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NSC UNDER SECRETARIES COMMITTEE

DRAFT 1/25/71

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MEMORANDUM FOR THE PRESIDENT

Subject: Political Status Negotiations with
Congress of Micronesia

On January 21, 1971, the Under Secretaries Committee reviewed the negotiations on political status with the Congress of Micronesia. Initiated some sixteen months ago, these negotiations have failed to produce appreciable progress. Thus, there is need for a reassessment of our strategy and options.

I. Recommendations

In light of its review, the Committee recommends:

1. That you approve the modified Commonwealth (as defined on pages 10-13 below and Tab A) as the Administration's preferred approach for resolving the Micronesian status issue.

Approve _____

Disapprove _____

2. That you authorize consultations with appropriate,

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selected members of the Congress on the modified Commonwealth and the less preferred alternatives of "free association" and district-by-district plebiscite (as described on pages 13-14 below and Tab A)*.

Approve _____

Disapprove _____

3. That, assuming the Congressional consultations on these three alternatives are satisfactory, you authorize:

a. An Under Secretaries Committee negotiating team (Interior, State, OSD, JCS) under Department of the Interior leadership, to pursue negotiations with the Congress of Micronesia on the basis of the modified Commonwealth, hopefully leading to an agreement in principle;

Approve _____

Disapprove _____

b. The negotiating team to explore with the Micronesians the possibility of a settlement on the basis of free association and the ramifications of a district-by-district plebiscite, without however committing the

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United States Government to either approach, in the event the negotiations on the modified Commonwealth should be stalemated and the negotiating team unanimously concludes that this proposal is unacceptable as a basis of settlement.

Approve _____

Disapprove _____

II. Background and Assessment

A. Status of Talks

The most recent U.S. proposal made last May by an Executive Branch delegation -- that Micronesia become a Commonwealth in permanent association with the U.S. -- has failed to win acceptance. The Congress of Micronesia last August declared the U.S. offer "unacceptable in its present form" and instead endorsed four "non-negotiable" principles which affirm Micronesia's sovereignty and right to independence or unilaterally terminable "free association with any nation."

The Micronesians continue to advocate "free association" with the U.S. -- a status which they have defined only in broad terms but which would recognize Micronesian

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sovereignty and generally leave defense and foreign affairs responsibilities to the U.S. As a "freely associated" state -- supported by U.S. subsidies -- Micronesia would fully control its internal affairs -- in particular Micronesian lands -- and would have the right to terminate its relationship with the U.S. at any time.

B. Assessment

In reviewing this situation, the Committee agreed on the following major points:

- U.S. strategic interests (which underlay your decision of May 1969 to seek the extension of U.S. sovereignty over these islands) remain valid. (These interests encompass: the ability to deny access to foreign powers; retention of ICBM/ABM missile testing facilities in the Marshall Islands; and the ability to obtain land, as needed, to implement future basing options.)
- In evaluating alternative approaches to the status issue, a key question -- for which there is no clear answer -- is whether time can be made to work in our favor. We have, of course,

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broad powers to impose almost any solution if we are prepared to disregard international, domestic and Micronesian attitudes and to pay the political costs. This would ignore, however, the question of whether Micronesians, disaffected with U.S. administrative performance since World War II, can be brought to join in a close and permanent relationship with the U.S.

- There is no expectation at this time that the Micronesian Congress will accept our Commonwealth proposal in its present form -- even though the Marianas District, where pro-U.S. sentiment is strong, has elected a new Congressional slate that favors Commonwealth status.
- Modifications of our Commonwealth proposal -- to bring it closer to the Micronesian concept of "free association" might result in Micronesian acceptance. We cannot, however, be sure of this.

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- We can, of course, continue to refuse a right of unilateral termination -- but it is doubtful that the status issue can be resolved on this basis. Alternatively, we could propose: a right of review after a specific number of years; or a carefully circumscribed right of unilateral termination. Should this be done, we would insist that provisions protecting U.S. strategic interests survive termination of the Commonwealth status -- to provide us with a legal basis for the protection of our interests.
- As a practical matter, any unilateral termination -- which presumably would result from a deterioration in the U.S.-Micronesian relationship -- would involve considerable risk to the U.S. strategic position. But even if we could avoid a termination provision, a Commonwealth relationship might be endangered by unfavorable political developments in the territory.

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- Thus, a key element in efforts to protect our interests must be the promotion of closer ties with the people of Micronesia -- by amicable resolution of the status issue, early settlement of war claims, strengthening of economic relationships, and Micronesia's access to financial and technical assistance through domestic Federal programs. We have a good chance of building a permanent relationship in view of Micronesia's heavy dependence on outside assistance.
- A status of "free association" with the U.S. would presumably be acceptable to most Micronesian leaders but would be opposed -- at least initially -- in the Marianas District with consequent loss of good will. Under this arrangement, we might be able to protect our interests, and build closer ties to Micronesia, very similar to those under a Commonwealth relationship. The absence of U.S. sovereignty,

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however, reduces our ultimate authority, makes more questionable our ability to safeguard U.S. long-term strategic interests, and perhaps makes evolution toward a closer association less likely.

- In view of the popular sentiment in the Marianas, a plebiscite on the U.S. Commonwealth proposal -- with each district separately making its own choice -- would probably result in at least that district voting for accession to the U.S. But such a course would probably be opposed by the Micronesian Congress, risk political instability in other districts, and jeopardize our strategic interests outside the Marianas.
- Rapid movement toward internal self-government would meet some of the Micronesians' immediate desires and might strengthen their interest in association with the U.S.; however, it is most unlikely that these steps would resolve our political problem if the issue of future political

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status (termination of the trusteeship) is not addressed.

II. Agency Views

In its review, the Committee identified the following major options (Tab A):

- continuation of the trusteeship, with Micronesian self-government (Option 1);
- the creation of conditions conducive to acceptance of the present Commonwealth proposal (Option 2);
- a modified Commonwealth (Option 3);
- a district-by-district plebiscite (Option 4);
- acceptance of the Micronesian proposal for "free association" (Option 5);
- Micronesian sovereignty, i.e. independence with prearranged treaty ties (Option 6).

The Committee also examined the possibility of union with Guam or Hawaii. We believe that neither choice would be acceptable to Micronesia in the foreseeable future.

In addition, the Committee considered steps the U.S. might take to improve prospects for future negotiations.

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A. Steps to Improve Prospects for Status Talks

The Committee believes that steps such as the following might be taken:

- A program of accelerated placement of Micronesians into key positions in the Trust Territory administration;
- Extension to the Territory of additional financial and technical assistance through such domestic Federal programs as the Micronesians desire;
- Allocation of U.S. grant funds to match local revenues (now less than \$5 million) for unrestricted reappropriation;
- An intensified program of political education.

B. Approaches to the Status Issue

1. Modified Commonwealth

The Committee believes that we should continue to seek a solution along the lines of a Commonwealth relationship modified as necessary, within predetermined limits, to obtain Micronesian agreement (Option 3). The aim would

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be to resolve the status issue in a manner which extends U.S. sovereignty, makes the fewest concessions, and best satisfies U.S. national interests. The U.S. negotiating limit for each critical area in dispute with the Micronesians would be:

- Termination: Micronesia would have a carefully circumscribed right of unilateral termination, possibly through a complex procedure or after a specified period of years. For example, Micronesia could terminate the relationship upon approval by a two-thirds majority of the Micronesian Congress and electorate, and provided other safeguards were observed to assure a fully representative expression of the will of the Micronesian people. Individual districts (e.g., Marianas) would have the right to remain with the U.S.
- Eminent Domain: The U.S. would agree to forego the exercise of eminent domain. Availability and long-term use of necessary land, at least

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in the Marianas, would be assured by prenegotiated option, lease, or purchase. Also, we would retain our missile testing facilities in the Marshalls. Subsequent acquisition of other lands would require Micronesian consent.

- Federal Supremacy: We would agree to limit the exercise (as distinguished from the inherent power) of Federal Supremacy where such is practicable, legal, and not in derogation of overall U.S. national interests. We might agree that the U.S. would exercise Federal powers only in the fields of foreign relations and defense, except when required by a national emergency or requested by the Micronesians.

Advantages of the modified Commonwealth approach are:

- We are already negotiating within a Commonwealth framework, the Micronesians have tacitly accepted this framework as a basis of further discussions, and the U.S. Congress is aware of, and generally not unfavorable to, this approach.

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- It is designed to deal forthrightly with specific Micronesian objections to earlier U.S. proposals;
- This status would provide a strong legal basis for protecting our strategic interests;
- It provides an opportunity for numerous, increasingly closer ties with the U.S. that are likely to assure the permanence of the association and reinforce our legal rights.

In contrast, other options considered by the Committee lack one or more of these advantages without compensating benefits and often with additional problems.

2. Alternative Approaches

If the modified Commonwealth approach is not acceptable to the Micronesians or the U.S. Congress, the Administration should consider how long it would be practicable to maintain the Trusteeship as an interim measure -- presumably with increased self-government -- while also exploring the choice between a "free association" type arrangement and a district-by-district plebiscite.

A "free association" type arrangement (Option 5),

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while granting Micronesian sovereignty, could result in extensive ties under a "compact" which would build a relationship close to that of a modified Commonwealth (at its limits).

The district-by-district plebiscite (Option 4) would be responsive to the sentiments of the Marianas and would assure the permanent association of at least that district. However, such a plebiscite -- with each district separately making its own choice -- would probably require an offer of independence, which at least some of the other districts would exercise. In these cases, our strategic interests would have to be protected through such subsequent arrangements as we would find possible to negotiate.

III. Congressional Consultations

The Executive Branch is committed to consult with the House Interior Committee before making further proposals to the Micronesians. However, in view of the far-reaching nature of these proposals, consultations may also be required with the Congressional leadership and other key committees.

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The Under Secretaries Committee will coordinate the consultations on the Hill, which will be undertaken jointly by the three agencies under Department of the Interior leadership. White House assistance may be required to gain the concurrence of key Congressional figures in these proposals and their limits. (We foresee a problem in protecting our negotiating position against unauthorized disclosure; except for a few senior members of Congress whose support will be essential, consultations will be conducted in more general terms designed to seek reactions to a range of alternatives.)

The U.S. Congress can be expected to have difficulties with these proposals for several reasons:

- The variety of views within the Congress on the status issue: for example, some are concerned that the islands may eventually slip out of the U.S. orbit; others are disturbed by the international and domestic repercussions of limiting Micronesia's choices for self-determination; still others may oppose in principle the continuation

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of these overseas obligations;

- Congressional concerns as to the nature of the precedents created by a loose Commonwealth relationship, particularly the implications for Puerto Rico and other U.S. Territories of such an arrangement;
- The long-term financial costs to the U.S. associated with the permanent assumption of responsibility for a foreign people which has few historic ties to the United States, and which will be unable to support itself over the foreseeable future.

IV. Timing and Tactics

We have already indicated informally to the Micronesians our willingness to continue discussions on all aspects of the status issue.

At this point, the U.S. should not press for a reopening of status negotiations. However, we expect shortly a Micronesian request for such talks and should be ready to respond. When discussions resume they should be, at least initially, conducted in a low key, informal manner - on the

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U.S. side by individuals known to and trusted by the Micronesians - in order to explore the points at issue. This also accords with Micronesian expressed preferences.

Your early decision is requested in order to permit consultations with the U.S. Congress and subsequent careful preparation of our negotiating tactics.

* * *

In addition to the Committee's regular members, the following agencies have participated in this review: Interior (which chairs the Interdepartmental Group on Micronesia), Justice, and the Office of Management and Budget.

John N. Irwin II
Chairman

Attachment:

Tab A - Report of Inter-
departmental Group.

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