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DEPARTMENT OF STATE

BRIEFING MEMORANDUM

March 13, 1972

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To: The Under Secretary

From: IO - Samuel De Palma

Micronesian Status Negotiations; Your Meeting with Ambassador Williams 10:00 a.m. March 14

Ambassador Williams wishes to take the occasion of his meeting with you, Deputy Secretary Rush, Admiral Moorer and Secretary Morton to present an informal briefing on the background of the status negotiations and the probable course of the upcoming talks with the Micronesians at Palau beginning April 3. We do not believe that he plans to raise his recent request for amendment of his instructions which he sent to the White House on March 9 (Tab A).

As a result of a recent meeting with Senator Lazarus Salii, the Chairman of the Joint Status Committee of the Congress of Micronesia, Ambassador Williams believes that we may be close to general agreement with the Micronesians on broad principles. We agree that we stand a good chance of reaching agreement on our requirements in the areas of foreign affairs and defense in return for concessions that we are prepared to make on the issue of unilateral termination of the future relationship between Micronesia and the United States.

However, past experience suggests that what may seem agreement in principle with Micronesians is illusory, as they may have a far different understanding of the meaning of the principles than we do. For example, following the last talks the Micronesians indicated that they understood US responsibility for foreign affairs

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BY S/SI

IO/UNP: C Sylvester / A Armitage : gfh

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DEPARTMENT OF STATE A/CDC/HR

REVIEWED BY B.A. BAAS DATE 8/13/87

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to mean that we would act as executive agents for policies on which they would exercise a veto. Our major problem in the negotiations may well be to move them from principles to concrete agreement in the areas of our primary concerns: foreign affairs, and defense arrangements and denial provisions.

Our major leverage in this exercise derives from the financial benefit Micronesia can expect from a close future association with the United States. Ambassador Williams has suggested to other departments the outline of what he might offer (Tab B). He does not yet have clear and adequate responses. Although by far the major U.S. interest in the area is strategic (denial and base rights), Defense has generally indicated a willingness to pay only a seemingly modest land rent for the Marshalls facilities.

Ambassador Williams would probably appreciate your assistance in urging that 1) Defense realistically assess what denial and the facilities it requires are worth to Defense and decide to participate accordingly in future financial contributions; 2) Interior indicate in as concrete terms as possible what plans it has for transitional financial arrangements and for financing future U.S. programs and budget support in the area. In this connection, you may also wish to ask Ambassador Williams to spell out for the group how he plans to utilize the leverage of future financial benefits to bring the Micronesians to agreement on specific terms of our foreign affairs and defense relations.

No other Department officers will attend the meeting.

Attachments

Tab A - Memorandum to White House concerning
Ambassador Williams' instructions

Tab B - Office of Status Negotiations' memo on
finances

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Drafted: IO/UNP: CSylvester/JAAaltage:gfh
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Concurrence:
S/PC - Mr. Grant

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