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MEMORANDUM

(4895 add-on#2)

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NATIONAL SECURITY COUNCIL

SYSTEM II
90003

ACTION

September 23, 1981

MEMORANDUM FOR RICHARD V. ALLEN

FROM: JAMES LILLEY *W*

SUBJECT: Presidential Directive on Micronesia *(S)*

I am attaching a Presidential Directive on Micronesia reflecting his approval of the senior interdepartmental group recommendation of 21 August 1981. I am also including a proposed press release. *(S)*

The press release should be held up until we receive a call from State which should come in by the close of business today, 23 September, informing us that key Congressional leaders have been alerted. *(S)*

RECOMMENDATION:

That you sign and release the Presidential Directive on Micronesia (Tab I)

Approve _____ Disapprove _____

That you approve the attached press release (Tab II) and inform the White House Press Office to let it go, pending notification from State.

Approve _____ Disapprove _____

Attachments

- Tab I PD on Micronesia
- II Press Release

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(WITH SECRET ATTACHMENT)

Review Sept 23, 1987

Declassified/Released on 9/6/95
under provisions of E.O. 12356
by D. Van Tassel, National Security Council
(F87-749)

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FOR IMMEDIATE RELEASE

SEPTEMBER 23, 1981

Office of the White House Press Secretary

THE WHITE HOUSE

President Reagan has authorized the resumption of negotiations with the Governments of Palau, the Marshall Islands and the Federated States of Micronesia which are intended to result in the termination of the last United Nations Trusteeship -- one under which the United States has administered the Trust Territory of the Pacific Islands since 1947.

The President's decision marked the completion of a six-month-long policy review conducted by an Interdepartmental Group under the chairmanship of James L. Buckley, Under Secretary of State for Security Assistance, Science and Technology. Mr. Buckley will head the United States delegation at a meeting in Hawaii proposed to begin October 3 which will mark the resumption of negotiations with the three Micronesian governments.

The policy review concluded that the United States should move promptly to terminate the United Nations Trusteeship on terms satisfactory to itself and to the government and peoples of Micronesia. It also endorsed a new political status in which the three Micronesian governments would enter into relationships of free association with the United States. The three Micronesian governments had earlier indicated their preference for that status by initialing with the United States, in late 1980, a Compact of Free

Association. The political status of free association is distinguishable both from independence and from an extension of United States sovereignty; under it, plenary defense rights and responsibilities would remain vested in the United States, and the Micronesian governments would enjoy full internal self-government and substantial authority in foreign affairs.

The Micronesian political status negotiations began under the Nixon Administration and continued through each of the two subsequent administrations. They have been in a state of informal suspension, however, pending the completion of the Reagan Administration's policy review.

In deciding to go forward on the basis of the Compact of Free Association and five agreements subsidiary to it which were also initialed late last year, the Administration stipulated that eleven remaining subsidiary agreements would have to be completed to the mutual satisfaction of the negotiating parties before any of the documents could be considered complete.

Buckley's delegation to the proposed Hawaii meeting will present and explain these and other Administration decisions to the chief executives and political status negotiators of the Micronesian governments. Administration representatives will also seek to establish a schedule for completing work on the remaining subsidiary agreements, a process which is expected to require several months.

The delegation also plans to discuss with Micronesian officials the procedures by which the negotiated documents will ultimately be approved. The process envisions a plebiscite by the voters of Micronesia under U.N. ^{OBSERVATION} ~~supervision~~; action by their governments in accordance with constitutional processes; and approval by both Houses of the United States Congress and enactment of the Compact into public law.

Palau and the Federated States of Micronesia together constitute the Caroline Islands. They and the Marshalls have a combined population of about 120,000. The Marshalls and Carolines extend for almost 3,000 miles across the mid-Pacific between Hawaii and Guam and are located just north of the Equator. The Federated States of Micronesia and the Marshall Islands established elected constitutional governments in May, 1979. Palau followed suit on January 1, 1981.

The Northern Mariana Islands, a fourth component of the Trust Territory, voted in 1975 after similar negotiations to become a commonwealth in political union with the United States. The Northern Marianas are now self-governing, but U.S. sovereignty will extend to those islands -- and the islanders will become U.S. citizens -- only when the Trusteeship Agreement is terminated.

For further information, contact the
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