



DEPARTMENT OF STATE

Washington, D.C. 20520

October 9, 1973

SECRET

MEMORANDUM

TO: Chairman, NSC Under Secretaries Committee

FROM: STATE/EA - Arthur W. Hummel, Jr. *AH*

Future Political Status of the Trust Territory
of the Pacific Islands

On August 27 Ambassador F. Haydn Williams forwarded to you an interagency study on the Micronesian future political status question and negotiations. The key issue addressed in that study was whether or not an independence option should be offered to the Micronesians.

On September 28 the Deputy Secretary of Defense addressed a memorandum to you which states the Defense position in opposition to the offerance of an independence option. Interior, Justice, State and Ambassador Williams advocate an independence option. (As will be noted below, State does differ from the others on utilization of an independence option.)

No participant in the interagency study advocates independence for Micronesia. To the contrary, all participants believe that a close free association relationship will best serve US and Micronesian interests. But the interagency group (excepting Defense) which prepared the study believes that it may be necessary to provide the Micronesians a formal opportunity to reject independence in favor of association with the United States. The reasons for that position are detailed in the study, and in

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the State annex to the study. In essence, it is held that it may not be possible to terminate the Trusteeship Agreement and obtain a viable and enduring free association relationship without first resolving in a definitive manner the independence question. The risk of the Micronesians opting for independence is considered slight, acceptable, and most importantly, less than the risks associated with refusing an independence option. (In any event, as is pointed out in the study, the risk of independence has already been accepted by virtue of US agreement to a unilateral termination provision in a compact of free association.) Only a small minority in Micronesia now favors independence. But the refusal of such an option could of itself stimulate increased pressures for independence. Beyond this consideration, it is clear that the United Nations would not consent to termination of the trusteeship agreement in the absence of an independence option.

In short, the interagency study finds that the US interests defined by Defense and the other concerned agencies can best be served and protected through appropriate use of an independence option.

We also wish to comment on some of the specifics of the Defense memorandum.

-- Defense describes the "Palau options" as "irreducible, non-negotiable minimums." This definition of the Palau options was arrived at unilaterally by Defense and has not been concurred in by any other Department; the issue of the relative importance of these options remains to be resolved.

-- The Defense contention that the advocacy of an independence option is prompted by reasons that are "idealistic" and "generally external to US interests" bears no relationship to the factors considered in the interagency study. Nevertheless, we would note that it is in the US interest, in the broadest and, most basic sense, to deal with the Micronesians in a manner consistent with a central principle of US foreign policy for nearly 200 years -- the right to self-determination of dependent peoples. Micronesia could become an acid test of the credibility of US foreign policy.

-- The statement in the Defense memorandum that there is "neither the legal basis nor a legal obligation" to offer an independence option scarcely needs rebuttal. One need only read the UN Charter and the Trusteeship Agreement -- a binding international treaty entered into voluntarily and without reservation by the United States.

-- The Defense memorandum, after rejecting the offerance of an independence option, speaks of "voluntary free association." There would appear to be a contradiction in terms. Most Micronesian leaders, and the world community, would not consider free association "voluntary" in the absence of meaningful alternatives.

We have alluded above to a difference in opinion between State on the one hand, and Interior, Justice, and Ambassador Williams on the other. In essence the latter three recommend that the Ambassador be provided discretionary authority on whether an independence option will be offered to the Micronesians. State believes that factors discussed in the interagency study, and in the State annex to that study, make clear that an independence option must be offered in a Micronesian act of self-determination to: (a) provide to the US maximum leverage in the status negotiations; (b) maximize prospects for a stable and enduring free association relationship through an early and definitive resolution of the independence issue; (c) fulfill US obligations under the UN Charter and Trusteeship Agreement; and, (d) best assure UN approval of termination of the Trusteeship Agreement. We believe that it probably will not be possible to achieve our objectives in Micronesia without an independence option. We do agree that the timing and manner of initial discussion of an independence option is a tactical consideration to be determined by Ambassador Williams.

With reference to the interagency study itself, State has with some reluctance concurred in the study's submission to the NSC Under Secretaries Committee. However, we do note that the study is deficient in several important respects. It:

-- Understates the important legal, political, tactical, and moral considerations arguing for an independence option;

-- Understates the strains in our relationships with the political elite in Micronesia, and over-emphasizes the political role of the so-called "silent majority" and second-echelon leadership of those islands;

-- Overstates the possibilities for again testing the 1970 Commonwealth proposal; and

-- Overstates the strategic importance of Micronesia in general and of the "Palau options" in particular.

For all of the above reasons, State has found it necessary to footnote the study in many places, and to annex to the study separate position papers on (a) the independence question, and (b) the strategic importance of Micronesia and of the "Palau options."