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United States Department of the Interior

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Action Memorandum

To: Chairman, Under Secretaries Committee

From: Franklin Haydn Williams, The President's Personal Representative
for Micronesian Status Negotiations *HW*

Subj: Micronesian Status Negotiations

In response to Dr. Kissinger's memorandum of November 1, 1972, I am submitting my reassessment of the Micronesian Status question and my recommendations for the next steps to be taken in the negotiating process.

I. Summary

A. This memorandum reviews briefly U.S. negotiating objectives, background negotiating history and highlights of the current situation. It proceeds to a reassessment of the U.S. position and possible immediate courses of action to be followed within present terms of reference. It concludes with a discussion, pro and con, of arguments regarding future treatment of the "Independence Option" issue, which now falls outside the terms of reference.

B. So far as the immediate future is concerned, it is believed that the best protection for U.S. interests in Micronesia continues to lie in the dual approach of negotiating a permanent union with the Marianas and Free Association with the other districts. The initial negotiating session with the Marianas will probably be held in December. Successful negotiation of Free Association with the remainder of Micronesia may be complicated by the Congress of Micronesia's desire for an "Independence Option". While not yet reflecting broad support, the idea of independence is attractive to an articulate minority.

C. The most urgent issue is whether to meet with the Micronesian Status Committee to complete the draft Compact before the new Micronesian Congress convenes in January. The Committee leadership has pressed for such a meeting. Because the independence issue has been raised there are hazards in agreeing to this. Necessary hard bargaining on key issues of finance and termination might lead to an unproductive session and in turn produce an adverse reaction when the Congress of Micronesia meets in January.

D. The arguments for proceeding nevertheless appear to be more compelling. The recently completed Congressional elections in the TIFI resulted in what appears on balance to be a vote favoring Free Association.

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candidates, but if no effort is made to have a completed Compact before January the work done thus far could come under renewed attack. Finally, there are political advantages in making one more effort to get agreement before a UN Visiting Mission goes to Micronesia in February.

E. No final decision can be made, however, on whether to hold another negotiating session until certain matters can be clarified with the Chairman of the Micronesian delegation which cast some doubt on their ability to proceed. The U.S. should not agree to meet again unless conditions are right and suitable organizational arrangements can be made.

F. Should such a negotiating session be held and if independence comes up (which it may not) the Micronesians could be told, as now authorized, that the United States Government has not ruled it out. It may also be desirable to remind them again either during discussion of the financial and termination provisions, or by other means if the negotiating session is not held, that we will wish in any case for U.S. defense interests to remain protected and that they cannot expect the financial benefits of Free Association to be available under lesser arrangements. Any such discussion of independence would have to be carefully circumscribed in view of the absence of an approved U.S. position on the "Independence Option". So far as the latter is concerned an immediate IAG study of the range of available alternatives is recommended for Presidential consideration and decision.

II. Background

A. U.S. Negotiating Objectives: To find an amicable solution to the question of Micronesia's future political status that will satisfy the USG's legal obligations to the United Nations, create a stable political entity consistent with those obligations, and serve and protect basic United States interests in the Pacific. The U.S. objectives as set forth in my instructions are:

- (1) U.S. control over Micronesian foreign affairs.
- (2) U.S. responsibility for Micronesian defense.
- (3) The right of the United States to use Micronesia for military purposes.
- (4) Denial of the area to the military forces of third parties.
- (5) Survival of U.S. base rights and security arrangements in Micronesia in the event of termination.

B. Review of recent rounds of negotiations:

(1) The current phase of the negotiations began in Hana, Maui in October 1971 following the rejection by the Congress of Micronesia (COM) of the American Commonwealth proposal put forward in May 1970. The Hana talks broke an impasse and produced understandings in principle in a number of important areas. Remaining differences were also identified.

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(2) The Palau talks in April 1972 led to preliminary agreements on the nature of a future relationship between Micronesia and the United States, Micronesian self-government, U.S. authority over foreign affairs and defense, and the right of either party to unilaterally terminate a future agreement under certain pre-negotiated conditions. Preliminary financial discussions were also held. The Micronesians requested \$100,000,000 annually. The U.S. Delegation informed the Micronesians that the two sides were far apart in their thinking on the level of a future U.S. financial commitment to Micronesia.

(3) The Washington talks of July-August 1972 resulted in an agreed partial draft Compact of Free Association covering Micronesian self-government, U.S. foreign affairs and defense responsibilities and preliminary agreements on U.S. minimum land requirements. The United States presented language for a finance article without including specific figures.

(4) The Barbers Point talks of September-October 1972 ended with no further progress being made toward completing a draft Compact. Issues centered around the role and future intentions of the Micronesian Joint Future Status Committee (JFSC), the failure of the COM to endorse the provisions of the partial draft Compact, and the significance of the COM resolution authorizing and directing the JFSC to conduct negotiations with the United States regarding the establishment of Micronesia as an independent nation while continuing negotiations toward Free Association. Given the circumstances set forth in my letter of October 27 to the President, the U.S. Delegation decided not to go forward with the drafting of the remaining titles of a draft Compact. Both sides agreed to a temporary recess to permit the parties to review their positions before proceeding with the negotiations.

C. Marianas Separate Status Question.

(1) The Marianas District for the past 10 years has favored a close and permanent association with the U.S.

(2) In April, 1972, the Mariana Delegates on the JFSC asked whether the United States would agree to separate talks with the Marianas. The U.S. response was affirmative.

(3) The COM and the JFSC has not formally accepted the decision of the Marianas to negotiate with the United States for a separate settlement. Legally and by precedent, the United States has the right to negotiate with the Marianas District and has so informed the United Nations.

(4) The Marianas District Legislature has formed a Mariana Future Status Commission, and the first round of talks has been tentatively scheduled for December 1972 in Saipan.

III. Reassessment of U.S. Negotiating Position

A. Current Situation

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(1) The question of the TTPI's future status has now become the dominant political issue in Micronesia. Among the politically elite pressures are rising for an early settlement, although this has not yet spread to the masses of the politically illiterate. There is increasing evidence, however, of a hardening of Micronesian attitudes and demands, demonstrated in the swing of more sophisticated opinion away from close association with the United States towards complete independence. The imminent independence of New Guinea will focus increasing world and United Nations attention on the TTPI, since the TTPI will then be the last remaining Trust Territory. In these circumstances time may be working against U.S. interests.

(2) Other factors create a growing complexity in the negotiations. Among these are: traditional Micronesian disunity, with continuing district rivalries, antagonism and separatist sentiments; growing xenophobia and hostility toward the U.S. trust administration; fear and suspicion of the U.S. military requirements; centralization of responsibility for the future political status question in the COM, which nevertheless cannot speak clearly for the districts; and a growing level of Micronesian material and financial expectations.

B. Practical Implications

(1) In the face of the foregoing, the United States has been pursuing two courses simultaneously: Free Association for Micronesia and a separate settlement leading to a permanent political association of the Marianas with the United States. Basic U.S. objectives (See II, A above) reflecting the extent of U.S. interests in Micronesia remain sound and can be satisfied within the framework of a separate agreement with the Marianas and Free Association with the remainder of Micronesia. The former in particular, if successfully negotiated, will satisfy the most important U.S. military land requirements set forth in my instructions.

(2) Free Association with the rest of Micronesia offers the best prospect for satisfying both U.S. strategic interests and Micronesian aspirations. While it is not clear at this time whether the U.S. position on finance and termination will be acceptable to the Micronesians, the first U.S. negotiations position should, nevertheless, remain Free Association with full authority over foreign affairs and defense vested in the United States and responsibilities for internal self-government vested in the future Government of Micronesia.

(3) Independence is a new and important element in the negotiating picture. It is amply clear that, "independence", while it does not have broad based support among the Micronesian people, does have influential and articulate backers. The independence advocates are attempting to appeal to a variety of groups with the ultimate aim of defeating Free Association. It is difficult to estimate its strength and prospects, but the independence element in Micronesia is a tangible and serious threat to successfully negotiating free association. If possible the independence issue should be defused. The critical question is the best course to be followed on the independence issue in order to ensure the prospects for successfully negotiating a Compact of Free Association.

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IV. Immediate Courses of Action

A. Resumption of the talks with the JFSC

(1) The issue here is one of timing, procedures and substance. Should the U.S. agree to meet again for a seventh round of talks prior to the January session of the COM? If so, under what circumstances? Should the U.S. continue the joint negotiating approach with the JFSC? And should the U.S. proceed with the negotiations in the absence of a definitive position on the independence option?

(2) At the conclusion of the Barbers Point talks, the Micronesian delegation stressed the urgency of completing the negotiation of a draft Compact of Free Association and stated that "we agree to this adjournment in a spirit of continuing cooperation and hope, but also with a sense of the great urgency of reconvening soon for another and final effort to bring our work to a conclusion."

(3) In private conversations, the Chairman of the Micronesian Delegation expressed his concern over the growing strength and effectiveness of the anti-American, anti-military, and anti-Free Association campaign being waged inside and outside the Congress. He argued that the best counter to this influence would be the early completion of a draft Compact, one that would be acceptable to the majority of his Committee and one which they could support before the COM. He said further that a majority of the Micronesian Status Committee had finally realized that they had to stand together against those, even within their own committee, who wanted to abort or at least delay the negotiations for Free Association. To do this he urged that the talks be resumed as soon as possible and strongly suggested that it would be in our interests to hold them before the end of the year.

(4) There are arguments for and against an early resumption of the talks and foreseeable risks either way. There is value in the first place in maintaining momentum and the pattern of progress established over the past year. A delay of five or six months between Barbers Point and the end of the Micronesian Congressional session in March could work to our disadvantage. It is also important to work cooperatively with and strengthen the position of the pro-Free Association members of the JFSC. The rapport that has been established is a valuable psychological asset which would be dissipated if the U.S. were to refuse their request for an early meeting.

(5) It should be recognized at the same time that the remaining titles to be negotiated - especially finance, applicability of U.S. laws, and termination - will be difficult, and there is a distinct possibility that agreement on these questions will not be possible. Failure to complete a draft Compact on the eve of the COM January session might be more harmful than not meeting at all. The pro-independence faction could capitalize on this situation and renew its call for independence as the only acceptable alternative for Micronesia.

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(6) Conversely, there is a danger that the COM will not give great support to the concept of Free Association in the absence of a completed draft Compact, and they may direct the JFSC to insist upon amend-

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ments of the three already negotiated titles or give the Committee binding instructions with respect to a minimum annual payment or a minimum period after which unilateral termination will be permissible. Also there will probably be a negative reaction in the COM if the United States were to meet with the Marianas before the COM convenes but not the JFSC. In addition there are political advantages in terms of our attempting to make one more effort to reach agreement in advance of the scheduled UN Visiting Mission to Micronesia in February 1973.

(7) On the basis of public and private statements by the Micronesian Delegation, it would appear that they now wish to put the independence alternative aside at least for the time being. Their position on this question shifted at Barbers Point from their opening positive declaration on the need for a negotiated independence option to their final statement which said "- - an effort to deal in depth with the alternative status of independence at this time would be diversionary and premature." The statement went on to say, "priority should be given to continued good faith efforts by both delegations to complete promptly a draft Compact of Free Association. If this effort is unavailing or unproductive, it will be necessary to focus on the alternative without further delay." The Chairman of the Micronesian Delegation, in private, further stated that the successful completion of a draft Compact would "obviate the necessity for a negotiated independence alternative."

(8) The recently concluded election of Micronesian senators and congressmen resulted in what appears on the whole to be favorable returns for the pro-Free Association candidates. Two outspoken congressional pro-independence advocates were defeated. More serious, however, is the recent challenge to the reelection of the friendly JFSC Co-Chairman, requiring a recount in a very close vote. This casts some doubt on whether the JFSC will be in a position to meet prior to the next session of the COM.

(9) After considering the pros and cons of an early resumption of the talks and after consultations with the representatives of interested departments, I have concluded that the wisest course of action is to continue the joint approach unless it becomes clear that nothing further can be gained thereby. On this basis I will attempt within the limits of my current negotiating instructions to complete a joint draft Compact before the full COM meets in January if that is possible as a practical matter in view of the confusion on the Micronesian side. I base this on my belief that we should if possible take advantage of the desire on the part of the pro-Free Association advocates among the Micronesian Delegation to move forward so that they will have a complete document to present to the COM. We have been told that the majority of members of the JFSC are eager to finish the draft Compact and meeting with them will put maximum pressure of time on them if a Compact is to be finished by the time the COM is ready to consider it. Even if a final draft does not result from such a negotiating round, I believe it would be wise to play out our full line on a joint basis before making a major shift in our approach to the talks. We may otherwise risk alienating our friends and giving our enemies an opportunity to strengthen their positions, thus making any later approach that much more difficult.

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(10) The possible delays on the Micronesian side and other organizational and scheduling difficulties may make it impossible to schedule and hold such a meeting and it may well have to be put off until March notwithstanding the foregoing considerations. Tactically, moreover, it is probably unwise for us to appear over eager in this regard. No final decision will be made on the time of any future meetings until further discussions can be held with the Chairman of the JFSC to clarify these and other remaining questions.

B. Initial Treatment of Independence Issue

(1) If a seventh round of talks is held before January the independence issue may or may not be injected into them by the Micronesians. The United States may find it tactically advantageous, however, to state as authorized in my instructions that it has not ruled our independence. It can also be argued that one of the best ways to maximize the chances of getting a satisfactory Free Association agreement is to paint a stark contrast between the relatively generous terms of a Compact of Free Association and a nebulous kind of independence which its Micronesian adherents have thus far been unable or unwilling to define. Another plausible argument is to stress the likely fragmentation of Micronesia if it were to be independent.

(2) It may thus be desirable at the most advantageous time either during any drafting sessions or outside to point out again to the Micronesians that the financial and termination provisions under consideration provide a clear idea of what "independence" following termination of the Compact would look like, i.e., survival of U.S. strategic rights and no financial commitment beyond land rentals. This should serve to emphasize to the JFSC and Congress of Micronesia that independence would not be a bed of roses.

(3) Should the negotiating session or the overall situation not develop satisfactorily it may be desirable to reassess the entire joint approach and find ways to inform the Congress of Micronesia before it begins its January session just what limitations we believe attach to post-termination "independence".

(4) In the event that the independence issue is raised by either side in December caution will be exercised not to commit the U.S. to this alternative option in advance of a definitive decision by the President on this important question.

C. The Marianas

(1) The initial negotiating session with the Marianas Political Status Commission is tentatively scheduled for December 1972. This initial session promises to be both ceremonial and exploratory in nature. I intend to keep the discussion on a general plane and to solicit the Marianas Delegation's views on a number of questions. For instance, it is imperative to draw out early in the talks the Marianas Delegation's opinion regarding integration with Guam, U.S. military land needs, and the range of possible future relationships. One of the most important aspects of these negotiations

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will be the financial aspects of the relationship and what the Marianas expect. In addition, I anticipate that some time will be devoted to sorting out the procedural details for the course of the negotiations.

(2) I do not foresee going further than this in December. When we have a sounding on the views of the Marianas Delegation, I will prepare definitive recommendations, including financial proposals, and forward them to the Under Secretaries Committee and the National Security Council for their approval.

(3) We are now examining on an urgent basis the desirability of amending the Secretarial Order (Secretary of the Interior) governing the TTPI in order to prevent the Congress of Micronesia from interfering in these negotiations. The Congress of Micronesia insists that under the present Secretarial Order its authority extends to the Marianas and, in turn, to status negotiations with the Marianas. This attitude has proved a source of irritation and concern to the Marianas and to the U.S. Government. In order to clear the air, an amendment to the Secretarial Order may be indicated.

(4) I should stress that I envision the talks with the Marianas in December as primarily ceremonial and exploratory. The December round will initiate the separate negotiations formally and certify U.S. seriousness, but I do not foresee substantial progress in December. Close consultation with interested U.S. Congressional committees will, of course, be required before definitive proposals can be developed or offered.

D. Land

(1) The Micronesian JFSC has requested a detailed description of U.S. military land requirements at the earliest. Marianas land requirements are the subject of separate negotiations.

(2) As to the Marshalls, the U.S. has already described in some detail its land needs with the exception of Eniwetok atoll. There is little room for confusion in this description since the land in question is being currently used by the U.S. military and is well defined. As to Eniwetok the United States may require some residual rights and even small amounts of land, but these requirements will not be finalized until the current survey of Eniwetok has been completed.

(3) Specific plots of land desired in Palau have not been determined. It is my present intention to send a small group composed of representatives from NSM and DOD to Palau to inspect the land, to consult with local leaders, and to settle on the specific military land requirement. Until this is accomplished the JFSC cannot make any firm commitments and detailed negotiations of the land leases cannot take place. Recent action by local groups in Palau hostile to U.S. military land requirements, however, have created some uncertainty regarding our ability to proceed promptly with the survey, and a definite timetable will have to await further discussion with the Chairman of the JFSC.

V. Decisions on Future Action - An Independence Option

A. If after the next negotiating sessions the Micronesians still insist on negotiating an independence option, the United States could be faced with (1) the choice of taking unilateral action and abandoning joint efforts entirely (with all that entails) or (2) acceding to the Micronesian demand. These are the major alternative courses of action open to us in the future. Neither is within my present terms of reference.

B. Some of the arguments in favor of agreeing to negotiate an independence option are:

(1) The history of the U.S. Trusteeship and the language of the Trusteeship Agreement indicate we must be prepared at least to give this choice of Free Association or Independence to the Micronesians in any genuine plebiscite. It would be useful then to negotiate out an independence option which would carry little attraction for the Micronesians.

(2) The United Nations will insist on a clear choice for or against independence at the very minimum.

(3) When faced with the stark reality of being cut loose without guaranteed financial support from the United States and with a continuing obligation to accept U.S. defenses, the Micronesians are more likely to choose Free Association.

(4) If denied a negotiated option the Micronesians are likely to insist on independence on their own terms simply because they are told they cannot have it.

C. Some of the arguments against negotiating an independence option are:

(1) The special nature of a "Strategic Trust" argues against a negotiation in which complete independence with no strategic strings attached would be seriously considered.

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D. These options need to be explored further, with arguments pro and con developed in depth. Variations on the basic themes are also possible,

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including efforts to fragment the Micronesian effort by a district to district approach and possible variants on financial inducements. These all require careful examination before decisions are reached in one executive branch. Consultation with the U.S. Congress may also be necessary depending on the nature of those decisions. A final decision may be needed shortly after the first of the year.

VI. Recommendation

It is recommended that the Under Secretaries Committee inform the President's Assistant for National Security Affairs of (a) the plans of the President's Personal Representative for Micronesian Status Negotiations to complete, if possible, a draft Compact of Free Association within his present terms of reference, and (b) the intention of the Under Secretaries Committee to have the Interagency Group on Micronesian Status prepare for the President's consideration and decision a study in depth of the advisability of agreeing to negotiate an independence option as requested by the Congress of Micronesia and possible alternative courses of action.