

REVIEWED by BHB DATE 8/29/89

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Authority to: \_\_\_\_\_  
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OOTSZYUN RUEAMAF0419 1342253-SSSS--RUHNSAA,  
DE RUEHC #9986/1 1342251  
ZNY SSSSS ZZH  
O P 142220Z MAY 74  
FM SECSTATE WASHDC  
TO RUHNSAA/CINCPACREP GUAM/TTPI  
INFO RUEVFCB/DEPT OF JUSTICE  
RUEKJCS/DOD WASHDC PRIORITY  
RUEBHG/DEPT OF INTERIOR PRIORITY  
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SECRET SECTION 1 OF 2 STATE 099986/1

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TOR; 142254Z MAY 74//31

JUSTICE FOR LEGAL COUN EL, DOD FOR ISA AND JCS, INT FOR DOTA

E.O. 11652: XGDS-3  
TAGS: US, TO, PFOR  
CINCPACREP PLEASE PASS BY FASTEST POSSIBLE MEANS TO  
AMBASSADOR FRANKLIN HAYDN WILLIAMS ON SAIPAN

SDO \_\_\_\_\_ AT \_\_\_\_\_

1. FOLLOWING IS TEXT MEMORANDUM TO THE PRESIDENT FROM  
CHAIRMAN, NSC UNDER SECRETARIES COMMITTEE WHICH WE HOPE  
FORWARD SOONEST, PLEASE ADVISE IMMEDIATELY WHETHER YOU  
WISH HAVE OMSN OFFER ANY RESERVATIONS BEYOND THOSE  
PRESENTLY IN MEMO,

*Copies per  
Specific  
Request -  
Siemer -  
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gal*

2. QUOTE: ON APRIL 12, 1974 AMBASSADOR F. HAYDN  
WILLIAMS, YOUR PERSONAL REPRESENTATIVE FOR MICRONESIAN  
STATUS NEGOTIATIONS, REPORTED TO YOU ON HIS RECENT IN-  
FORMAL TALKS AT CARMEL, CALIFORNIA WITH THE CO-CHAIRMEN  
OF THE CONGRESS OF MICRONESIANS JOINT COMMITTEE ON  
FUTURE STATUS, AS HE INDICATES IN HIS REPORT, AMBASSADOR  
WILLIAMS HAS REACHED AD REFERENDUM AGREEMENT WITH THE  
CO-CHAIRMEN ON A COMPACT OF FREE ASSOCIATION, AND ON THE  
TRANSITIONAL ARRANGEMENTS LEADING TO ULTIMATE TERMINATION  
OF THE TRUSTEESHIP AGREEMENT AND IMPLEMENTATION OF A  
FREE ASSOCIATION RELATIONSHIP;

AMBASSADOR WILLIAMS POINTS OUT THAT SEVERAL ELEMENTS OF  
THESE AGREEMENTS EITHER EXCEED THE LETTER (E) NOT THE  
SPIRIT) OF YOUR PREVIOUS NEGOTIATING INSTRUCTIONS TO HIM  
OR ARE NOT FULLY COVERED BY THE SAME INSTRUCTIONS;

1. YOUR INSTRUCTIONS STATE THAT ANY AGREEMENT TO A  
UNILATERAL TERMINATION PROVISION IN THE COMPACT MUST BE  
CONDITIONED ON INCLUSION WITHIN THE COMPACT OF PROVISIONS  
FOR SURVIVABILITY OF US BASING AND OTHER DEFENSE REQUIRE-  
MENTS FOR AT LEAST FIFTY YEARS BEYOND THE DATE OF ANY  
TERMINATION OF THE COMPACT. THE MICRONESIANS WERE UNABLE

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TO ACCEPT THIS PROVISION, BUT PROPOSED A PROVISION WHICH REQUIRES THAT ANY TERMINATION OF THE COMPACT TAKE PLACE ONLY AFTER SUCCESSFUL NEGOTIATION OF A MUTUAL SECURITY AGREEMENT COVERING US DEFENSE REQUIREMENTS IN MICRONESIA FOLLOWING TERMINATION. THE EFFECT OF THIS PROVISION IS TO REQUIRE MUTUAL CONSENT TO TERMINATION OF A FREE ASSOCIATION RELATIONSHIP BETWEEN MICRONESIA AND THE US. THE AMBASSADOR RECOMMENDS YOUR APPROVAL OF THIS PROPOSAL.

2. YOUR PRESEN INSTRUCTIONS DO NOT AUTHORIZE SPECIFIC LEVELS OF US ASSISTANCE TO MICRONESIA FOLLOWING THE FIRST FIFTEEN YEARS OF THE RELATIONSHIP, BUT LEAVE SUCH ASSISTANCE TO FUTURE NEGOTIATIONS. THE MICRONESIANS WERE UNABLE TO ACCEPT THIS. A PROPOSED COMPROMISE RECOMMENDED BY THE AMBASSADOR FOR YOUR APPROVAL IS THAT -- PENDING ANY AGREEMENT ON NEW LEVELS OF ASSISTANCE -- US FINANCIAL ASSISTANCE WOULD CONTINUE AFTER THE FIRST FIFTEEN YEARS, BUT AT REDUCED RATES FOLLOWING THE SAME DESCENDING SCALE ESTABLISHED FOR THE FIRST FIFTEEN YEARS OF THE COMPACT RELATIONSHIP.

3. THE TENTATIVE AGREEMENTS ALSO PROVIDE FOR A SIX-YEAR TRANSITION PERIOD DURING WHICH THERE WOULD BE AN ACCELERATED CAPITAL IMPROVEMENTS PROGRAM RANGING FROM DOLLARS 20 MILLION IN FY 1975 UP TO DOLLARS 35 MILLION IN FY 1978, AND DOWN TO A LOW OF DOLLARS 15 MILLION IN FY 1980 FOR SIX DISTRICTS. DURING THIS SAME PERIOD GRANTS FOR OPERATIONS IN MICRONESIA WOULD DROP FROM DOLLARS 55 MILLION IN FY 1975 TO DOLLARS 45 MILLION IN FY 1980 FOR SIX DISTRICTS. THE AMBASSADOR'S MOST RECENT INSTRUCTIONS ON THIS SUBJECT, APPROVED BY YOU ON MARCH 29, 1974, PROVIDE:

"--YOU MAY COMMIT THE US GOVERNMENT TO PROVIDE A TERMINAL FIVE-YEAR CAPITAL IMPROVEMENTS PROGRAM OF NO LESS THAN DOLLARS 15 MILLION PER ANNUM FOR THE FIVE DISTRICTS OF MICRONESIA, THE PROGRAM TO BE DEVELOPED BY THE DEPARTMENT OF THE INTERIOR, TO BEGIN IN FY 1975, AND TO BE SUBJECT TO THE APPROVAL OF THE US CONGRESS."

THESE THREE PROPOSALS ARE IMPORTANT ELEMENTS OF THE AR REFERENDUM AGREEMENTS REACHED WITH THE MICRONESIAN CO-CHAIRMAN AT CARMEL.

THE DEPARTMENTS OF STATE, DEFENSE, JUSTICE, INTERIOR, THE JOINT CHIEFS OF STAFF, AND THE OFFICE OF MICRONESIAN STATUS NEGOTIATIONS HAVE REVIEWED THE ABOVE ELEMENTS OF THE AGREEMENTS TENTATIVELY ARRIVED AT BY AMBASSADOR WILLIAMS, AND ENDORSE AMBASSADOR WILLIAMS' RECOMMENDATIONS.

THE DEPARTMENTS OF STATE, DEFENSE, JUSTICE, INTERIOR, AND THE JOINT CHIEFS OF STAFF ALSO BELIEVE THAT IMPLEMENTATION OF THESE RECOMMENDATIONS, IF THEY ARE

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APPROVED, SHOULD TAKE INTO ACCOUNT THE FOLLOWING  
IMPORTANT CONSIDERATION AND RECOMMENDATION.

A MICRONESIAN CONSTITUTIONAL CONVENTION IS SCHEDULED TO  
CONVENE IN 1975. IN ORDER TO ASSURE THAT THE CONVENTION  
WILL OPERATE WITHIN AN AGREED POLITICAL STATUS FRAMEWORK  
APPROVED BY THE PEOPLE OF MICRONESIA, A MAJOR EFFORT  
SHOULD BE MADE TO ARRANGE FOR A PLEBISCITE ON THE COMPACT  
OF FREE ASSOCIATION PRIOR TO, RATHER THAN FOLLOWING,  
THAT CONVENTION. THESE AGENCIES, IN OFFERING THIS  
RECOMMENDATION, ARE AWARE THAT IT MAY BE DIFFICULT TO  
IMPLEMENT.

THE DEPARTMENT OF DEFENSE AND THE JOINT CHIEFS OF STAFF  
ADDITIONALLY COMMENT THAT NOTEWORTHY PROGRESS WILL HAVE  
BEEN MADE AT THE CARMEL MEETING IF THE MICRONESIAN  
JOINT COMMITTEE ACCEPTS THE AGREEMENTS REACHED THERE.  
HOWEVER, SEVERAL REQUIREMENTS ESSENTIAL TO AN  
ACCEPTABLE FREE ASSOCIATION RELATIONSHIP REMAIN TO BE

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FM SECSTATE WASHDC

TO RUHNSAA/CINCPACREP. GUAM/TTPI

INFO RUEVFOH/DEPT OF JUSTICE

RUEKJCS/DOD WASHDC PRIORITY

RUEBHGA/DEPT OF INTERIOR PRIORITY

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SECRET FINAL SECTION OF 2 STATE 099986/2

JUSTICE FOR LEGAL COUNCIL, DOD FOR ISA AND JCS, INT FOR DOTA

SATISFIED, THE MOST IMPORTANT OF THESE ARE:

1. AMBASSADOR WILLIAMS HAS TAKEN THE POSITION WITH THE MICRONESIAN JOINT COMMITTEE THAT, UNTIL WE ACTUALLY HAVE ACQUIRED DEEDS OR LEASES TO LANDS REQUIRED FOR US DEFENSE PURPOSES, HE CANNOT SIGN THE COMPACT OF FREE ASSOCIATION. THIS POSITION WAS RECENTLY REAFFIRMED IN A LETTER TO THE CHAIRMAN OF MICRONESIAN JOINT COMMITTEE WHICH STATED "...OUR PREVIOUSLY EXPRESSED POSITION THAT WE EXPECT THE MILITARY LAND NEGOTIATIONS TO BE FULLY WORKED OUT BEFORE THE COMPACT CAN BE SIGNED." OFFSETTING THESE REASSURANCES ARE THE FACTS THAT THE UNITED STATES HAS NO EXISTING LEASES OR DEEDS FOR MUCH OF THE LAND DESCRIBED IN THE PREVIOUSLY AGREED ANNEX B TO TITLE III OF THE DRAFT COMPACT OF FREE ASSOCIATION, AND THAT THERE IS NO LEGAL ENTITY AT THIS TIME ON THE MICRONESIAN SIDE WITH AUTHORITY TO NEGOTIATE OR ENTER INTO AGREEMENTS FOR THESE LANDS.

2. A JURISDICTIONAL AGREEMENT, SIMILAR TO STA US OF FORCES AGREEMENTS WITH FOREIGN GOVERNMENTS, REMAINS TO BE NEGOTIATED WITH THE MICRONESIANS. THIS AGREEMENT WILL PROTECT UNITED STATES FORCES, THEIR MILITARY PERSONNEL, UNITED STATES CITIZEN CIVILIAN EMPLOYEES OF UNITED STATES FORCES, CONTRACTORS OF UNITED STATES FORCES, AND THEIR DEPENDENTS, WHILE IN MICRONESIA; AS WRITTEN, THE COMPACT OF FREE ASSOCIATION WILL NOT COME INTO FORCE UNTIL THIS JURISDICTIONAL AGREEMENT IS CONCLUDED.

3. AS AMBASSADOR WILLIAMS HAS INDICATED, THE COMPLETE DRAFT OF THE COMPACT OF FREE ASSOCIATION, SUBSTANTIVELY AGREED UPON BY THE LEADERSHIP OF BOTH DELEGATIONS AT THE CARNEGIE TALKS, MUST STILL RECEIVE THE FORMAL CONCURRENCE OF INTERESTED DEPARTMENTS OF THE UNITED STATES GOVERNMENT.

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THE DEPARTMENTS OF STATE AND INTERIOR, AND THE OFFICE OF MICRONESIAN STATUS NEGOTIATIONS, WHILE NOT TAKING EXCEPTION TO THE ABOVE DEFENSE CONCERNS, POINT OUT THAT THEY DO NOT REQUIRE NEW DECISIONS BY YOU SINCE THEY ARE ADEQUATELY COVERED BY EARLIER INSTRUCTIONS TO AMBASSADOR WILLIAMS.

IT IS LIKELY THAT AMBASSADOR WILLIAMS WILL MEET WITH THE MICRONESIAN JOINT COMMITTEE IN EARLY JUNE. WE THEREFORE HOPE THAT YOU WILL CONSIDER AND APPROVE NEW INSTRUCTIONS FOR THE AMBASSADOR AT AN EARLY DATE. THE AMBASSADOR HAS NOW MADE CONSIDERABLE PROGRESS TOWARD RESOLUTION OF MICRONESIA'S FUTURE POLITICAL STATUS IN A MANNER CALCULATED TO SERVE US INTERESTS. HIS ABILITY TO CONCLUDE THESE NEGOTIATIONS SATISFACTORILY IN THE NEAR FUTURE WILL BE AFFECTED BY THE DECISIONS STEMMING FROM HIS APRIL 12 REPORT. END QUOTE. RUSH

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