

Thus as part of the move towards independence the US began negotiations with individual states to create Compacts of Free Association between each state and the United States¹⁰⁸. The premise was clear for each side. For the United States they would gain control of the Defence of the three states and have the ability to build bases and conduct military activities. For the Compact states they gained protection from the United States in the event of a threat and a package of economic support to offset the loss of control of a sphere of their sovereignty. The military provisions also allowed citizens of the Compact States to participate in the defence of their countries by joining the United States armed forces¹⁰⁹. The precise terms of each Compact are slightly different and they took a number of years to negotiate as both parties sought to maximize unilateral benefit.

One key component of the Compacts of Free Association was the retention of full sovereignty by the three Compact States. In other arrangements states have ceded elements of sovereignty in return for financial or physical security, such as the Cook Islands arrangements with New Zealand¹¹⁰ or the arrangements in place between Britain and many of its overseas territories like the Cayman Islands, Bermuda or Gibraltar¹¹¹. This had meant that these territories have degrees of autonomy but are not independent in a sovereign sense. In contrast, the Compact states are all UN members and engage in their own foreign policies including sending and receiving Ambassadors. By contrast the Cook Islands, Bermuda, Cayman Islands and Gibraltar are all members of the Commonwealth, all use their own currency and all have their own police forces, courts and elected assemblies, but they are not members of the UN and are not considered sovereign in international law.

The effect of these Compacts on the defence and security of the three states has been to have the military protection of the world's only superpower. Thus, for existential military threats, the Compact States sit under the most secure umbrella on earth. In addition as the citizens of all three states are permitted to serve in the US military they can actively participate in the force that provides that security. This is something that the citizens of all three states have done in great numbers with all three states having higher recruitment rates for the US military than any actual state of the United States. This has come at cost too where the casualty rate amongst FSM, RMI and Paluan populations during the wars in Afghanistan and Iraq was higher than

¹⁰⁸ Compacts of Free Association <http://uscompact.org/about/cofa.php>

¹⁰⁹ Donald R. Shuster, **The Republic of Palau and its Compact, 1995–2009**, *The Journal of Pacific History*, Volume 44:3, 2009, 329-330.

¹¹⁰ Cook Islands Relationship with New Zealand <http://www.ck/govt.htm#nz>

¹¹¹ Foreign and Commonwealth Office (UK), **The Overseas Territories: Security, Success and Sustainability**, (London: The Stationary Office, 2012), 8-9.