

THE WHITE HOUSE
WASHINGTON

Old Exec. Office Bldg.
Washington, D.C.

June 16, 1972

Dear Lazarus,

In my letter of June 9, 1972, I said that I would be writing you again about some of the issues and questions which we hope to address in July. Since we share a common desire that the Washington talks be as productive as possible, I am also writing to suggest for your consideration ways in which the remaining work might be facilitated. Some of my ideas relate directly to the July talks, others are longer-range and concern areas for further joint Micronesian-American study and exchange.

First, let me say that I understand and appreciate your desires and your hopes that the July talks will produce a draft Compact. I believe that, if we can both be certain that our respective interests will be met, it will be possible for us to reach agreement on draft language in at least the basic areas covered by the Hana and Koror meetings.

It would be difficult at best, as you know, to draft agreed language in plenary sessions and this leads me to my first procedural proposal. I would like to suggest that you and Ekpap, as co-chairmen of your delegation and Bill Crowe and I accept the initial responsibility for the preparation of the draft Compact. Continuous contact would of course be maintained with our respective delegations and if we thought it would be useful, we could appoint a joint drafting committee to assist us. However, I believe we could move things along more readily if the four of us were to work together as a committee responsible for identifying and attempting to work out language that would be acceptable to both sides. This method I believe could speed up the whole process.

We hope that we can use the areas of preliminary understandings reached at Hana and the Koror Final Joint Communique as a basis for defining in the draft Compact: (1) the nature of the relationship deriving from the Compact; (2) the authority to be vested in the Government of Micronesia for internal affairs; (3) the authority to be vested in the United States for foreign affairs and defense; (4) control over land and laws; and (5) procedures for meeting minimum U.S. land requirements.

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Unless there are basic departures from the agreements reached in principle in the above areas, as summarized in the Koror Communique, we should be able to translate these understandings into draft written agreements. This does not mean to imply that every aspect of the issues mentioned above has been resolved, but it is our hope that we can proceed on the basis of the general framework of the Hana and Koror understandings in these important areas.

On the question of termination we have yet to resolve our differences with respect to the time element involved, and procedures. The related defense agreement which would come into force in the event of termination also remains to be negotiated. Finance too needs further attention and there are still other issues which will have to be settled before a complete draft Compact can be finished. It may well be that despite our best efforts some gaps may remain. But significant progress will have been made if we can draft the language in the essential areas on which we have been concentrating, leaving for later resolution questions requiring further study and negotiation.

Finance and the very fundamental question of the future financial relationship and the obligations which the U.S. would have to a future government of Micronesia remain unresolved. We have stated in a general way our position on this complicated issue first at Hana and again at Koror. You in turn have partially answered the questions we have posed and have put forward your over-all request in terms of dollar amounts. Our respective approaches to finance may be different. In any event we have yet to get down to the practical and realistic issues that will have to be settled before we could possibly present to our Congress proposals for continued U.S. support of Micronesia in the post Trusteeship period.

We have stated and restated that it is only logical that the nature of our future relationship will have a direct bearing on the willingness of the U.S. Congress to continue to underwrite a very considerable part of the future governmental, operational and developmental costs of Micronesia.

The question of your financial future is, of course, also related to your own aspirations and goals and priorities; to your future fiscal policies and your future decisions with respect to the nature and pace of your desired development; and to the continuation and funding by the future Government of Micronesia of programs and services now funded and administered by the TTPI Government.

We have had preliminary consultations within the executive branch and with members of the Congress with respect to possible future financial arrangements. My statements at Koror, which commented on your proposals and stated that I would be doing you a disfavor if I were to leave you with the impression that we were close together on the levels and the categories mentioned in your presentation, was based on what we know are practical realities and the current attitudes of my government.

I personally agree with what I understand is your position that our future relationship should not be determined by mere economic considerations and financial imperatives. Once we have agreed on the basic nature and the essential elements of an association, I am certain that progress can be made in framing the general principles that will underlie the financial provisions of the Compact.

I am not as optimistic, however, about our ability to reach agreement in July on specific financial details. It is clear that final understandings in this area will have to be determined in some rational way and be related to specific needs and requirements. Before giving even preliminary concurrence to a draft Compact, the U.S. Congress will insist on knowing details concerning disbursement, accountability, and the U.S. programs and services which will be provided. We will have to provide the answers and in many instances, I am sure that we are going to have to turn to you for assistance.

I continue to feel that given the complexity and technical nature of many of the questions regarding finance that the whole problem should be the subject of a careful study and again would like to propose the appointment of a joint sub-committee. It could include: Two members of the Joint Status Committee; one member from the Office for Micronesian Status Negotiations; one representative from the Department of Interior; and one member of the TTPI Government knowledgeable about current budgets and programs. The principals could be assisted by a staff director and consultants. The objective would be to study in a systematic way a full range of questions pertinent to our future financial relationship and to report back to our two delegations within a given time. This is a suggestion that goes beyond the July meeting, but it is possible that we could get things started this summer if you think well of the idea.

Let me turn now to Transition. At Hana we stated our position and our willingness to cooperate in assuring an orderly and smooth transition to full self-government. At Koror we amplified our earlier remarks and put forward what we thought were a number of constructive suggestions. We are perfectly willing to pursue this matter further in July.

As we have said, we believe that planning for transition should take into account the nature of your future government. This is an internal matter and can only be resolved by Micronesians. This is why we have urged the early convening of a broadly representative Constitutional Convention. Once the general structure of your future government becomes clear, the U.S. would be favorably disposed toward a phased implementation of recommendations which the Micronesian Constitutional Convention might make with respect to interim steps toward the kind of self-government envisaged in the draft Constitution. We believe strongly that transitional steps in political, administrative and financial areas should have a clear end purpose in mind. The Department of Interior and the TTPI Government would wish to avoid irrelevant and unnecessary intermediate steps but they have assured me that they want to be helpful in planning and implementing a meaningful time table for a future turnover of governmental responsibilities to Micronesians.

In addition to the task of beginning to shape your own future government through a constitutional convention, I would again like to suggest that concurrently, a joint study of all aspects of transition be undertaken. Such a study would require a great deal of cooperative research and would involve the TTPI administration, the Department of Interior and other U.S. agencies. The results of such a joint study could serve as the basis for subsequent agreements and decisions as to how a programmed plan for transition could be implemented. I know that you too have been giving thought to this matter and I believe that you have considered recommending that a special office for transition, jointly staffed, be established. I would be interested in your further thoughts.

Finally let me just refer again as I did in my letter of last Friday to other remaining tasks. They include possible annexes to the draft Compact covering a jurisdictional agreement on bases and U.S. military personnel and the already mentioned defense agreement. With respect to land arrangements and procedures whereby U.S. military land requirements would be met, we believe that this matter should be covered in the draft Compact.

It is obvious that we have a great deal to discuss in July. I repeat however that the main target as far as we are concerned is the draft Compact and formalizing in agreed language understandings that we have already reached in principle. I do not wish to leave you with the impression that by raising other issues and tasks that I am attempting to divert our attention from the primary goal. Nevertheless there is a close inter-relationship between all of the remaining substantive tasks

that face us and I thought it would be useful to give you some of my ideas on the range of problems that remain to be settled before our work will be completed. I am sure that many of these same thoughts have occurred to you and I do hope that together we will be able to sort out our remaining tasks and jointly plan on how they can best be attacked.

Yesterday I was told that your delegation is planning to arrive in Washington on the 7th of July. If it would be convenient for you and Ekpap to come through San Francisco en route to Washington, we could hold our pre-conference meeting there. I had suggested meeting in Washington but San Francisco would make it easier for me and would save me a cross country round trip. However, given the importance of our getting together I would be willing to meet you in Washington. I could meet with you on the 4th, 5th and 6th and if San Francisco was the site, I would ask Bill Crowe to join us. You could then fly on to Washington to arrive on the 7th. Again let me say that I think, one or two days of informal discussions between the four of us would be most helpful in going over the agenda and planning together how we can get the most out of the July talks.

I look forward to your response and your comments on the several suggestions contained in this letter.

With kind regards,

Hayden

Franklin Hayden Williams
The President's Personal Representative
for Micronesian Status Negotiation

P.S. I am sure that you will wish to confer with Ekpap and so for the sake of time I am sending him a copy of this letter and our recent exchange of correspondence.