

DEPARTMENT OF STATE



UNDER SECRETARIES

CONFIDENTIAL Downgraded

NSC-U/SM-86W

February 6, 1974

J-5 USC 12-74

TO:

The Deputy Secretary of Defense The Assistant to the President for National Security Affairs

The Director of Central Intelligence The Chairman of the Joint Chiefs of Staff

The Deputy Attorney General The Under Secretary of Interior

Mr. James Wilson, Jr., Office of Micronesian Status Negotiations, Department of the

Interior

The Associate Director, Office of Management and Budget

SUBJECT: - 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.

Ambassador Williams 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, however, 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.

The Department of State has prepared the attached draft letter for the signature of the Chairman. Please

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* Attachment to JCS 2326/101-27

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telephone your comments/concurrences on this draft to Mr. John Dorrance of the Department of State (632-0870) by no later than Thursday, February 14, in order that the Under Secretaries Committee may respond promptly to the President on this matter.

Brandon Grove, Jr. Staff Director

Attachments:

As stated.

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NSC UNDER SECRETARIES COMMITTEE
Letter to the Rresident

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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TO:

The Deputy Secretary of Defense
The Assistant to the President for
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The Director of Central Intelligence
The Chairman of the Joint Chiefs of Staff

The Deputy Attorney General The Under Secretary of Interior

Mr. James Wilson, Jr., Office of Micronesian
 Status Negotiations, Department of the
 Interior

The Associate Director, Office of Management and Budget

SUBJECT: Micronesian Future Political Status

The Chairman has forwarded the attached memorandum to the President. A copy is hereby provided for your information.

Brandon Grove, Jr. Staff Director

Attachment:

As stated

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