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THE DEPUTY SECRETARY OF STATE
WASHINGTON

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February 23, 1974

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to
NSC

MEMORANDUM FOR THE PRESIDENT

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Subject: Micronesian Status Negotiations:
New Instructions for Ambassador
Williams

On January 25 Ambassador F. Haydn Williams, your Personal Representative for Micronesian Status Negotiations, reported to you on the future political status negotiations with Micronesia. The Ambassador also asked that his current negotiating instructions be amended to provide additional authority with respect to levels and categories of financial assistance to Micronesia.

The Departments of State, Defense, Interior, and Justice concur in his proposals, and believe it important that they be approved.

With specific regard to the recommendation that the Ambassador be authorized to commit the US Government to provide up to \$60 million per year to Micronesia for 15 years in the form of grants, loans, federal programs and services, and payments for military lands, you should also know that Ambassador Williams has already made it clear, in the course of the status negotiations, that the US would expect to review the levels of US economic assistance to Micronesia at the end of any such period, and to negotiate appropriate levels of assistance to be made available under a continuing free association relationship. This understanding is included in the records of the last round of negotiations with the Joint Committee on Future Status of the Congress of Micronesia. Those records were forwarded to you by Ambassador Williams last November.

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Since the financial aspects of our future relationship now are the critical element of the status negotiations, and these negotiations probably will resume in the near future, we hope that you can consider and approve these new instructions for Ambassador Williams at an early date.

[Handwritten signature]
Kenneth Rush
Chairman

Drafted: EA/ANP:JCDorrance:lcf
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