



DEPARTMENT OF DEFENSE  
OFFICE OF GENERAL COUNSEL  
WASHINGTON, D. C. 20301

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In Reply Refer To:  
I-11853

18 August 1972

MEMORANDUM FOR CAPTAIN GORDON SCHULLER, USN,  
ISA/EA&PR

SUBJECT: Unilateral Termination of the Compact by Micronesia.

Pursuant to your request relating to unilateral termination of the Compact by Micronesia:

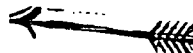
-Unilateral termination of the 5 years would reduce the opportunities and incentives for the United States to establish the foreign affairs powers of the Micronesia on a firm basis; such termination has its primary impact on the foreign affairs powers not on the "defense powers."

-In addition it would reduce the incentives of American enterprise and commercial interests to invest in the islands: their incentives will readily be traced to the United States acting in matters relating to foreign affairs including foreign trade and commerce; a five year period demanded would indicate at the outset of the compact a concern that Micronesia is not willing to attempt to maintain close relations with the United States.

-From the point of view of Micronesia it would be disadvantageous to the people of the territory since it would enable the government in power to have the ready means to extend its power by using the right of termination as a bargaining lever.

-From the point of view of third countries it would indicate an unsettled period since during the first five years, it would not be clear whether Micronesia wants to continue its short term relationship with the United States, or wants to "go it alone." This would lead to

cc: GC Col. A. Smith, JCS  
Chron Mr. P. E. Barringer, ISA OSD  
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unfavorable impacts upon its foreign commerce; it might also encourage opportunism by third countries which would not be in Micronesia's (or its peoples') interest.

-Finally, the five year period is so short for a relationship that has any real meaning, that it would make that relationship meaningless.

**SIGNED**

Harry H. Almond, Jr.  
Office of Assistant General Counsel  
International Affairs