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Authority	EO 12958
By	AKA Date 1/21/05

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MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTIONSECRET

October 31, 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 an 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 1972, the Compact had been about half completed. However, by that time we had not succeeded in our effort to disabuse Micronesian negotiators of the notion that they could use the threat of independence as effective negotiating leverage with us. (We had pointed out to them that we had never refused to discuss independence, but implied that U. S. financial assistance would be greatly reduced under any independence arrangement.)

The political problem underlying the independence option has changed somewhat in the past year. Most importantly, the influence of independence advocates has apparently declined. A principal reason has been

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that the more moderate leaders have effectively challenged the practicality of the independence advocates' claims and plans. The Micronesian representatives recently have taken the position that they do not want to negotiate an independence option. Nevertheless, negotiating tactics have probably figured in their switch, and it would not be surprising for them to revive the independence option question. (They are still under the injunction from their Congress to negotiate simultaneously an independence option.)

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 a 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.

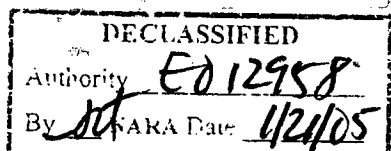
Departmental views. State Interior, Justice, and Ambassador Williams recommend that Williams be authorized to offer an independence option. They strongly believe that either our outright refusal or the deferral of an offer of independence would strengthen the independence advocates, make the negotiation 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

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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 defense and foreign affairs, but the treaty would provide for denial and U. S. basing rights.

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

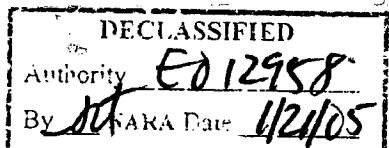
Departmental views. State, Interior, Justice, and Ambassador Williams believe that Option 2 offers the best balance between these conflicting objectives: it should deflate independence pressures, offer sufficient contrast to Free Association in its economic aspects to make Free Association attractive, 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 Williams 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 done so 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. If Williams is not authorized to table an independence option, he will be vulnerable to renewed attempts by Micronesian representatives to exploit the negotiating potential of the independence issue. We may also be subjected to additional delays while Williams returns for new instructions if the Micronesians renew their demand for an independence option. 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. This risk can be further reduced, as State,

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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.

-- Recommend that the President authorize Ambassador Williams to offer an independence option:

Approve _____ Disapprove _____; approving instead:

- . That the U. S. refuse to offer an independence option:

Approve _____ Disapprove _____

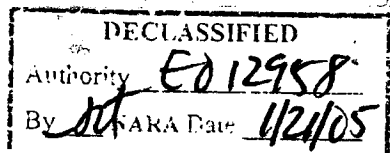
- . That the offer of an independence option be deferred until after a plebiscite on the Free Association option:

Approve _____ Disapprove _____

-- If the President approves the offer of an independence option that this option take the form of:

- . Unqualified independence: Approve _____ Disapprove _____
- . Marginally qualified independence: Approve _____ Disapprove _____
- . Independence and a pre-negotiated U. S.- Micronesian defense treaty: Approve _____ Disapprove _____
- . Independence and pre-negotiated U. S. control over Micronesia's foreign and defense affairs: Approve _____ Disapprove _____

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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.

-- 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.

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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.

-- Recommend that you authorize Ambassador Williams to negotiate a moratorium in the range of 10-15 years:

Approve _____ Disapprove _____

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.

Concurrence:

Lt. Col. Stukel (in substance)

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