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THE DEPUTY SECRETARY OF STATE
WASHINGTON

March 27, 1974

NSC UNDER SECRETARIES COMMITTEE

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Dear Haydn:

I have reviewed with considerable interest and some concern your recent reports on the Micronesian status negotiations, and the problems you face in bringing about a Micronesian willingness to negotiate seriously the financial and other aspects of a future free association relationship. I am also somewhat concerned about recent related developments, but especially the Congress of Micronesia's resolution instructing its negotiating committee to adhere to the positions on finance it took in last November's status talks, and the implications that flow from enactment of enabling legislation for a Micronesian constitutional convention. The latter, we understand, is likely to be held in 1975.

Based on your reports and other relevant information, it now seems reasonable to assume that the Micronesians are deliberately stalling on the resolution of their future status. The reasons for such stalling appear to be a combination of legitimate uncertainty, indecisiveness, and internal differences over their future which, they hope, time will resolve. But their stalling also appears to relate to a conviction that time is on their side in terms of opinion within and without Micronesia, and their ability to wear us down

The Honorable
F. Haydn Williams,
The President's Personal Representative
for Micronesian Status Negotiations,
Department of the Interior.

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DEPARTMENT OF STATE A/CDC/MR

DATE 6/19/89

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through a series of ultimatums and US concessions. Too, it would appear that the Micronesians see the product of next year's constitutional convention as providing an additional and major lever in the negotiations. Finally, the absence of any real Micronesian understanding of the alternative to free association appears to be delaying decision-making processes in Micronesia.

Whatever the reasons behind Micronesian stalling, it now seems reasonable to conclude that time is operating against us, and that it is important to conclude an agreement on Micronesia's future status before a constitutional convention preempts the present negotiating course.

For the above reasons, I am most pleased that you have been so prompt in re-engaging the Micronesians through your planned meeting with the leaders of the Micronesian delegation in early April. We consider this meeting as extremely critical, and an opportunity to seize the initiative by forcing the pace of the Micronesian decision-making processes. I therefore strongly urge that you take this opportunity to undertake the following actions at your meeting.

-- We hope the President will approve the additional financial negotiating authority that you have requested. If such action will assist in breaking the present impasse on finance, I hope you will offer to meet the Micronesians "halfway" on our future financial relationships -- as they suggested this past November. If the President has not taken a decision on your new instructions prior to this meeting, I would urge that you nevertheless informally explore with the Micronesians the levels of future financial assistance which would be acceptable, and report on this point to the President after the meeting.

-- You should of course also seek agreement in principle on the remaining outstanding Compact of Free Association issues.

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-- I particularly urge that you consider making clear that there are limits in a free association relationship beyond which we cannot go if that relationship is to be acceptable to the US. The Micronesians should understand that, to all practical purposes, we are at, or at least near, those limits, and independence is the alternative if Micronesia is unable to accept a mutually advantageous free association partnership. This requires that you be prepared to lay the Presidentially-approved independence option on the table and explain it fully if it would be advantageous to do so. In short, the Micronesians must be faced with clear and easily understood choices.

-- I believe you should also stress that we attach considerable importance not only to the resolution of Micronesia's future status, but also to implementation of that status within a reasonable time frame, with timely implementation of appropriate transitional measures. I do understand that this question is one that very much concerns you, and that you hope to pursue this matter in some detail with the Micronesians.

Concerning the character of the independence option, there may be considerable Micronesian pressure on you to define more precisely the level of US assistance that might be available to an independent Micronesia. I suggest that you consult with the concerned agencies and at an early date make appropriate recommendations on this point to the NSC Under Secretaries Committee.

To sum up, I believe that our objective in the months ahead should be to seek the earliest possible satisfactory agreement on Micronesia's future status, early implementation of transitional measures to that new status, and early termination of the trusteeship agreement with prompt implementation of the new political relationship. The sooner these events are accomplished, the healthier and closer our future relationship is likely to be

In closing, I wish you every success in what I know will be a most difficult and critical meeting. I look forward to your report after this meeting, so that we might then assess with you what next steps may be appropriate. As always, please feel free to call on me for any support or assistance I may be able to render.

Sincerely,



Kenneth Rush
Chairman

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