MEMORANDUM FOR THE PRESIDENT ...

Subject: Neghtiations on the Future Political Status of the Trust Territory of the Pacific Islands

There is attached a study, prepared under Ambassador Haydn Williams' direction, on next steps in the on-going negotiations on Micronesia's future political status.

As approved by you, our objective is to achieve a political relationship of free association between the United States and Micronesia, less the Ma riana Islands. (The latter district is seeking to become an integral part of the American political family.)

In this connection, the study identifies two issues on which your decision is now required.

Issue One: Should Ambassador Williams be authorized to offer Micronesia the option of independence, if during the next stage of the negotiations he considers this in the US interest (pp 4-6 of the summary).

-- Ambassador Williams and the Departments of Interior given and Justice recommend that the Ambassador be/discretionary authority to offer a qualified status of independence as an option, to be included in the plebiscite which will ultimately required be/belzkon Micronesia's future status (independence option).

 They believe that the flexibility to use this authority, if in the Ambassador's judgment required, will enhance the prospects for achieving the US negotiating goal of a stable relationship of free association. The qualifications to the proposed independence offer would be: a) the retention by the United States of its present leases for missile range facilities on Kwajalein; and b) a statement to the Micronesians that the United States would view as a potentially hostile act military access to Micronesia by any third country and would take the necessary steps to protect its interests.

- -- The <u>Department of State</u> believes that the offer to include a qualified independence option in the plebiscite is unavoidable, to gain Micronesian acceptance of free association; and that to move the negotiations forward the offer should be made during the next stage of the negotiations at such time and in such manner as Ambassador Williams considers appropriate.
- -- The <u>Department of Defense</u> believes there is a remote possibility that the Micronesian voters would choose the independence option in the plebiscite, instead of a relationship of free association. Defense considers this contingency an unacceptable risk and recommends that the offer of an independence option not be authorized at this time.

-- All participating agencies recommend that, if no independence offer is authorized. Ambassador Williams be to defer instructed to make the attempt further discussion of the independence question until after a plebiscite on free association in Micronesia rather than to refuse definitively an independence alternative.

Issue Two: Should Ambassador Williams be authorized to agree, if necessary, to a moratorium period on unilateral termination of the compact of free association within the range of ten to fifteen years (pp 8-9 of the summary).

- -- The Department of <u>Defense</u> and <u>Ambassador Williams</u> believe there should be no compromise on the current US position for a moratorium of no less than 15 years.
- recognize the desirability of a moratorium period of at least 15 years and agree that the Ambassador should make a determined effort to win Micronesian acceptance. The three departments also believe, however, that the prospects for obtaining Micronesian agreement to adequate arrangements for the survival of US defense interests (in the event the Micronesians were to exercise their right of termination of the compact) are closely tied to the length of the moratorium on unilateral termination. Thus, they recommend that the Ambassador be given the flexibility to negotiate a moratorium period in the range of 10 to 15 years.

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The study also discusses the requirement for an ultimate act of self-determination, through a plebiscite in Micronesia, prior to the termination of the trusteeship, and the appropriate elements of such an act as viewed by members of the United Nations Security Council (pp 10-11 of the summary).

The foregoing recommendations as well as the study's re-endorsement of US negotiating positions included in Ambassador Williams' current instructions, are embodied in new "Draft Instructions for the President's Personal Representative" (pp 13-16 of the summary). The Under Secretaries Committee recommends that these instructions be approved in a form consistent with your decisions on Issues One and Two above, and that they be formally issued to Ambassador Williams.

Kenneth Rush

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