notwithstanding, Senators Jackson, Johnston and McClure -- whose 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 or something close thereto, 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 perpetual denial concept would seriously weaken the prospect for UN support for termination of the Trusteeship Agreement. A Compact that includes perpetual strategic denial might also prejudice international views on the legitimacy and acceptability 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 1981 goal with the as yet unpredictable trade-offs and concessions underlying the perpetual denial issue. For example, the Government of the Marshall Islands, recognizing the Senate's insistence on perpetual strategic denial, believes that its presence in the Compact is essential. The Government has linked it, however, to 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 at some earlier date. Neither Palau nor the FSM has clearly expressed its views on perpetual 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;

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-- His objective is to resolve on an ad referendum basis all of the remaining issues, including perpetual strategic denial;

-- During the course of the negotiations, as he is able to identify costs and trade-offs, he should, as appropriate, seek guidance from the Interagency Group;

-- With respect to strategic denial, he must attempt to obtain permanent denial and, if that proves impossible in the negotiations, to obtain a specific period of strategic denial that would be acceptable to the U.S. Senate. While preserving this strategic denial concept, he should seek its expression in language and corresponding understandings, inter alia on a clear choice in a plebiscite between free association status and independence, that would enhance the prospects for a favorable international reception of Free Association status;

-- The U.S. negotiator should underscore to the Micronesians in a separate letter that the strategic denial and associated provisions will be subject to specific subsequent ad referendum Washington review and change or approval: i.e., review of a quality different from that which would apply to the terms negotiated on the basis of the Presidentially-approved instructions;

-- 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 ad referendum basis as previously defined;

-- 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.

Although the possibility of further complications in the negotiations cannot be discounted, the Interagency Group believes that the foregoing negotiating strategy will enhance the prospects for bringing the lengthy negotiations to a conclusion while at the same time permitting subsequent Washington review and evaluation and preserving full Presidential options and prerogatives.

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