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Talking Paper for the Deputy Secretary of Defense and the Chairman, Joint Chiefs of Staff (NSC Under Secretaries Committee meeting of 3 February 1971)

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SUBJECT: Meeting on Political Status Negotiations with Micronesia  
(U/SM-86-C) (U)

ISSUES:

- Should US sovereignty remain our objective for Micronesia?
- Should we compromise on eminent domain, right to unilateral termination, and degree of federal supremacy?
- Is some form of indefinite continuation of the trusteeship practical (as proposed by Acting Secretary of the Interior Russell)?
- What actions should the US next undertake?

BACKGROUND:

- Congress of Micronesia, in July, rejected a US commonwealth proposal in its present form.
- The Under Secretaries Committee (USC) advised the President, in September, that the political status question would be reviewed.
- The resulting Interagency Group (IG) options paper was considered by the USC on 3 December and returned to the IG for inclusion of a new option, proposed by Interior. The subsequent re-draft (Tab A):
  - Summarizes the considerations inherent in Micronesian status negotiations.

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- Defines six agreed-upon alternative courses of action (options), except as footnoted on page 7 and under Option 1.

OPTIONS:

- Option 1 (page 11) - Continuation of the Trusteeship, with granting of Micronesian self-government, subject only to US security requirements.
  - Micronesia would be granted complete domestic self-government to include control over trade and all foreign relations except military matters.
  - The maintained trusteeship would provide the legal basis for exercise of US rights to protect security interests.
  - US would provide annual financial grants to the Micronesians, for unrestricted use, with the floor being the current \$50-60 million level.
- Option 2 (page 16) - Create conditions conducive to Micronesian acceptance of present commonwealth proposal.
  - Implement additional organizational and program changes, such as emphasis on political education, and more self-government, with objective of gaining subsequent formal acceptance.
- Option 3 (page 19) - Commonwealth proposal modified to obtain compromise agreement.

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- US sovereignty would be maintained, with only the exercise of federal rights voluntarily circumscribed.
  
- To avoid an impasse at the outset of discussions, tell Micronesians their "four principles" (page 2) present no unresolvable problems.
  
- Then, negotiate on substantive areas of disagreement, within these limits:
  - (1) Forego exercise of eminent domain, provided that needed land - at least in Marianas - is assured (e.g., by purchase, long-term lease, or long-term agreement without remuneration).
  
  - (2) Provide for carefully circumscribed right of unilateral termination of association.
  
  - (3) Restrict exercise of US federal supremacy over Micronesia (i.e., application of federal laws, regulations and executive orders).
  
- Option 4 (page 21) - The Marianas Option: district-by-district plebiscite:
  - Objective of assuring permanent association of at least the Marianas with the US.
  
  - Each district offered choice of commonwealth or independence.
  
  - The US subsequently would seek treaties to satisfy strategic interests in any districts choosing independence.
  
- Option 5 (page 23) - "Free Association" - i.e., Micronesian "sovereignty"

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recognized by compact, with US assigned exclusive control over foreign relations and defense).

- Incorporates, in most respects, present understanding of Micronesian concept of "free association."
- Micronesians would have full internal autonomy but must guarantee certain individual freedoms.
- US retains exclusive authority over defense and foreign relations, with land needs assured through long-term lease or options.
- All arrangements legalized by "compact" between the US and Micronesian governments, subject to a carefully circumscribed right of unilateral termination.
- US financial, economic and other benefits to Micronesia would continue or be expanded.
- Option 6 (page 26) - Micronesian sovereignty (independence with treaty relationship).
  - US would retain exclusive authority in defense and foreign affairs, with Micronesia granting basing rights.
  - Emphasis on quid pro quo compensation for use of Micronesian lands.
  - Land requirements assured by long-term leases and option agreements.
  - Any US economic and technical assistance channeled through foreign aid - level of assistance probably lower than Option 5.

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DISCUSSION:

- Option 1 (self-government under trusteeship) is the new option proposed by Interior. While purporting to meet US security requirements, its long-term practicality is doubtful.
- Option 2 (commonwealth) envisages actions to be taken in the event this remains the US objective. However, Micronesian acceptance unlikely without compromise modifications to the current offer.
- Option 3 (modified commonwealth) aims for a solution, acceptable to both parties, that makes the fewest significant concessions.
- Option 4 ("Marianas Option") would probably result in at least the Marianas associating with the US. Implementation premature at this time.
- Option 5 ("free association") contains many uncertainties due to lack of US sovereignty.
- Option 6 (Micronesian sovereignty) presents the greatest uncertainty, is unacceptable to the Marianas, and threatens an unstable, fragmented territory.
- A draft memorandum for the President (Tab B):
  - discusses the critical issues of status determination and proposes retention of commonwealth (US sovereignty) as basic US objective--
- Option 3. (Interior may argue strongly for Option 1 - did not participate with OSD, JCS and State reps in drafting memo.)

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- outlines steps to improve prospects for status talks.
- proposes consultation with the US Congress by Interior, State and Defense.
- proposes that the US not press for early reopening of status negotiations, but respond to Micronesian requests.

RECOMMENDATIONS:

- Support Option 3 - modified commonwealth, and do not agree to a discontinuous step to the negotiating limits specified therein or to go beyond those limits.
- Propose forwarding of Tab B to the President, with any dissenting agency's views appended (after smoothing/updating by IG as necessary).
- Urge the USC to task the IG to refine and analyze the steps to be taken, to include:
  - Specific organizational and program changes to improve prospects for status talks.
  - Constitutional and other legal problems that should be avoided.
  - Alternatives for satisfying US land requirements.
  - Compromises on unilateral termination.
  - Identification of all US federal laws that must remain applicable to protect US national interests.

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- Timing, tactics and substantive instructions for discussions and negotiations.
- If DOD's land requirements are addressed, take the following position:
  - Tentatively, areas of interest are limited to Marianas and Palau (plus continued use of Kwajalein, and possibly Eniwetok). Other districts will be considered if land is not available in areas of first choice.
  - We should strive (under Option 3) to make suitable arrangements for necessary land not only in the Marianas but also in Palau and possibly elsewhere.
  - Further review of the land requirements circumscribed by the limits of Option 3 is underway, to identify both the immediate land needs and option requirements, as well as contingency needs. An outline of these results will be made available for use during the next negotiations.

Approved by

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