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DEPARTMENT OF STATE

Washington, D.C. 20520
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concern
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in full.

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TO: Staff Director, NSC Under Secretaries Committee
FROM: STATE/EA - Arthur W. Hummel, Jr.

WEST ASIAN
AND PACIFIC AFFAIRS

Micronesian Status Negotiations:
Requirement for New Instructions

On January 25 Ambassador F. Haydn Williams, the President's Personal Representative for Micronesian Status Negotiations, reported to the President on the future political status negotiations, and requested amendments to his present negotiating instructions in the area of future financial relationships. In essence, he requests authority to commit the US Government to higher levels of financial assistance than presently authorized. A copy of his report is attached (Tab B).

Although the Ambassador did not solicit the views or support of the concerned US agencies (State, Interior, and Defense) before submitting his report and recommendations to the President, State does concur in those recommendations with one reservation.

He proposes that any commitment to extend financial assistance under a future relationship of free association be limited to fifteen years. His present instructions provide for no such restriction. Realistically there may be a requirement to provide a commitment to extend assistance beyond 15 years in any future relationship, although the levels of such assistance should be subject to periodic review.

Since the financial aspects of our future relationship are now the critical element in the free association negotiations, and these negotiations must resume in the very near future, we believe it would be helpful if the NSC Under Secretaries

DEPARTMENT OF STATE A/CDC/ME

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REVIEWED BY: BT/JS DATE: 4/18/88
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Committee, through its Chairman, sent a separate letter to the President endorsing the Ambassador's recommendations, with the one reservation cited above.

To that end, we have prepared a draft letter (Tab A) for the Chairman, for consideration and clearance by the other concerned Departments, i.e. Defense and Interior.

Action requested

That you circulate this memorandum and the enclosed draft letter to the NSC Under Secretaries Committee with a request for agreement to the letter by the Departments of Defense and of the Interior.

Attachments:

- Tab A. Draft letter to the President.
- Tab B. Amb. Williams' report to the President, dated January 25, 1974.

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Concurrences:

EA/ANP - Mr. Moser
L - Mr. Johnson
PM/ISO - Mr. Passage
IP/UNP - Mr. Sylvester

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NSC UNDER SECRETARIES COMMITTEE

Letter to the President: **DECLASSIFIED**

Dear Mr. President:

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 and Interior concur in his proposals, with one reservation, and believe it important that they be approved at an early date. Our single reservation is that we do not believe it necessary to restrict a commitment to financial assistance to a future Micronesian Government to 15 years, as proposed by the Ambassador. Your present instructions to the Ambassador contain no such restriction. Realistically, there may be a requirement for a commitment to provide assistance well beyond 15 years in a continuing free association relationship, although the levels of such assistance should be subject to periodic review and negotiation.

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Without such a continuing commitment, there would be little incentive for the Micronesians to remain in association with the United States.

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

Sincerely,

Kenneth Rush
Chairman

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