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## THE DEPUTY SECRETARY OF DEFENSE WASHINGTON, D. C. 20201

28 SEP 1973

MEMORANDUM FOR THE CHAIRMAN, UNDER SECRETARIES COMMITTEE

SUBJECT: Negotiations on the Future Political Status of the Trust Territory of the Pacific Islands (U)

- (U) The Chairman, the Joint Chiefs of Staff and I have reviewed the study prepared by the Inter-Agency Group (IAG) for Micronesian Status Negotiations and the proposed forwarding memorandum from the NSC Under Secretaries Committee (USC) to the President as contained in NSC-U/SM-86V of 11 September 1973.
- (S) We believe that the study is basically complete and illuminates the critical negotiation issues that are likely to be encountered in future sessions with the Micronesian Joint Committee on Future Status (JCFS). Therefore, we recommend that the study be submitted to the President, although we have several reservations over its composition and emphasis. Specifically, we are concerned over:
- a. The proposed departure from the current US position on the length of the moratorium on the unilateral termination provision of the Compact for Free Association. Reducing the minimum period from 15 years to 10-15 years is an unwarranted concession which does not represent the best interests of the United States.
- b. The achievement of military land requirements in the Palau Islands and on Kwajalein Atoll as stated in the Draft Compact. During the past year, a pessimistic outlook for our chances to fulfill these land requirements developed; however, it is understood that the US fact-finding team, recently returned from the area, is of the opinion that the key for solving this problem is at hand. The team believes that the Micronesians view the military land requirements simply as a means to an end, and, therefore, once the return of public lands is agreed upon, a concurrent satisfaction of military land requirements could occur. Adhering to this approach, the US negotiating team at least can meet the irreducible, non-negotiable minimums as affirmed by the Secretary of Defense in his memorandum of 28 March 1973 to the President's Personal Representative for Micronesian Status Negotiations.

SUBJECT TO GENERAL DECLASSIFICATION SCHEDULE OF EXECUTIVE ORDER 11652. AUTOMATICALLY DOWNGRADED AT TWO YEAR INTERVALS. DECLASSIFIED ON 1 Dec 21

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by F. Graboske, National Security Council

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C. The undue emphasis in the study on the positive aspects of offering an independence option for reasons which appear to be idealistic and generally external to US interests. Micronesia has not reached the point in its development whereby it could fulfill the obligations independence would create, as evidenced in the hearings conducted by the Micronesian Joint Committee on Future Status throughout the islands in July 1973. Accordingly, $\lambda$  it is apparent that neither the legal basis nor a legal obligation exists at this time for the United States to offer independence as set forth by the Department of State in Annex D of the study. Acceptance by plebiscite of free association with the United States would provide the Micronesians with a full measure of self-government and would satisfy the spirit and objectives of the United Nations Charter and the Strategic Trust Agreement. Moreover, the ramifications of an independence status, if chosen by the Micronesians, are not adequately addressed in the study. Such a status would be inimical to long term US security interests. Therefore, not only is it inappropriate to offer an independence option at this time, it is fundamentally inconsistent with US strategic objectives currently safeguarded under the Strategic Trust Agreement and would constitute an unacceptable risk.

- d. The study's excessive emphasis on supposed US international obligations vis-a-vis US strategic interests. Full independence, as noted above, is inimical to VS interests. On the other hand, a voluntary acceptance of free association with the United States, while satisfying the international obligations of the United States, fully protects our strategic interests including the denial of the area for military use by third parties, the conducting of foreign affairs and defense matters for Micronesia, and the maintenance of international peace and security in the area. The options concerning the future status of Micronesia must be compatible with these strategic interests. Free association reasonably satisfies the aspirations and objectives of the Micronesian people and preserves these strategic interests while maintaining the present strategic balance among the Powers in the Pacific.
- (S) Generally, the proposed forwarding memorandum to the President is a reasonably balanced presentation of the views of the Inter-Agency Group, and consistent with the purpose of the study. However, we request that the Department of Defense position on Issue One, as stated in the proposed Presidential memorandum, be amplified by incorporating the following statement: There is an overemphasis of the external pressures to offer independence which tends to subordinate the underlying principle that Micronesia is strategically important to the United States in maintaining a balance among the Powers in the Pacific. We recommend that, in this modified form, the memorandum be forwarded to the President.

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