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: The Deputy Secretary of Defense The Assistant to the President for National Security Affairs The Director of Central Intelligence The Chairman of the Joint Chiefs of Staff The Deputy Attorney General The Under Secretary of Interior The Director, Office of Management and Budget

SUBJECT: Negotiations on the Future Political Status of Micronesia -- Meeting on Wednesday, February 3, 4:00 p.m.

Enclosed is a revision of page 7 of the Options Issues Paper which we distributed earlier for the meeting on February 3.

Staff Director

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2. Strategic

There are three aspects to the US strategic interest in the TTPI: ability to deny access to foreign powers; retention of ICBM/ABM missile testing facilities in the Marshall Islands; and the requirement for other basing options in the future.

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a. Denial. In foreign hands, islands of the TTPF Could serve as air and naval bases, missile launching sites to threaten Guam and Hawaii, and would constitute a potential major threat to US control of sea and air communications in the central Pacific. In particular, the security of Guam would be severely jeopardized if an unfriendly power controlled the adjacent Mariana Islands.

Included in the concept of denial should also be the <u>ability</u> to control any future foreign political and commercial involvement that presents a threat to US security interests.*

*Interior does not concur in this statement regarding denial. Interior believes that military arrangements are the only US needs and that these need not be served by control of foreign political and commercial involvement. Such control would make a sham out of Micronesian self-determination.

State, OSD, and JCS believe it is clear that threats to our security interests can be posed by foreign political and commercial activities, both in the US and its territories. US law recognizes this fact, by limiting foreign control in certain key areas (e.g., natural resources, communications, banking) and by controlling certain activities (e.g., trade with Communist China, North Vietnam, North Korea; and foreign ship visits). Under various alternative status possibilities, the US ability to exercise such controls might vary; however, if the US is unable or unwilling to exercise any such controls, it is quite possible that a situation seriously threatening our interests might develop which eventually could be met only by military force, with attendant political consequences.

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(F38-1569A) under provisions of E.O. 12356 by D. Sirko, National Security Counc?

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