



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

The President has seen _____

October 31, 1986

MEMORANDUM FOR THE PRESIDENT

FROM: James ~~Miller~~ III
Director

SUBJECT: Proposed Executive Proclamation Entitled "Placing into Full Force and Effect the Covenant with the Commonwealth of the Northern Mariana Islands, and the Compacts of Free Association with the Federated States of Micronesia and the Republic of the Marshall Islands"

SUMMARY: This memorandum forwards for your consideration a proposed Executive proclamation, submitted by the Department of Justice, that would place into effect the Covenant with the Commonwealth of the Northern Mariana Islands and the Compacts of Free Association with the Federated States of Micronesia and the Republic of the Marshall Islands and terminate the Trusteeship Agreement with respect to these three entities.

BACKGROUND: Since 1947, the United States has administered the Trust Territory for the Pacific Islands under a Trusteeship Agreement with the United Nations Security Council. Negotiations for the termination of the Trusteeship Agreement have been conducted since 1969 with the four components of the Trust Territory, the three entities noted above and Palau. The Northern Mariana Islands have elected to become a Commonwealth in political union with the United States, and the other three entities have chosen to become freely associated with the United States. The Covenant with the Commonwealth of the Northern Mariana Islands and the Compacts with the Freely Associated States of Micronesia and the Republic of the Marshall Islands are ready to be placed in effect. Congress also has approved a Compact of Free Association with the Republic of Palau, but the Compact approval process has not been completed in Palau and possibly may not be accomplished for several years.

The heads of the affected agencies have determined that termination of the Trusteeship Agreement is urgently required for two reasons. First, further delay in full implementation of the Covenant with the Commonwealth of the Northern Mariana Islands may adversely affect our relationship with its people, who had been given to understand that the Trusteeship would terminate in 1981. Second, the Compact with the Republic of the Marshall

11/3/86: Sgd. & dated - aboard Air Force One en route L.A. from Las Vegas
11/3/86: Announced - Costa Mesa, CA
11/6/86: To Archives

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Islands contains an espousal provision that will settle for \$150 million certain lawsuits claiming \$4-5 billion for damages from nuclear testing in the Marshall Islands in the late 1940s and early 1950s. The United States must submit its response to the lawsuits ten days after the effective date of the Compact. Since the effective date of the Compact with the Republic of the Marshall Islands is October 21, 1986, the tenth day is November 4, 1986. Accordingly, the proposed proclamation terminating the Trusteeship must be signed by no later than November 3rd.

DESCRIPTION: The proposed Executive proclamation would terminate the Trusteeship with respect to the three entities and place in full force and effect the Covenant with the Commonwealth of the Northern Mariana Islands and the Compacts of Free Association with the Federated States of Micronesia and the Republic of the Marshall Islands. The proposed proclamation would not affect the Trusteeship Agreement with respect to Palau.

In the view of the Department of Justice, a Trusteeship ends by operation of law by agreement between the Administering Authority and the inhabitants of the Trust Territory, when the inhabitants have by a sovereign act of self-determination chosen a status of self-government or independence. The inhabitants of the three entities for which termination of the Agreement is proposed have taken such sovereign acts of self-determination.

The proposed Executive proclamation has been revised to reflect substantive concerns expressed at a meeting on October 29, 1986, of representatives of the National Security Council, the Departments of Justice and State, and the Office of Micronesian Status Negotiations. As revised, none of the affected agencies has objected to the proposed Executive proclamation.

RECOMMENDATION: I recommend that you sign the proposed Executive proclamation.

Attachment