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NATIONAL SECURITY COUNCIL

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ACTION

March 19, 1974

MEMORANDUM FOR: SECRETARY KISSINGER

FROM: JOHN A. FROEBE, JR. *JAF*

SUBJECT: Micronesian Negotiations: Request for Supplemental Instructions on Financial Arrangements

At Tab I is a draft memorandum from you to the President attaching a report to him from his Personal Representative for Micronesian Status Negotiations, Ambassador F. Haydn Williams. The report covers the progress Williams made in his latest round of negotiations with Micronesia representatives, and asks for supplemental instructions on the financial aspects of the new status arrangements.

Ambassador Williams reports substantial forward movement in both sets of negotiations -- those with the Marianas District (which desires a separate, closer relationship with us than the other five districts of Micronesia do), as well as those with the other five districts. He hopes to conclude the negotiations with the Marianas this spring and those with the other five districts possibly next fall.

The principal problem, for which Ambassador Williams is seeking additional instructions, is that of financial arrangements with the five districts.

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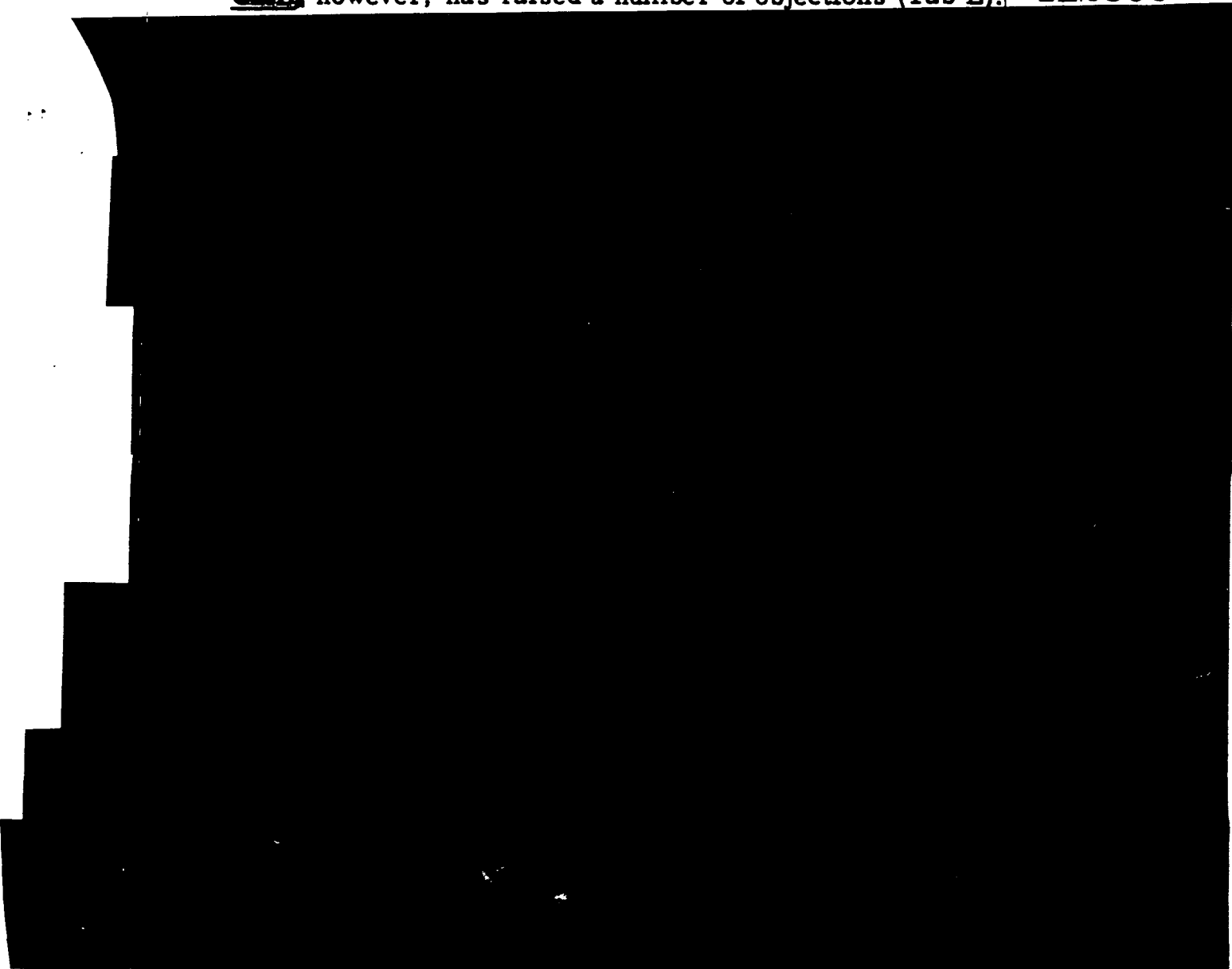
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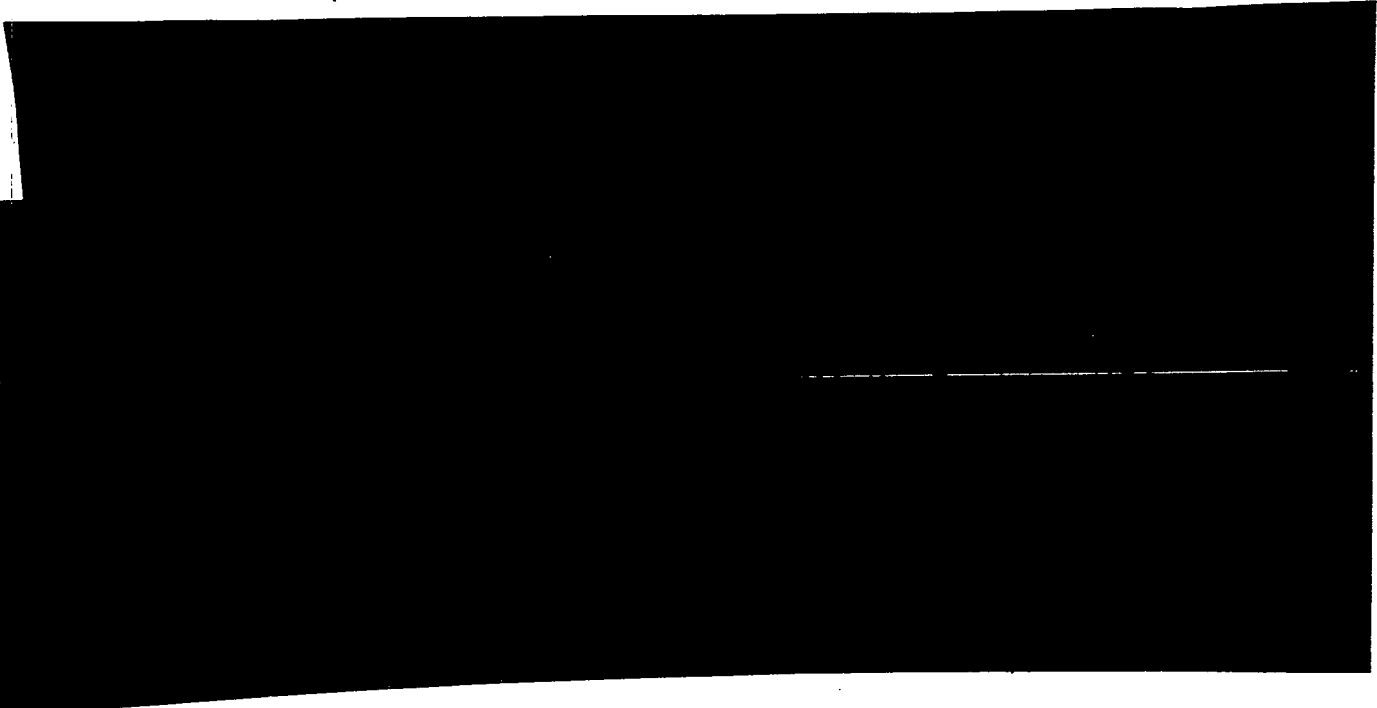


The Under Secretaries Committee agrees with Ambassador Williams' recommendations, but wants to stress that our annual assistance would not be terminated at the end of 15 years but would be reviewed then -- as earlier at periodic intervals -- as regards the levels and types of assistance (Tab D).

OSCE however, has raised a number of objections (Tab E): 412600



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Attached to your draft memorandum to the President is a draft supplemental instruction in the President's name which approves Ambassador Williams' recommendations and incorporates my recommendations on the points OMB has raised.

Recommendation:

That you sign the draft memorandum to the President at Tab I.

Concurrences:

Mr. Kennedy *[initials]*
Mr. Smyser *[initials]*

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