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NATIONAL SECURITY COUNCIL

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ACTION

January 13, 1976

MEMORANDUM FOR BRENT SCOWCROFT

FROM: THOMAS J. BARNES *[Signature]*

SUBJECT: Review of U. S. Policy on Micronesia's Future Status

*Tab A
retype
1-19
Tab B
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The Problem

The President's Personal Representative for Micronesian Status Negotiations, Ambassador F. Haydn Williams, wrote a letter (Tab B) to the President on December 10, 1975. The letter recommended a full review of our policy on the future status of Micronesia excluding the Northern Marianas District. The Ambassador recommended that the review reconsider U. S. basic objectives in Micronesia and submit an updated policy paper with recommendations to the NSC by March 1, 1976 for subsequent transmittal to the President.

I believe such a review would be timely. Micronesians outside the Northern Marianas have recently made clear that they are not amenable to a free association arrangement that would meet the terms of Ambassador Williams' present negotiating instructions. These instructions, dated November 14, 1973 (Tab C), include among U. S. primary objectives: denial of the area for military use by third parties; establishment of U. S. authority over all matters that relate to foreign and defense affairs of Micronesia; and obtaining U. S. rights to land options for military training areas and future bases.

Recent Development

A Micronesian Constitutional convention on November 8, 1975 approved a new constitution of the "federated states of Micronesia" that sets clear parameters for Micronesia's future relationship with the United States. The new constitution provides for a sovereign state and makes clear that a treaty, approved by a complicated ratification process, will have to cover delegation to another government of major powers such as foreign relations and defense.

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The Micronesian Congress held a territory-wide informal status referendum last July. The results were confusing due to public misunderstanding and the possibility of voting for two options. In any event, the two most populous districts, Truk and Ponape, voted overwhelmingly for independence.

Also in the Law of the Sea forum, the Micronesians have claimed a far-flung marine area and have insisted on being a full party to any Law of the Sea treaty.

At the same time, there seems to be rethinking even in DOD of the need for an ironclad "denial" arrangement affecting the non-Marianas districts of Micronesia. The strategic relevance of the Northern Marianas to our unfettered use of Guam as a military base was the main concern of our military planners. The other Micronesian islands were of less concern. Several island entities south of Micronesia have become independent or quasi-independent states in the last few years. Island states, like Fiji, Tonga, and the Solomons, are as likely targets as Micronesia for any future base-hunting foreign power. There seems no compelling need for us to attempt to gain ironclad exclusion rights over all the Micronesian islands if we do not have the same rights in the South Pacific. At the same time, Micronesians clearly expect to negotiate defense arrangements with the United States.

Course of Action

Our goal should be to try to complete the ratification process of the Covenant with the Northern Marianas. Opposition to the Covenant has arisen in the Senate Armed Services and Foreign Relations Committee. There is a possibility some Senators will push an amendment that will delay ratification of the Covenant until we conclude a status agreement with the other districts of Micronesia. We should move ahead with our review of our policy towards these other districts regardless of what the Senate action should be. Showing that we are prepared to offer or even encourage an independence option for these other districts should facilitate approval of the Covenant, which reflects the strong desires of the people of the Northern Marianas for a permanent association. (The 1973 instructions gave Ambassador Williams authority to offer an independence option to the non-Marianas districts, but only as a tactic.) An independent or quasi-independent status for the other districts, including a treaty arrangement with the United States for the handling of foreign and defense affairs, should also facilitate approval in the United Nations of the manner of our termination of the trusteeship. We would also expect to retain our missile tracking facilities on Kwajalein.

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Procedure

We have prepared a memorandum for the Chairman of the Under Secretaries Committee directing that the NSC-USC Inter-Agency Working Group for Micronesia undertake a review of U. S. policy toward the future status of Micronesia. (The study is to exclude the Northern Marianas district unless the Congress acts unfavorably on the Northern Marianas Covenant.)

The memorandum directs that the study review U. S. interests in this issue and present a new range of options in our negotiating strategy and appropriate recommendations for the President's considerations.

RECOMMENDATION:

That you sign the memorandum to the President at Tab I requesting authority to issue the memorandum in his name.

Concurrence: Les Janka^{MIT}

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Instructions for the President's Personal Representative

1. General

You are authorized to continue on behalf of the U.S. Government negotiations with representatives of the Marshall and Caroline Islands with the objective of arriving as soon as possible at an agreement satisfying the following U.S. objectives:

Primary Objectives

The fashioning of a new political relationship with Micronesia permitting early termination of the trusteeship in a manner which will protect and serve U.S. strategic and political interests through the following elements:

-- Denial of the area for military use by third parties.

-- Establishment of a stable and friendly self-governing Micronesian political entity through reasonable satisfaction of the political and economic aspirations of its peoples.

-- U.S. responsibility for and authority over all matters which relate to the foreign affairs of Micronesia and to defense in Micronesia.

-- The right for the U.S. to maintain certain U.S. Government facilities and to obtain land options that will guarantee use of the training areas and the right to establish future bases in Micronesia.

-- Satisfaction of U.S. obligations relating to termination of the Trusteeship Agreement.

Secondary Objectives

-- To keep U.S. financial obligations to Micronesia within reasonable bounds and relevant to the character of the future relationship.

-- To structure the status arrangements with Micronesia in such a manner as to have maximum favorable impact on the negotiations with the Mariana Islands District of the TTPI.

-- To keep U.S. administrative and other relationships with Micronesia as simple as possible while accomplishing the above objectives.

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-- To establish a relationship with Micronesia which will (in addition to meeting U.S. obligations under the Trusteeship Agreement) obtain United Nations approval, or at least that of a majority of the Security Council and of the Trusteeship Council.

2. Status

Since a relationship of "free association" currently appears to be the status alternative best designed both to protect U.S. interests in the Western Pacific and to win broad Micronesian acceptance, you should make every effort to conclude with Micronesian negotiators at an early date a draft compact of free association and a related status of forces agreement, and to win their active support for the compact among the Micronesian people in a subsequent plebiscite. Such a compact should provide for Micronesian autonomy in local matters and U.S. responsibility for and authority over all matters which relate to the foreign affairs of Micronesia and to defense in Micronesia. You should seek as close a U.S. - Micronesian relationship as you think the Micronesians will accept in order to build up vested Micronesian interests in the association -- e.g., participation in federal domestic programs, access to the U.S. judicial system, and rights of U.S. nationality. If the Micronesian negotiators insist, you may agree to a unilateral termination clause in the compact, with the provisos: (a) there will be, as part of the compact, pre-negotiated arrangements providing for denial and basing rights (to be described below) which will survive any termination of the free association relationship by 50 years; (b) there will be a moratorium period of 10 to 15 years before either party may give official notice of its intention to exercise the termination provision; and (c) the compact cannot be terminated until one year after either party has officially communicated its intention to terminate. If the Micronesian negotiators strenuously resist any of the foregoing provisos and show no sign of yielding, you should seek further instructions, while making recommendations thereon.

You are authorized to re-submit to the Micronesian negotiators the earlier U.S. proposal for a modified commonwealth relationship if at any time you think it suits the U.S. interest to do so.

You are authorized to make an independence offer to Micronesia any time you consider it advisable. However, the proposal should provide for the retention of U.S. basing rights in the Kwajalein Atoll in the Marshall Islands for as long as the U.S. interest requires, and for the denial of access to Micronesia by third countries for military purposes.

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3. Land

The U.S. military and non-military land requirements should be satisfied by arrangements providing for long-term U.S. Government options to take effect as soon as possible. You should undertake whatever further negotiating efforts are required to confirm Micronesian acceptance of the land requirements already tentatively agreed to by the Joint Committee on Future Status set forth in Annex B of the partially completed draft compact of free association.

Any adjustments of U.S. land requirements must be coordinated with the concerned department or agency. Should it prove impossible to reach agreement on such adjustments with the department or agency concerned, or should it become apparent at any time that it will not be possible to satisfy through negotiations the general U.S. land requirements, you should seek further instructions.

In the negotiations on land you should continue to maintain the position that following Micronesia's change of status, the new Government of Micronesia should honor current leases. The language of paragraph 303(e) of the partial draft compact reflects the U.S. position in this regard. Should the re-negotiation of current leases become critical to the successful conclusion of the negotiations on free association, however, you may, in close consultation with the Departments of Defense and Interior, undertake re-negotiation on terms which would not unduly distort Micronesian land values or result in the U.S. paying grossly inflated sums.

You should continue to resist the imposition of any restrictions on U.S. military uses of land on which it obtains leases. Paragraph 303(d) of the partial draft compact reflects the U.S. position on this matter.

4. Finance

You should, at your discretion, propose a level of U.S. financial support in the range of \$25-50-million annually, beginning in the lower end of this range and moving upward as necessary to obtain Micronesian acceptance of a free association relationship and agreement to U.S. land requirements. You are authorized to determine the proportion of funds to be in the form of program assistance. You should make it clear that any agreement you and the Micronesian negotiators reach

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.

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Committee and keep appropriate committees and members of the U. S. Congress informed of significant developments in the negotiations.

-- You will coordinate with the Departments of State, Interior, Justice and Defense and will report back to them, as well as to the President, the progress of the negotiations. You will be administratively supported by the Department of Interior and draw on other agencies and departments as necessary for staff. In effect, you will work more closely with Interior than with the other departments, through their interests will also be protected.

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