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DEPARTMENT OF STATE  
WASHINGTON, D.C. 20520

February 1, 1978

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**TO: Chairman, NSC Under Secretaries Committee**  
**FROM: STATE/EA - Arthur W. Hermal, Jr.**

**TPI Future Political Status Fund Augmentation**  
**for Marianas Status Negotiations**

Ambassador Williams in the attached memorandum (Tab B), asks for your assistance in obtaining from one of the executive branch departments \$45,000 to fund the operations of a joint US/Marianas "Ad Hoc Preparatory Committee on Transition." The terms of reference of that committee are enclosed with the attached memorandum. The need for the funds is urgent. Establishment of the committee is essential if there is to be timely preparation of the Marianas for a new political relationship with the US.

Ambassador Williams reports in his memorandum that his Office of Micronesian Status Negotiations (OMSN) has insufficient funds to cover the \$45,000 requirement, and that AID has no legislative authority upon which to base such assistance. We have confirmed these statements. This leaves State, Defense and Interior as logical sources for these funds. (There is insufficient time to seek a supplemental appropriation from the Congress.)

Although the Interior Department normally operates under informal Congressional injunctions against direct funding of Ambassador Williams' activities, the Secretary of the Interior believes the present funding requirement is sufficiently important that he is prepared to contribute \$15,000 of the required amount from his own office funds. His office budget is too small to permit full funding of the requirement. Valid political and legislative problems make impossible diversion of funds from the approximately \$60 million appropriated annually for Interior's administration of Micronesia.

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REVIEWED by BHB DATE 2/2/78

RELEASE  DECLASSIFY  
 EXTENSIVE  DECLASSIFY IN PART  
 DILLY  Non-responsive info.

FOL, EC or PA exemptions \_\_\_\_\_ TS authority to:

CLASSIFY as \_\_\_\_\_, OADR  
 DOWNGRADE TS to ( ) S or ( ) C, OADR

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The status negotiations and related activities are normally funded by State and Defense. State is presently contributing (in salaries, budget support, etc.) approximately \$207,000 annually to OMSN and related functions. OMSN is requesting an additional \$30,500 for this fiscal year for a total of about \$237,500. The Defense Department is contributing a total of about \$190,000 this fiscal year.

Since Defense Department interests in Micronesia are greater than those of any other single department, and since Ambassador Williams' negotiations are intended primarily to protect National Security interests in Micronesia, we believe that the remaining required \$30,000 might best be solicited from that Department. This additional sum of money would bring the Defense contribution to Ambassador Williams' support more in line with State's anticipated total contribution this year.

We have accordingly drafted a letter (Tab A) for you to send to the Deputy Secretary of Defense requesting DOD funding of this requirement.

Recommendations:

1. That you sign the attached letter (Tab A) to the Deputy Secretary of Defense which requests DOD assistance (\$30,000) in funding Ambassador Williams' \$45,000 requirement.
2. That, after dispatching the above letter, you telephone Deputy Secretary Clements to stress the importance of early compliance with your request, and the fact that this additional DOD contribution will essentially even out Defense and State contributions to Ambassador Williams this fiscal year.

Attachments:

- Tab A - Suggested letter to the  
Deputy Secretary of Defense.  
Tab B - Memorandum, dated Jan. 18 to  
NSC Under Secretaries Committee.

EA/ANP:JCDorrance:mhs  
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Clearances: S/PC - Mr. Grove  
PM - Mr. Passage  
II - Mr. Schnee  
EA/ANP - Mr. Moser  
INT/DOA - Mr. Carpenter  
(substance)

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