

DRAFT

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November 15, 1972

Senator Lazarus Salii
Chairman, Joint Committee on the Future Status
Congress of Micronesia
Saipan, TTPI

Dear Senator Salii:

In my closing remarks at the final meeting in our recent session at Barbers Point, I noted the need of our delegation to review and reassess our position regarding the status negotiations in the light of the decision at the August session of the Congress of Micronesia to request negotiations on independence for Micronesia as well as on free association between Micronesia and the United States.

That review is continuing and my Government has not adopted a position on the questions raised by the Joint Status Committee at Barbers Point. However, I would like to share with you and the members of the Committee some considerations related to those questions.

I would like first to point out that we have not ruled out the alternative of independence for Micronesia. We are aware that that alternative is provided for in the terms of the Trusteeship Agreement between the United States and the Security Council.

I would also reiterate one point which I raised at Barbers Point. The circumstances which led to the Trust Territory designation as a strategic area and our ^{interest} in the peace and security of the Central Pacific will continue to exist whatever your future status might become. I would assume

that under any circumstances Micronesia would want to maintain a defense relationship with the United States that would protect Micronesia from foreign aggression and might include US responsibility for the prevention of unlawful incursion into your waters and exploitation of your ocean resources. For us to assume such responsibilities, we would, of course, require your cooperation in maintaining some facilities in Micronesia and continuing assurance that foreign military powers would be excluded from your territory.

Much of the remaining relationship would, of course, remain to be negotiated by an independent Micronesia. It should be noted, however, that there are certain aspects of a relationship of free association along the lines which we had begun to formulate prior to the meeting of the Congress of Micronesia at Ponape which could not apply if Micronesia were to become independent. One of these would be the free movement of Micronesians to and from American territory a privilege which the United States, like all other sovereign governments, does not extend to citizens of other independent states. Since they would not have US nationality, Micronesians would be fully subject to the terms of US immigration and naturalization laws. Another would be access to US domestic programs in such areas as health, education, and welfare, which are not available to foreign governments. Nor could US banking and postal systems be applied. Micronesian goods could not have free entry into

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markets. And, finally you should consider our inability to provide to an independent Micronesia direct financial support on any scale comparable to that which we could foresee under free association.

You will want to bear in mind in any discussions of your own on the independence issue that present levels of US support for the Trust Territory amount to about \$750 for each man, woman and child in Micronesia. In a freely associated relationship US contributions toward the salaries of Micronesian teachers, medical workers and government officials, construction of schools and dispensaries and development of roads, airfields and port facilities could probably continue.

American Samoa and Western Samoa provide a specific example of the difference in US support for territories with close ties with the United States and levels of foreign assistance to a comparable independent state in the Pacific area. American Samoa receives benefits from the federal government that total over \$20 million and approximate on per capita basis our present programs for the Trust Territory. Western Samoa, an independent state, derives less than \$5 million for a population of 150,000 from its former administering New Zealand, and less than \$1 million in foreign economic assistance from all sources including modest UN and US programs, that is, roughly \$10 per capita.

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It might also be useful if members of the Joint State Committee were to examine levels and kinds of assistance extended by not only the United States, but all international sources to various newly independent states including former Trust Territories. For example, the United States and the United Kingdom together provide about \$60 in grant assistance in 1972 for each inhabitant of Malta, an island of great strategic significance to the members of the North Atlantic Treaty Organization. Spain provided about \$50 last year of aid on a per capita basis to Equatorial Guinea until recently a Spanish colony. There were in 1971 in addition minimal programs from other countries. Togo, Rwanda, Burundi and Cameroon, all former trusteeships, have received from all foreign sources an average of less than \$3.00 annually for each citizen in the years since independence.

You should also consider that international economic assistance does not generally include direct budget support but is usually in the form of financial aid for specific developmental projects or technical assistance in certain limited areas. By far the larger portion of financial aid to developing countries now consists of loans rather than grants.

I merely wish to point out that you must expect that there would be a severe difference in financial terms between free association with the United States and independence. It would be naturally related to the degree of responsibility felt by the US Congress and people for the new state.

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Despite the disappointing results of our meeting in Hawaii, I would hope that we could take up our negotiations again at an early date next year and complete work on an agreed compact of free association which would have our joint endorsement for submission to the Congresses of Micronesia and the United States. I think that the substance of much of the remaining sections of the draft compact will attract considerable support from your colleagues in the Congress and from the people of Micronesia. As you might have inferred from my comments on the implications of independence, our proposals for the compact would include offers of US nationality, free entry into the United States for Micronesian products, continuation of some US domestic programs including banking and postal services and a measure of direct US budget support. We would also anticipate discussing with your delegation at that time the position of the United States on an independence option for Micronesia.

For the sake of convenience I am sending copies of this letter to the other members of the Joint Status Committee.

Sincerely,

Franklin Haydn Williams

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