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SEEN BY AME. BROWN

EA JANS

Memorandum

TO . 5

EA - Ambassador Winthrop G. Brown

DATE: January 28, 1971

FROM

EA/ANZ - Walter V. Hall

SUBJECT:

DEPARTMENT OF STATE A/CDC/MR

"In-house" Briefing on Micronesia

-- BRIEFING MEMORANDUM

You have been invited to attend an "in-house" briefing on Micronesia for the Under Secretary on Friday, January 29, at 5:00 P.M. The briefing will be conducted by Assistant Secretary DePalma and/or Claus Ruser (S/PC). Captain Long (EA/RA) and I will accompany you.

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This meeting has been set up to brief the Under Secretary prior to a meeting of the NSC Under Secretaries Committee on February 3, 1971. Last September, the Under Secretaries' Committee sent a memorandum to the President stating that an options paper would be prepared to serve as the basis for a re-examination of the future political status of Micronesia within the Administration. This paper (attached) has been circulated and will be considered at the forthcoming meeting. The final version of it will become the basic attachment to a memorandum for the President.

There is at the present time a draft memorandum to the Under Secretary from Mr. DePalma and Mr. Cargo recommending

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that State support option 3 (consultations on the draft memorandum to the Under Secretaries' Committee suggest that DOD and JSC concur with State). This envisages a negotiated solution along the lines of our earlier commonwealth proposal modified as necessary with regard to:

- A. <u>Termination</u>. Micronesia would have either the right of review of the relationship after a specified period of years or a carefully proscribed right of unilateral termination through a complex procedure;
- B. <u>Eminent Domain</u>. We would forego eminent domain and meet our defense needs by pre-negotiated option, lease or purchase of land required for military purposes.
- C. <u>Federal Supremacy</u>. We would restrict the exercise, though not the inherent power, of Federal supremacy. We might agree to exercise it only in the fields of foreign relations and defense except when required by national emergency or requested by the Micronesians.

This memorandum is still in draft form, not because IO and S/PC are in disagreement about option 3, but because they have not yet agreed on a fall-back position to recommend to the President if he does not like option 3.

Interior (Acting Secretary Russell) has made known his preference for option one. Presumably, at this "in-house" briefing, this option and option 3 will be discussed in some detail so that the Under Secretary will be prepared for the Under Secretaries' meeting.

IO/UNP will be preparing a negotiating tactics paper in due course -- after we decide which option we are going to adopt --!

Attachment: Memo to NSC Under Secretaries' Committee, dated January 15, 1971.

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Concurrence: EA/RA - Capt. Long

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