

DECLASSIFIED	
Authority	EO 12958
By	AKA Date 11/21/05

5581

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTIONSECRET

October 27, 1973

MEMORANDUM FOR: SECRETARY KISSINGER

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

SUBJECT: Micronesian Status Negotiations: Offer of an Independence Option

At Tab I is a memorandum from you to the President forwarding a memorandum to him from the Chairman of the Under Secretaries Committee on the question of whether Ambassador Williams, the President's Personal Representative for Micronesian Status Negotiations, should be authorized to offer an independence option to Micronesia. This option would be in addition to the option of Free Association which we have been negotiating with the Micronesian representatives. The Marianas District of Micronesia would not be included, since we have been negotiating a closer form of permanent association with them.

Background

The USC study was undertaken in response to your request following the suspension of our negotiations with Micronesian representatives a year ago over the independence issue. The suspension followed the Micronesian insistence that we negotiate an independence option along with the option on Free Association. Previously, Micronesian representatives had agreed in principle to negotiate only a Compact of Free Association under which the U. S. would have authority in foreign affairs and defense, while Micronesia would have control in internal affairs. By October, the Compact had been about half completed. By that time we had also tried to disabuse Micronesian negotiators of the notion that the threat of independence gave them negotiating leverage with us; we noted that we had never refused to discuss independence, but implied that U. S. financial assistance would be greatly reduced under any independence arrangement.

Within the past year the influence of independence advocates has apparently declined. A principle reason has been that more moderate leaders have effectively challenged the practicality of the independence advocates' claims and plans. The Micronesian representatives recently have indicated they intend to return to their pre-October 1972 approach,

SECRET

GDS

DECLASSIFIED	
Authority	EO 12958
By	MT NAKA Date 4/21/05

SECRET

2

and do not want to negotiate an independence option. (Negotiating tactics also have probably figured in their switch, and it would thus not be surprising for the Micronesian negotiators to revive the independence option question.)

Options

The USC study deals with the independence option question in two parts:
 (1) should Ambassador Williams be authorized to offer such an option, and
 (2) if so, what form should the independence option take.

1. Whether to authorize the offer of an independence option.

Option 1: Refuse an independence option.

Option 2: Defer any offer of an independence option until after a plebiscite is held on the Free Association option.

Option 3: Offer an independence option.

Departmental views. State, Interior, Justice, and Ambassador Williams recommend that Williams be authorized to offer an independence option. They strongly believe that either our outright refusal or the deferral of an offer of independence would strengthen the independence advocates, make the negotiation of Free Association more difficult and more costly, would render the resulting U.S. - Micronesian relationship under Free Association less stable, and would probably preclude U.N. approval of termination of our trusteeship agreement. Defense dissents, recommending that no independence option be offered at this time on the grounds that, although the risk of final Micronesian acceptance in a plebiscite is small, even this risk is intolerable in light of the U.S. security interests at stake.

2. If offered, what form should an independence option take.

Option 1: Unqualified independence.

Option 2: Marginally qualified independence -- the U.S. would retain basing rights in Kwajalein Atoll (our missile testing facility) and would continue to deny access to Micronesia by third countries for military purposes.

Option 3: Independence and a pre-negotiated U.S. - Micronesian defense treaty -- Micronesia would be legally responsible for defence and foreign affairs, but the treaty would provide for denial and U.S. basing rights.

SECRET

DECLASSIFIED	
Authority	EO 12958
By	AKA Date 11/21/05

SECRET

Option 4: Independence and pre-negotiated U.S. control over Micronesia's foreign and defense affairs.

Departmental views. State, Interior, Justice, and Ambassador Williams believe that Option 2 offers the best balance between these conflicting objectives: it should deflate independence pressures, offer sufficient contrast to Free Association in its economic aspects to make Free Association attractive, and should protect a sufficient proportion of the U.S. defense objectives to justify risking the offer. (Defense, given its opposition to any offer of independence at this time, did not enter an opinion on the question of the form that the independence offer should take.)

State differs with Interior, Justice, and Ambassador Williams on the question of whether to leave to Ambassador William's discretion whether or not the independence option should actually be offered. State maintains that an independence option must definitely be offered and included in a plebiscite in order to insure a future stable relationship between the U.S. and Micronesia, to maximize our negotiating leverage, to fulfill U.S. obligations to the U.N., and to assure U.N. approval of the termination of the trusteeship. Interior, Justice, and Ambassador Williams, on the other hand, believe that it may be neither necessary nor effective to offer an independence option formally in a plebiscite, particularly in the face of opposition from Micronesian leaders.

My view. The question is not whether in principle we should offer independence; in principle, we have already offered independence by offering the Micronesians the right to terminate the Compact of Free Association unilaterally after a moratorium of 15 years. I agree with State, Interior, Justice, and Ambassador Williams that the balance of risks and objectives argues for authorizing Ambassador Williams to offer an independence option now. The available evidence indicates that the risk of Micronesians' opting for independence is minimal; this has been shown in the debate of the past year between the strident independence advocates and the more moderate leadership. I also agree with State, Interior, Justice, and Ambassador Williams that whatever risk of choosing independence exists can be further reduced by extending the offer in the qualified form of Option 2, which poses a clear choice between Free Association and independence. The greater risk, as these three departments and Williams contend, would be to refuse to allow Micronesians the right to choose between the two alternatives in a form that would be acceptable to both us and the Micronesians -- whether we refused outright or by deferring any offer of independence.

SECRET

DECLASSIFIED	
Authority	ED 12958
By	AKA Date 1/21/05

SECRET

4

I disagree with State, however, that Ambassador Williams should be instructed definitely to extend the offer of the independence option, regardless of the tactical circumstances. I agree with Interior, Justice, and Ambassador Williams that Williams rather should be left the discretion to determine whether such an offer would support our goals of completing the Compact of Free Association at an early date and creating a long-term stable relationship with Micronesia. This latter course would seem particularly preferable in light of the current opposition by Micronesian representatives to a formal offer of independence, at least at this time, and in view of the reduced influence of the independence advocates. These goals, in my opinion, should take priority over our desire also to secure the U.N. Security Council's approbation for our new relationship with Micronesia. Also, giving Ambassador Williams discretionary authority now would not preclude a subsequent inter-departmental review of the U.N. aspect of the questions, which could be more accurately assessed in light of the results of our further negotiations.

An Additional Issue: The Length of the Moratorium on Unilateral Termination of the Compact of Free Association

A separate issue which the USC chose to raise again is whether Ambassador Williams' negotiating flexibility on the minimum time of the moratorium on the unilateral termination of the Compact of Free Association should be increased. Specifically, should he be authorized to negotiate in the range of 10-15 years as a minimum time for the moratorium? His present instructions limit him to a minimum time of 15 years -- which would also include a one year notice of termination, and would provide for survival of U.S. denial and basing rights by a minimum of 50 years.

The USC has raised the question again because the Micronesian side has countered our offer of a 15-year moratorium with a proposal of five years. Our basic interest in the length of the moratorium is that we have sufficient time in which to try to create vested Micronesian interests in a continued long-term Free Association relationship with us. Also of tactical relevance on the moratorium issue are:

-- The fact that Ambassador Williams has not yet surfaced with the Micronesians our desire for a 50-year survivability of denial and basing rights. When he does so, this may well increase the Micronesian desire for a shorter moratorium.

-- The negotiating inter-relationship between the length of the moratorium and our willingness to offer an independence option: the longer the

DECLASSIFIED

Authority

E012958

By

JFK

Date 4/21/05

SECRET

5

moratorium, the more the Micronesians are likely to want an independence option.

Departmental views. State and Interior want Williams to make a determined effort to secure a 15-year moratorium, but believe he should have the negotiating flexibility to agree to 10 years if necessary to avert an impasse and the delay that would be needed to return for new instructions. Defense and Ambassador Williams believe there should be no compromise on the 15 year moratorium, and think that Williams can secure Micronesian acceptance of this figure. Justice believes that it is too early to decide if we need to shorten the minimum time of the moratorium.

My view. While I agree that we should make a concerted effort to secure the 15-year moratorium, I believe we should have the flexibility to compromise on 10 years if necessary to avoid an impasse and delay while Williams seeks new instructions. Substantively, the incremental advantage of an additional five years would not seem critical -- if we cannot create the essential Micronesian vested interests in a continued relationship with us in 10 years, it is doubtful that we can do so in an additional five years. As a negotiating matter, we need to conclude these long drawn-out negotiations at an early date, and should not undergo another delay while Ambassador Williams comes back for new instructions because of an impasse over a 15-year moratorium.

Updating Ambassador Williams' Instructions

In addition to providing alternative draft language for Ambassador Williams embodying the above points, the USC memorandum pulls together and updates the several previous Presidential instructions to Williams into one comprehensive document (Tab A). On the points discussed above, I have included only the language reflecting the positions I have recommended. I have no objection to the language of the new draft instruction as regards the other points covered, except that I have re-inserted two provisions of the President's instructions of August 1, 1972 which were inadvertently omitted from the new draft instructions.

Recommendation:

That you sign the memorandum to the President at Tab I.

SECRET

DECLASSIFIED	
Authority	ED 12958
By	JK/ARA Date 4/24/05

SECRET

2

-- Unqualified independence.

-- Marginally qualified independence -- the U.S. would retain basing rights in Kwajalein Atoll (our missile testing facility) and would continue to deny access to Micronesia by third countries for military purposes.

-- Independence and a pre-negotiated U.S.- Micronesian defense treaty -- Micronesia would be legally responsible for defense and foreign affairs, but the treaty would provide for denial and U.S. basing rights.

-- Independence and pre-negotiated U.S. control over Micronesia's foreign and defense affairs.

Departmental views.

-- On the question of whether to offer an independence option, State, Interior, Justice, and Ambassador Williams recommend that Williams be authorized to offer the option. They strongly believe that either Options 1 or 2 would strengthen Micronesian independence advocates, deter the negotiations, undermine a future U.S. relationship with Micronesia under Free Association, and make U.N. approval difficult if not impossible. Defense dissents, recommending no offer of an independence option at this time since the risk of acceptance, though small, is too great in light of the U.S. security interests at stake.

-- On the question of what form an independence option should take, State, Interior, Justice, and Ambassador Williams recommend the sub-option of "Marginally qualified independence." This they believe will deflate independence pressures, offer sufficient contrast to Free Association to make the latter more attractive, and protect a sufficient proportion of U.S. security interests in Micronesia to justify the small risk involved in offering independence.

-- State differs with Interior, Justice, and Ambassador Williams on the question of whether to leave to Williams' discretion whether or not the independence option should actually be offered. State holds that the option must definitely be offered and included in a plebiscite not only to assure U.N. approval of our termination of the trusteeship, but also to improve the prospects for future stability in the U.S.- Micronesian relationship.

My view. I agree with State, Interior, Justice, and Ambassador Williams that the balance of risks and objectives argues for authorizing Williams to offer an independence option now. I also agree with them that whatever small risk exists that Micronesia might opt for independence,

SECRET

DECLASSIFIED	
Authority	ED 12958
By	AKA Date 4/21/05

SECRET

4

on the level and nature of U. S. support are subject to approval by the U. S. Congress, [and that none of these funds is to be construed as payment for military base rights].

Should it become apparent at any point in the negotiations that, except for Micronesian resistance to the maximum U.S. financial proposals, an otherwise satisfactory status agreement is in sight, you should seek further instructions.

You may commit the U. S. to assist financially in relocating the Micronesian capital and in meeting other one-time transitional costs you consider appropriate. Again, you should register the caveat that such commitments are subject to the authorization of funds by the U.S. Congress.

[The question of the distribution among the Departments of the responsibility for funding U.S. financial support for Micronesia should be left open, and will be reviewed again at a later date.]

5. Terms of Reference

The President has specifically approved the following as your Terms of Reference:

-- Your negotiating authority is provided by the President's approval of the above positions, of these terms of reference, and of any subsequent negotiating instructions. Your negotiating authority will include tactics, and the composition of the U. S. Delegation and procedural arrangements, taking into account the responsibilities and interests of the Departments of State, Defense, Interior and Justice. All U.S. Government agencies and departments will provide you necessary assistance in seeing these negotiations carried to fruition.

-- You will make recommendations on the negotiations directly to the President through the Office of the Assistant to the President for National Security Affairs and conduct the negotiations on behalf of the U.S. Government.

-- You will consult directly as necessary with the Congress on political status matters in coordination with the Under Secretaries

* The bracketed provisions were included in the President's instructions of August 1, 1972 and were inadvertently omitted from this draft instruction.

SECRET

DECLASSIFIED

Authority

EO 12958

By

JKA

Date 11/21/05

SECRET

5

-- The negotiating inter-relationship between the length of the moratorium and our willingness to offer an independence option: the longer the moratorium, the more the Micronesians are likely to want an independence option.

Departmental views. State and Interior want Williams to make a determined effort to secure a 15-year moratorium, but believe he should have the negotiating flexibility to agree to 10 years if necessary to avert an impasse and the delay that would be needed to return for new instructions. Defense and Ambassador Williams believe there should be no compromise on the 15-year moratorium, and think that Williams can secure Micronesian acceptance of this figure. Justice believes that it is too early to decide if we need to shorten the minimum time of the moratorium.

My view. While I agree that we should make a concerted effort to secure the 15-year moratorium, I believe we should have the flexibility to compromise on 10 years if necessary to avoid an impasse and delay while Williams seeks new instructions. Substantively, the incremental advantage of an additional five years would not seem critical -- if we cannot create the essential Micronesian vested interests in a continued relationship with us in 10 years, it is doubtful that we can do so in an additional five years. As a negotiating matter, we need to conclude these long drawn-out negotiations at an early date, and should not undergo another delay while Ambassador Williams comes back for new instructions because of an impasse over a 15-year moratorium.

Updating Ambassador Williams' Instructions

In addition to providing alternative draft language for Ambassador Williams embodying the above points, the USC memorandum pulls together and updates the several previous Presidential instructions to Williams into one comprehensive document (Tab A). On the points discussed above, I have included only the language reflecting the positions I have recommended. I have no objection to the language of the new draft instruction as regards the other points covered, except that I have re-inserted two provisions of the President's instructions of August 1, 1972 which were inadvertently omitted from the new draft instructions.

Ambassador Williams has requested approval of his new instructions prior to the beginning of the next round of negotiations on November 10.

Recommendation:

That you sign the memorandum to the President at Tab I.

Concur:

SECRET

Lt. Col. Stibel (in substance)

DECLASSIFIED

 Authority EO 12958
 By SAKARA Date 11/24/05
SECRET

4

Interior, Justice, and Ambassador Williams contend, by extending the offer in the qualified form of Option 2, which poses a clear choice between Free Association and independence.

I disagree with State, however, that Ambassador Williams should be instructed definitely to extend the offer of the independence option, regardless of the tactical circumstances. I agree with Interior, Justice, and Ambassador Williams that Williams rather should be left the discretion to determine whether such an offer would support our goals of completing the Compact of Free Association at an early date and creating a long-term stable relationship with Micronesia. This latter course would seem particularly preferable in light of the current opposition by Micronesian representatives to a formal offer of independence, at least at this time, and in view of the reduced influence of the independence advocates. These goals, in my opinion, should take priority over our desire also to secure the U.N. Security Council's approbation for our new relationship with Micronesia. Giving Ambassador Williams discretionary authority now would not preclude a subsequent inter-departmental review of the U.N. aspect of the questions, which could be more accurately assessed in light of the results of our further negotiations.

142
An Additional Issue: The Length of the Moratorium on Unilateral Termination of the Compact of Free Association

A separate issue which the USC chose to raise again is whether Ambassador Williams' negotiation flexibility on the minimum time of the moratorium on the unilateral termination of the Compact of Free Association should be increased. Specifically, should he be authorized to negotiate in the range of 10-15 years as a minimum time for the moratorium? His present instructions limit him to a minimum time of 15 years -- which would also include a one year notice of termination, and would provide for survival of U.S. denial and basing rights by a minimum of 50 years.

The USC has raised the question again because the Micronesian side has countered our offer of a 15-year moratorium with a proposal of five years. Our basic interest in the length of the moratorium is that we have sufficient time in which to try to create vested Micronesian interests in a continued long-term Free Association relationship with us. Also of tactical relevance on the moratorium issue are:

-- The fact that Ambassador Williams has not yet surfaced with the Micronesians our desire for a 50-year survivability of denial and basing rights. When he does so, this may well increase the Micronesian desire for a shorter moratorium.

SECRET

DECLASSIFIED

 Authority EO 12958
 By MA NARA Date 4/24/05

5581

MEMORANDUM

 THE WHITE HOUSE
 WASHINGTON
ACTIONSECRET

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY A. KISSINGER

SUBJECT: Micronesian Status Negotiations: Offer of an Independence Option

At Tab B is a memorandum to you from the Chairman of the Under Secretaries Committee on the question of whether Ambassador Haydn Williams, your Personal Representative for Micronesian Status Negotiations, should be authorized to offer an independence option to Micronesia. This option would be in addition to the option of Free Association on which we have been negotiating with Micronesian representatives. (A Compact of Free Association is now about half drafted.)

Background

Our negotiations with the Micronesians were suspended last fall when they insisted that we negotiate an independence option simultaneously with the Free Association option. Within the past year, however, Micronesian pressure for the offer of an independence option has declined somewhat, and Micronesian negotiators indicated recently that they did not now want to negotiate such an option, at least not at this time. It would not be surprising, though, if they were to revive their interest in an independence option in the near future -- if only as a negotiating tactic.

Options

The USC study deals with this question in two parts: (1) should Ambassador Williams be authorized to offer an independence option, and (2) if so, what form should the option take.

Option 1: Refuse an independence option.

Option 2: Defer any offer of an independence option until after a plebiscite is held on the Free Association option.

Option 3: Offer an independence option, which could take the form of the following:

SECRET

GDS

DECLASSIFIED

Authority EO 12958
 By SAKA Date 1/21/05

SECRET

2

-- Unqualified independence.

-- Marginally qualified independence -- the U. S. would retain basing rights in Kwajalein Atoll (our missile testing facility) and would continue to deny access to Micronesia by third countries for military purposes.

-- Independence and a pre-negotiated U. S.- Micronesian defense treaty -- Micronesia would be legally responsible for defense and foreign affairs, but the treaty would provide for denial and U. S. basing rights.

-- Independence and pre-negotiated U. S. control over Micronesia's foreign and defense affairs.

I agree with State, Interior, Justice, and Ambassador Williams that the balance of risks and objectives argues for authorizing Williams to offer an independence option now in order to spike likely renewed attempts by Micronesian negotiators to exploit the independence issue, and in order to avoid further delays in these already long drawn-out negotiations. (I would note that in principle we have already offered the Micronesians independence by agreeing that they have the right unilaterally to terminate the Compact of Free Association after a moratorium of 15 years. The present question, therefore, is whether the U. S. is willing to offer independence at this point.) Additional benefits of this course include:

-- Undercutting the small but highly vocal group of Micronesian independence advocates.

-- Providing probably a better basis for a stable long-term relationship between ourselves and Micronesia.

-- Facilitating U. N. approval of our termination of the trusteeship.

I also agree with these departments and Ambassador Williams that whatever small risk exists that Micronesia might opt for independence, that risk can be further reduced by extending the offer in the form of "Marginally qualified independence." This form poses a clear choice between Free Association and independence, particularly as regards the minimal financial benefits which Micronesia would receive from us under independence in this form.

Defense dissents, recommending no offer of an independence option at this time, contending that the risk of Micronesian acceptance, though small, is too great in light of the U. S. security interests at stake.

SECRET

Authority EO 12958
 By AKA Date 4/24/05

SECRET

3

I disagree with State, however, that Ambassador Williams should be instructed definitely to extend the offer of the independence option, regardless of the tactical circumstances. I believe that Williams rather should be left the discretion to determine whether such an offer would support our goals of completing the Compact of Free Association at an early date and creating a long-term stable relationship with Micronesia. These goals should take priority over U.N. approbation for our new relationship with Micronesia, a principal point which State adduces in support of its position.

Ambassador Williams' Negotiating Instructions

At Tab A is a draft instruction from you to Ambassador Williams which, in addition to incorporating my recommendation on offering an independence option, also includes:

-- Authority to negotiate a 10-year moratorium on unilateral Micronesian termination of the Compact of Free Association, if after a determined effort Williams cannot get the Micronesians to agree to a 15-year moratorium. When Williams offered the 15-year term, the Micronesians countered with a 5-year term. Their resistance may stiffen when he surfaces our desire for a 50-year survivability of denial and basing rights -- and would be further increased if we refuse to offer an independence option. Our basic interest in the length of the moratorium is to have sufficient time in which to try to create vested Micronesian interests in a continuing permanent relationship with us. I believe that Williams should have the flexibility to compromise on 10 years if necessary to avoid an impasse and further delay in these negotiations.

-- A definition of our basic objectives in these negotiations.

-- A reaffirmation that our preferred alternative is Free Association, and a definition of the essentials of that relationship.

-- Guidance on negotiating U.S. land requirements.

-- Guidance on financial arrangements under a relationship of Free Association.

-- Ambassador Williams' terms of reference.

Those parts of the instruction concerning the form of Free Association, financial arrangements, and terms of reference have been incorporated from previous instructions you have issued to Williams. This instruction thus pulls together in one document your basic guidance to Ambassador Williams.

Recommendation:

That you approve the instructions to Ambassador Williams at Tab A.

Approve _____ Disapprove _____