





ASSISTANT SECRETARY OF DEFENSE WASHINGTON, D.C. 20301



INCOMPRIATIONAL SECURITY AFFAIRS In reply refer to: 1-22300/74

MEMORANDUM FOR THE DEPUTY SECRETARY OF DEFENSE

Micronesian Status Negotiations: Request for Amendment to Negotiating Instructions (NSC-U/SM-86X) (U) - ACTION MEMORANDUM

Should the Deputy Secretary of Defense and the Chairman, Joint Chiefs of Staff concur with the subject correspondence which provides the NSC Under Secretaries Committee's comments and recommendations to the President regarding Ambassador Franklin Haydn Williams', the President's Personal Representative for Micronesian Status Negotiations, letter of 12 April 1974, which reports to the President on the progress of the latest informal talks concerning the Micronesian Status Negotiations.

BACKGROUND:

- In November 1973, the seventh round of negotiations was held with the Micronesian Joint Committee on Future Status (JCFS) in an attempt to complete the Draft Compact of Free Association.
 - An impasse occurred between the two delegations concerning the financial provisions of the Draft Compact.
 - The seventh round of negotiations was terminated due to the impasse; however, the US provided to the JCFS its proposed remaining titles.
- Since November 1973, several informal meetings have been held between Ambassador Williams and Senator Salii, Chairman, JCFS in an attempt to resolve the differences existing between the two negotiating positions. The latest round of informal meetings between the two principals were held during the first week in April 1974.
- By memorandum (Enclosure 2) of 30 April (1974, the NSC Under Secretaries Committee (USC) has requested DepSecDef/CJCS comments and/or concurrence by COB 9 May 1974 on the:
 - Proposed USC memorandum (Attachment 1 to Enclosure 2) to the President which transmits a report of the informal meetings between Ambassador Williams and Senator Salii along with the comments and recommendations of the USC.





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Letter (Attachment 2 to Enclosure 2) of 11 April 1974 from Ambassador Williams to the President which reports on the progress in the latest round of informal talks held in Carmel, California with Senator Salii.

DISCUSSION:

- It is recognized that the agreements reached at Carmel with regard to termination and the survival of US defense interests exceeded the letter, but not the spirit of Ambassador Williams' current negotiating instructions (15 year unilateral termination and 99-50 year survivability of defense rights). However, <u>under th</u>e Carmel agreement, US defense <u>interests and the survival of such</u> interests should be reasonably protected because the Compact of Free Association could be terminated only by mutual agreement during the first 15 years. Thereafter, it may be terminated unilaterally with a two year waiting period during which time both parties would be committed by the Compact to negotiate a mutual security agreement which would embody the military rights and denial as set forth in the Compact. The security agreement guaranteeing the survival of US base and denial rights would have to be concluded before termination of the Compact could become effective, thus in effect making termination possible only by mutual consent after the first 15 years also.
- The subject correspondence to the President basically supports the views and interests of the Defense Department. However, there are certain concerns of the Defense Department which are reflected in the attached proposed memorandum (Enclosure 1) to the Chairman, USC which should be included in the proposed USC memorandum to the President (Attachment 1 to Enclosure 2).
- (U) RECOMMENDATION: That you sign the attached proposed memorandum with attachment (Enclosure 1) to the Chairman, USC which provides the Deputy Secretary of Defense and the Chairman, Joint Chiefs of Staff concurrence with the subject correspondence to the President provided that

certain important concerns of the Defense Department are included in the proposed Chairman, USC memorandum to the President. Chairman, Joint Chiefs of Staff: Approved Disapproved £ 1 MAY 1374 Deputy Secretary of Defense: Approved **U**) Disapproved

Enclosures a/s

SECRET

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