



DEPARTMENT OF STATE

Washington, D.C. 20520

NSC UNDER SECRETARIES COMMITTEE

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July 3, 1972

TO:           The Deputy Secretary of Defense  
               The Assistant to the President for  
               National Security Affairs  
               The Director of Central Intelligence  
               The Chairman of the Joint Chiefs of Staff  
               The Deputy Attorney General  
               The Under Secretary of Interior  
               The Director, Office of Management and  
               Budget

SUBJECT:   Future Financial Aid to Micronesia

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The Chairman has urgently requested your clearance for the recommendations contained in the attached memorandum. Because of the extremely short time available, the Chairman will forward the recommendations to the President on Friday, July 7, 1972 in the absence of objections from addressees by that date. Please telephone comments and/or concurrence to Mr. John K. Wilhelm, Department of State (S/PC), telephone number 632-0785.

*Arthur A. Hartman*  
 Arthur A. Hartman  
 Staff Director

Attachment

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CLASSIFIED BY: S/PC-John Wilhelm

Declassified/Released on F85-514c  
 under provisions of E.O. 12356  
 by B. Reger, National Security Council

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11- 412446



United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

June 30, 1972

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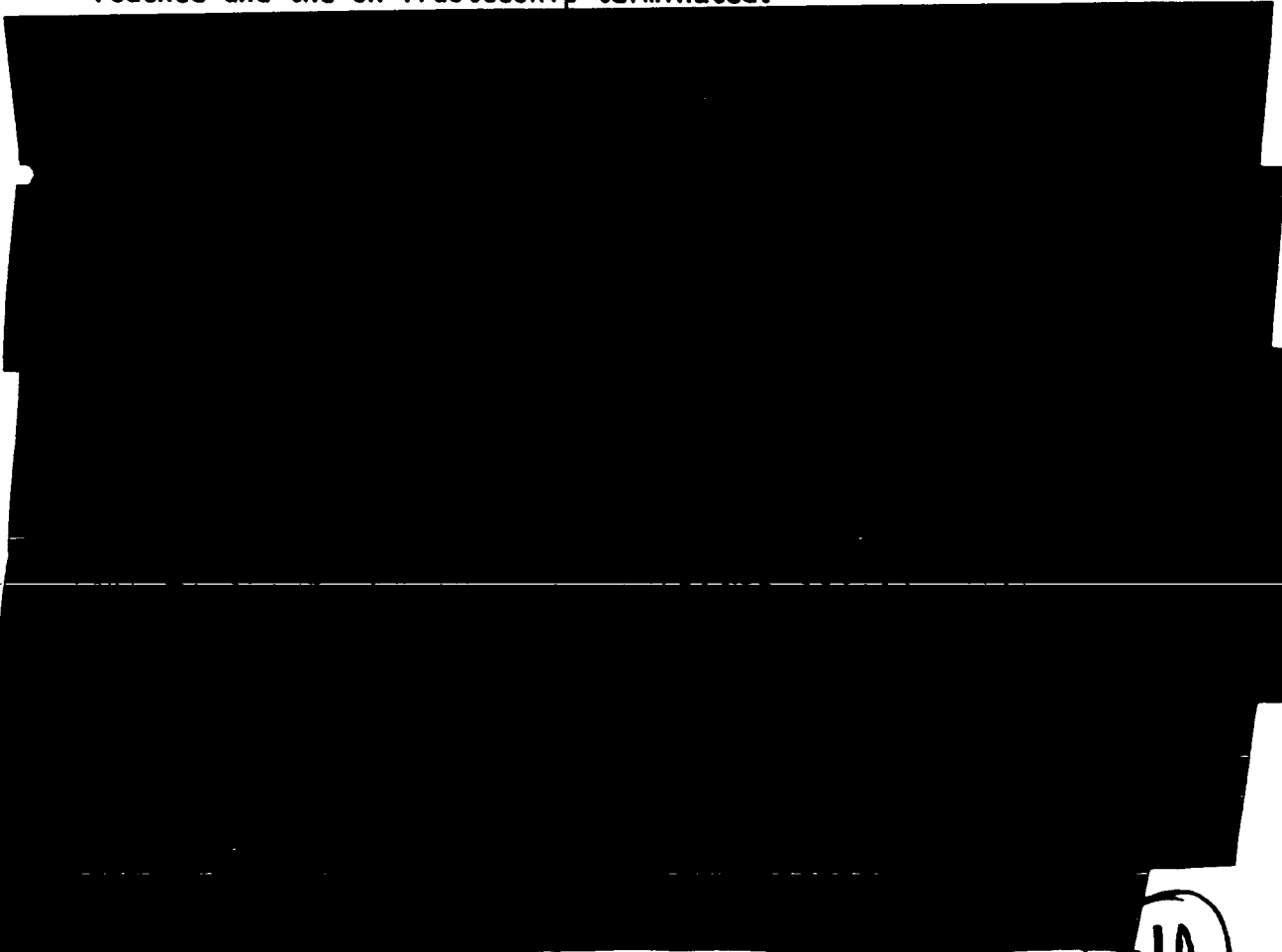
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/S, A

ACTION MEMORANDUM

To: The Chairman, Under Secretaries Committee  
From: Franklin Haydn Williams, The President's Personal Representative for Micronesian Status Negotiations  
Subject: Future Financial Aid to Micronesia

ACTION REQUESTED

1. This memorandum requests authority to discuss with the Joint Status Committee of the Congress of Micronesia during meetings in July a possible level of future financial support to Micronesia to be provided by the U.S. once agreement on an association between Micronesia and the U.S. has been reached and the UN Trusteeship terminated.



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F.B.I.  
U.S. DEPARTMENT OF JUSTICE

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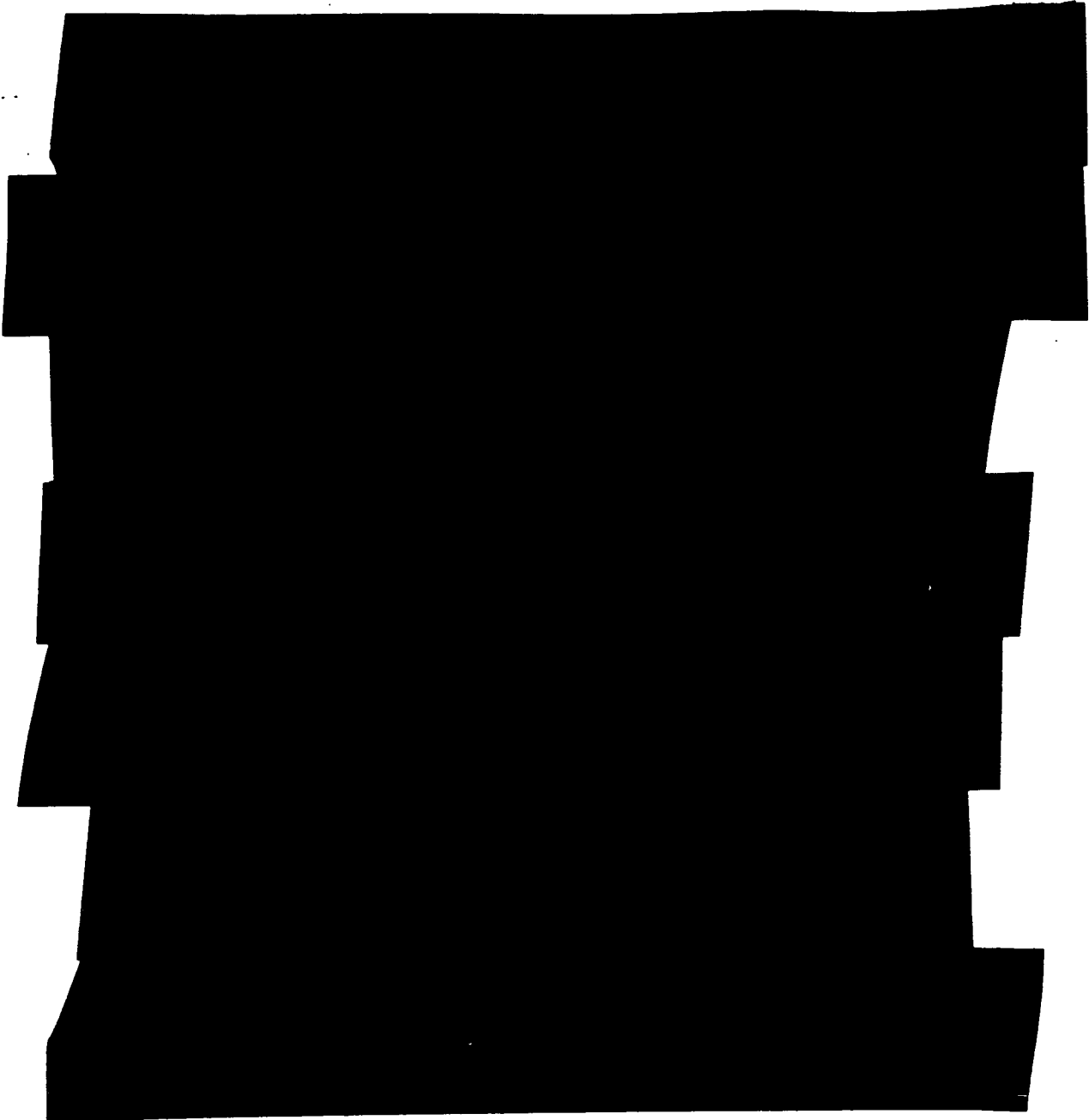
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4. Finally, the U.S. will again propose a joint Micronesia-American study of the economic and financial implications of a change in status and that the final provisions of the Compact including amounts will have to await the outcome of such a study.

*Franklin Haydn Williams*  
Franklin Haydn Williams

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United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

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*Declassified in accord  
with E.O. 12356  
A.D. Paulmann  
9/16/85*

Memorandum

*with* To: Ambassador Franklin Haydn Williams  
Office of Micronesian Status Negotiations  
Through: Assistant Secretary - Public Land Management  
From: Deputy Assistant Secretary for Territorial  
Affairs  
Subject: Recommendations for a Transition Planning  
Group

As a followup to our lengthy memorandum on transitional steps dated June 21, 1972, on which we have received your oral comment, we wish to make several general points and further define our proposal for a study group on transition.

1. Constitutional Convention. As a result of your oral concurrence to Mr. Whittington on June 29, we are taking steps, pursuant to our June 21 memorandum, to have the High Commissioner develop as an issue the nature and breadth of representation of the constitutional convention to be proposed by Senator Salif and his committee. We will be discussing with the High Commissioner the exact actions to be taken, including public addresses, statements to the Congress of Micronesia as a whole and in committee, submission of an Administration bill, discussion with the District Administrators, etc.

2. Effective Date of Compact. You have asked for language to be used in response to a Micronesian question or demand with respect to the establishment of a specific date for coming into effect of the Compact.

Based on our discussion of this subject in our June 21 memorandum, we would suggest the following language:

"We share your desire to move on to a new, more satisfactory association between Micronesia and the United States. We are not of the opinion at this time, however, that anything would be gained by setting a specific date two, three or ten years in the future which does not take into consideration the substantial job yet to be done. We have no desire to stall. Rather, we have as yet no clear notion as to the length of time which will be required to complete the several difficult steps involved in a change

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of status (constitutional convention, U.S. Congressional action, political education, negotiation of land arrangements and mutual security pact, preparation for plebiscite, etc.), and, therefore, believe it is premature at this time to set an artificial timetable which can at this point only confuse people. As an illustration, people in both Micronesia and the U.S. are still asking if there will be a plebiscite in 1972, as proposed by President Johnson in 1967."

3. Joint Study Group on Transition.

a. Salii Proposal: Office of Micronesian Governmental Transition.

We have carefully studied the proposal by Senator Salii, submitted to him in the report from Messrs. Heine, Heine, and Craley, and set forth in proposed legislation, for an Office of Micronesian Governmental Transition. Despite our concern as to the source of the proposal and report, and with respect to several details of the proposed new office, we believe the recommendation merits serious and generally favorable attention.

During the Hana and Koror talks, the U.S. Delegation directed a number of queries to the Micronesians with respect to the future organization, financing, and policies of the Government of Micronesia in an association with the United States. Some of us on the U.S. side have since been rather disappointed at what we have often considered a Micronesian failure to face the tough problems ahead. The Salii proposal for a local office to study transitional problems from the Micronesian point of view is, however, a reasonable approach under the circumstances. The Micronesians need a full-time effort by qualified people; another Congressional committee or subcommittee would have little value, given the need for study and research.

The subjects listed as the duties and responsibilities of the proposed Office are almost exclusively matters of an internal and transitional nature. Although certain subjects, such as the future disposition of TTPI Government lands and property, of necessity will involve the U.S. Government at some point, there are also vital questions for Micronesians alone to answer. For example, will public lands be held by the territorial, district or municipal government after the change of status?

Accordingly, after careful consideration, we come out in favor of the concept of the Office of Micronesian

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Governmental Transition, as proposed by Senator Sali, and believe that such an office can serve as the counterpart of a similar U.S. organization. Officials of these two parallel operations can meet regularly to discuss problems of mutual concern, and thereby become, in effect, a joint working group on transition.

b. U.S. Transition Study Group.

Now that we have the benefit of Micronesian thinking on their transitional organization, we are able to expand on the proposals made in our June 21 memorandum with respect to a U.S. study group on transition, to be the counterpart of the Micronesian office. The following are proposed terms of reference for the U.S. transition group.

1) Name. U.S. Transition Study Group for Micronesia

2) Authority. The Study Group will work under the general supervision of the Secretary of the Interior, by reason of his administrative responsibilities for the Trust Territory, and in close coordination with the Office of Micronesian Status Negotiations and the President's Personal Representative for Micronesian Status Negotiations.

3) Offices. The Study Group may, as necessary, establish offices or staffing in Washington, D.C. and in Saipan, Mariana Islands.

[Note. The Study Group function would be located within the Office of DASTA in Washington. At the Saipan end, we would intend to establish a new function within the Office of the High Commissioner to handle assignments as directed from Washington.]

4) Composition. The Study Group shall be under the direction and chairmanship of the Deputy Assistant Secretary for Territorial Affairs of the Department of the Interior, and he shall draw as necessary upon his own staff and that of the High Commissioner for participation and basic staff support. Further, he shall seek participation from the Departments of Defense and State, and OMSN.

[Note. Our preliminary thinking concerning membership in the Study Group is as follows:

- a) Washington - Myself, Mr. Whittington, Defense Representative, State Representative, OMSN Representative

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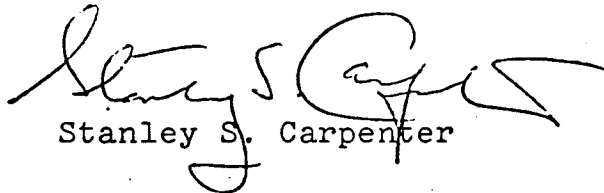
- b) Saipan - Attorney General Miyamoto, and one senior Micronesian on a full-time basis]

5) Duties and Responsibilities. The Study Group shall study, plan and implement, in conjunction with the Office of the High Commissioner and the Office of Micronesian Status Negotiations, all aspects, except those which relate to foreign affairs and defense, of the transition of the Trust Territory of the Pacific Islands into a self-governing state in free association with the United States. The Study Group shall work closely with its Micronesian counterpart group to coordinate the orderly transition into the new status, consistent with continuing U.S. responsibilities for the territory until termination of the trusteeship.

6) Expenses. Staffing, including personnel benefits and travel, on a non-reimbursable basis by the agency concerned. Office and administrative expenses shall be borne by the organization most closely involved in the particular activity, in most cases either the Office of the DASTA or the High Commissioner.

c. Joint Study Group.

Once each side has established a capability for surveying, considering and discussing matters of a transitional nature, we would wish to establish channels for discussion and negotiation of subjects which concern us both. It is possible that the Micronesians will wish to station someone in Washington for this purpose, and certainly the U.S. transition office in Saipan can undertake specific discussions primarily of a local nature, as assigned from Washington. Most important, we believe there should be flexibility in approach to transitional matters, but with ultimate control and direction--from the U.S. standpoint--in Washington.

  
Stanley S. Carpenter

AD  
9/14/85