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DEPARTMENT OF STATE

BRIEFING MEMORANDUM



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January 20, 1975

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TO: The Deputy Secretary

FROM: EA - Philip C. Habib

Your Meeting with Ambassador F. Haydn Williams
Tuesday, January 21 - 2:30 P.M.

Ambassador Williams is coming in to report to you on the current status of the Micronesian negotiations, in particular on the most recent round of Marianas negotiations held in Saipan December 5-19. James Wilson, his deputy, and Jack Knowles of EA/ANP (who attended the Saipan negotiations as an observer) will be present.

The Ambassador reported to the President in a letter dated December 31 that he has reached provisional agreement with the Marianas Political Status Commission on a draft "Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America". Further, that he has tentatively agreed to a resumption of negotiations on Saipan beginning February 3 with a view to reaching final agreement and signing the Covenant. The Ambassador asked the President to approve several amendments to his current negotiation instructions and to approve a timetable of future events and the issuance of certain instructions to interested USG agencies. His letter to the President is at Tab A.

The Ambassador may ask for your help in obtaining the necessary Presidential authorization in sufficient time for him to proceed with the resumption of negotiations on February 3 and, hopefully, the signing of the Commonwealth Covenant.

At Tab B is a draft NSC Under Secretaries Committee Memorandum for the President which endorses the requests made by the Ambassador in his letter to the President. The interested agencies have been asked to provide their comments and/or concurrence by COB Tuesday, January 21. We are not aware of any objections or differences of view of any major substance. We therefore expect to be

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REVIEWED BY thep DATE 3/17/87

RDS or XDS EXT. DATE _____

TS AUTH. REASON(S) _____

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able to submit the Memorandum for the President to you for approval and transmission to the White House by Friday -- if not earlier -- provided there are no delays due to the staffing normally required to obtain high-level concurrences at other agencies, in particular DOD and JCS.

~~It may not be necessary to ask the President to~~ approve a time-table of future events and the issuance of instructions on the need for a coordinated presentation of the Marianas arrangements to the U.S. Congress. NSC staff tentatively believe these are matters on which high-level decisions and actions required could be taken by the Under Secretaries Committee or by you as Chairman. ~~It may also not be necessary to ask the President to~~ approve the issuance of instructions to the Department of Defense to waive current regulatory restrictions to permit flexible lease back arrangements and use of federal land not being used by the military in the Marianas. We understand that DOD may already have the necessary authority.

The proposed time-table, set forth on pp. 4-5 of the Ambassador's letter to the President, calls among other things for a UN-observed plebiscite on the Covenant in June followed in July by the institution of a separate administration for the Marianas and the submission of the Covenant to the Congress for approval. A new Government of the Northern Marianas would be installed in the summer of 1976 at which time we would make a lump-sum payment of _____ for a 50-year lease of the land required for defense purposes and for an additional 50-year optional renewal period. We would also begin a 7-year program of direct grant assistance to the Government of the Northern Mariana Islands at the level of _____ million a year, which would continue thereafter until Congress appropriates a different amount or provides otherwise by law. Meanwhile, the Marianas would remain a part of the Trust Territory of the Pacific Islands and would not become a Commonwealth until such time as the Trusteeship Agreement is terminated. We are on record as saying that we intend to terminate the Trusteeship Agreement simultaneously for all parts of the TTPI, not separately for any one part.

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We see no objection to the Ambassador's proposed time-table, bearing in mind that we have only limited control over the future course of events in Micronesia and that future developments could change our assessment of U.S. interests and require a readjustment in the time-table. With respect to the plebiscite which the Ambassador proposes be held in late June, we presently expect to be able to arrange for a UN observation though probably not before early July.

We see no reason not to resume the Marianas negotiations and conclude an agreement as soon as possible. Although DOD has recently revised its plans, principally for budgetary reasons, and does not presently plan to proceed with the construction of any facilities or with the stationing of any military personnel on Tinian, it remains in the U.S. interest to have the Marianas available as a fallback for possible military use at some point in the future should we have to reduce sharply and eventually withdraw completely from our bases in Japan and the Philippines. A Commonwealth agreement which establishes U.S. sovereignty over the Northern Marianas meets this basic U.S. interest, much better than any alternative arrangement, and appears to be in accord with the wishes of the people of the Marianas.

We understand from the NSC staff that the resumption of the Marianas negotiations may be postponed beyond February 3, hopefully only for a week or two, in order that Guam may be fully briefed on the impending Marianas agreement and advised of the USG's willingness to enter into negotiations on the future status of Guam. The NSC staff has forwarded the secret interagency Guam Study to the Assistant to the President for National Security Affairs with a proposed Memorandum for the President which recommends that Guam be offered a Commonwealth status roughly as favorable as that to be accorded to the Marianas or, if Guam prefers, a modified unincorporated territorial status under which Guam would have its own Constitution. The Department of the Interior would be instructed to form a negotiation team in which State and Defense would participate.

We are proceeding on the understanding that Commonwealth status for the Northern Marianas may turn out to be an intermediate step toward an eventual merger of Guam and the Northern Marianas. The Commonwealth Covenant

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for the Northern Marianas has been carefully drafted with that possibility in mind.

As for our negotiations with the Congress of Micronesia on the future status of the rest of the Trust Territory, the Caroline and the Marshall Islands, the prospects and time-table are very unclear. In October, Ambassador Williams and Senator Lazarus Salii, Chairman of the Joint Committee on Future Status of the Congress of Micronesia, reached agreement on a draft Compact of Free Association, which Salii wished to sign as soon as possible but which we have insisted not be signed until the necessary arrangements for the "Palau land options" for contingency military use have been worked out. The Palau District Legislature has since indicated its willingness to work out such arrangements. On the other hand, in mid-December Senator Salii publicly threatened to recommend a breakoff in the negotiations should Secretary Morton issue a Secretarial Order on the return of public lands, which the Secretary issued on December 27. Ambassador Williams on January 10 wrote to Salii and his co-chairman, Congressman Silk, and proposed that negotiations with the full Joint Committee on Future Status be resumed at an early date, possibly in March. We are waiting to see what action the Palau District Legislature takes on the Palau land options, whether Salii proceeds with his threat to cut off negotiations and how the Joint Committee and the Congress of Micronesia react. At this point in time, we cannot preclude the possibility that our negotiations of a "free association" relationship will make no progress and might even be broken off by the Micronesian side. If we make no progress towards the conclusion of a "free association" agreement in the next few months, EA believes that we should conduct a fundamental review of our policy toward the Carolines and the Marshalls and reassess the alternatives such as separate arrangements for the various TTPI districts or independence with a base rights agreement for Micronesia as a whole relating to the Kwajalein Missile Range and Palau.

You may wish to ask Ambassador Williams:

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1. what consultations should be conducted by the Executive Branch with the U.S. Congress and what problems he anticipates in obtaining Congressional approval of the Marianas Commonwealth Covenant?

2. does he see any serious danger to U.S. interests in postponing the resumption of the Marianas negotiations and the signing of the Commonwealth Covenant until we have touched base with Guam?

3. what is his best estimate of the possibility of achieving an agreement on a status of "free association" for the rest of Micronesia and when?

Attachments:

Tab A - Ambassador's letter to the President

Tab B - Draft Memorandum for the President

cc: NSC/USC:WGathright

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Drafted: EA/ANP:JFK^{me}owles:mhs
1/20/75 - X20870

Concurrences: L:OTJohnson ^{me}
S/P:PBFinn ^{me}
IO/UNP:RWilliamson ^{me}
PM/ISD:MDworken ^{me}

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