

MEMORANDUM

NATIONAL SECURITY COUNCIL

ARTICLE

March 18, 1972

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MEMORANDUM FOR: MR. KISSINGER

FROM: JOHN A. FROEBE, JR. *JAF*

SUBJECT: Micronesian Status Negotiations

At Tab A is a memorandum to the President from Ambassador Williams asking his authority to amplify two points in the President's negotiating instructions of July 20, 1971, for the Micronesian status negotiations (Tab B). The next round of talks commences April 2 in Micronesia.

The two points of clarification requested concern Position II (of the four positions) in the original instructions. Position II added to Position I, which called for the offer of a modified commonwealth position with a limitation on the U.S. exercise of eminent domain and federal supremacy, the offer of a right of unilateral termination of the relationship that would be carefully circumscribed through a complex procedure and which would become effective only after a specified number of years.

-- That the new relationship be called "Free Association," while making it clear in a Compact of Association that the U.S. would retain full authority over foreign affairs and defense, and would include access and denial provisions and pre-negotiated military basing agreements which would legally survive any future termination of the political relationship.

-- That the U.S. acknowledge that ultimate sovereignty resides in the people of Micronesia, provided that fundamental U.S. interests are fully safeguarded as envisaged in the President's original instruction and the Under Secretaries Committee's Option Paper of March 31, 1971.

Ambassador Williams argues that he needs this clarification to accommodate Micronesian demands that concern pride and form, rather than substance. Thus, he proposes that we agree to term our relationship "Free Association", rather than "Commonwealth", although the term would be carefully defined as described above. On sovereignty, Ambassador

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Williams states that Micronesian leaders insist on a semblance of sovereignty, and believes that he could satisfy them by offering "residual sovereignty", which would include, as provided in the original instructions, self-government and ultimate control over their political future (a circumscribed unilateral termination), while it would reserve to the U.S. control over defense and foreign affairs.

I agree with Ambassador Williams' recommendations, but believe that in substance they are already encompassed within the President's original instructions, and that it is therefore unnecessary to seek the President's further approval.

An equally important point, however, is that Ambassador Williams be authorized to confront the Micronesian negotiators with the possibility of independence and its economic consequences. He would not actually offer independence, but would state that the U.S. has not ruled out the independence alternative, which is included in the language of our Trusteeship Agreement. (Micronesia, being almost entirely without domestic revenues, would find it extremely difficult to sustain itself in an independent status.) The Under Secretaries Committee's Option Paper of March 31, 1971, recommended this and I understand informally that State, Defense, and Interior are still interested in pursuing this tactic, but Ambassador Williams, primarily for bureaucratic reasons, was reluctant to seek explicit authority from the President to invoke it at this time.

Ambassador Williams' use of the tactic at this next session could have two advantages: (1) it would probably reduce the leverage the Micronesian negotiators believe they have in this unspoken threat, and would reduce the influence of a potent minority of Micronesian leaders who have continued to agitate for it; and (2) it would place us in a less vulnerable position vis-a-vis likely attacks from the PRC at the upcoming annual meeting of the U.N. Trusteeship Council in late May. Even though we would not contemplate a formal offer of independence, it is useful to note that under independence we could be fairly well assured of retaining military basing access to the three districts that we want--the Marianas, the Marshalls, and Palau, all of which would probably choose not to forego the revenues to be derived from our base use there. As to denial of the other three districts to any other power, we could probably accomplish this through political means.

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Recommendation:

That you authorize me to inform Ambassador Williams:

That he does not need further Presidential authority to proceed with the two applications he recommended in his memorandum of March 8, 1972, to the President.

That he is authorized, if he believes it would be effective, to confront the Micronesian negotiators with the position that the U.S. has not ruled out the alternative of independence for Micronesia, which is provided for in the terms of our Trusteeship Agreement.

*Henry for Stark
for Pres.*

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