

THE WHITE HOUSE

WASHINGTON

Class to: **SECRET**

PC (Action)

August 1, 1972

MEMORANDUM FOR

CHAIRMAN, UNDER SECRETARIES COMMITTEE

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SUBJECT: U.S. Financial Assistance to Micronesia Under
the U.S. -Micronesian Compact of Association

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The President has reviewed the recommendations contained in your memorandum of July 15, 1972 to me concerning levels of U.S. financial assistance to Micronesia under the Compact of Association, and has decided the following:

-- Ambassador Williams, in his discretion, should propose a level of U.S. financial support in the range of \$25-50 million annually, beginning in the lower end of this range and moving upward as necessary to obtain Micronesian agreement on land requirements. He should make clear that actual levels of U.S. support will of course be subject to Congressional approval, and that none of these funds is to be considered as payment for military base rights.

-- The question of the distribution among the Departments of responsibility for funding the U.S. financial support for Micronesia should be left open, and will be reviewed again at a later date.

-- Ambassador Williams, for negotiating purposes, is authorized to decide the proportion of funds to be in the form of lump sum payments and that to be in the form of program assistance. He should make clear that his decisions will of course be subject to Congressional approval.

Henry A. Kissinger

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under provisions of E.O. 12356

by P. Grubbs, National Security Council
Dept of Defense Litigation

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