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## United States Department of the Interior

OFFICE OF THE SECRETARY WASHINGTON, D.C. 20240

## CONFIDENTIAL

March 13, 1972

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To: OSN - Captain Crowe

HICOMTERPACIS POLAD - John C. Dorrance From:

Subject: TTPI -- Foreign Affairs

The following comments relate to Mr. Stowe's March 7 memorandum on the same subject.

In some respects our foreign affairs position, for the Palau talks, has evolved further and more favorably than I had anticipated /could or would be possible, e.g., our ability to agree that free movement of nationals and citizens between Micronesia and the United States need not be reciprocal. However, there are some points or positions the March 7 memorandum which may cause considerable strife in Palau--Addairs authority. Following are my main concerns.

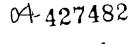
a) It seems highly probable to me that the Status Committee will insist upon authority to solicit directly from foreign\_governwents aid in the way of grants, loans, and technical assistance, and the authority necessary to enter into agreements for same. This question is not touched upon directly in the March 7 memorandum.

b) It seems equally likely that the Status Committee will insist on similar authority with respect to various international organizaations, and especially the UNDP and Specialized Agencies.

As I read the March 7 memorandum, negotiating and signing authority for such agreements would rest with the United States, and that at best we would be prepared to act in these areas on behalf of Micronesia. I doubt that this position will be acceptable. However, as a concession to obtain authority they desire, the Micronesians may propose an arrangement under which they would be bound to consult with us whenever they enter into such negotiations, and provide to us an ultimate veto authority with respect to any agreement that might be in conflict with basic U.S. foreign policy or national security interests.

Another possible and perhaps probable problem area could be that the Status Committee will insist upon a Micronesian veto or "concurrence rights" with respect to certain carefully defined areas of foreign

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affairs, e.g., the awarding of international air routes servicing Micronesia, and on fisheries, and trade or tariff agreements affecting Micronesia.

Otherwise, I believe the draft talking points on Foreign Affairs provided under cover of the March 7 memorandum provide a sound basis for conclusion of an agreement on foreign affairs responsibilities.

TTPI Polad: JCDorrance

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