



Department of State

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E.O. 11652: NA

TAGS: PFOR, TQ

SUBJECT: MICRONESIAN STATUS NEGOTIATIONS
PASS TO STATUS LNO BERGESEN
COMTWELVE FOR AMBASSADOR WILLIAMS

1. PLEASE DELIVER FOLLOWING TO SENATOR SALII FROM AMBASSADOR WILLIAMS AS SOON AS POSSIBLE. COPIES SHOULD ALSO BE DELIVERED TO ALL MEMBERS OF THE JCFS, PRESIDENT OF THE SENATE, SPEAKER OF THE HOUSE AND CONGRESSMAN SETIK.

QUOTE

THE WHITE HOUSE
WASHINGTON
OLD EXECUTIVE OFFICE BLDG
ROOM 361
WASHINGTON, D.C. 20506

SENATOR LAZARUS SALII
CHAIRMAN, JOINT COMMITTEE ON FUTURE STATUS
CONGRESS OF MICRONESIA
SAIPAN, MARIANA ISLANDS 96950

DEAR SENATOR SALII:

THANK YOU FOR YOUR LETTER OF FEBRUARY 5, 1975, IN RESPONSE TO MY JANUARY 10 LETTER TO YOU AND THE OTHER MEMBERS OF THE
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| DEPARTMENT OF STATE A/CDC/MR | |
| REVIEWED BY <u>Hael</u> | DATE <u>MAR. 5 1987</u> |
| RDS <input type="checkbox"/> or XDS <input type="checkbox"/> EXT. DATE _____ | TS AUTH. _____ REASON(S) _____ |
| ENDORSE EXISTING MARKINGS <input type="checkbox"/> | DECLASSIFIED <input type="checkbox"/> RELEASABLE <input checked="" type="checkbox"/> |
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JOINT COMMITTEE ON FUTURE STATUS. I WAS PLEASED TO READ THAT THE QUESTION OF THE NEXT ROUND OF NEGOTIATIONS WAS UNDER ACTIVE CONSIDERATION BY THE JOINT COMMITTEE AND THAT YOU WOULD BE ADVISING ME OF THE COMMITTEE'S VIEWS IN DUE COURSE.

WITH REGARD TO WHAT COMES NEXT, I WAS ESPECIALLY PLEASED TO READ IN YOUR LETTER THAT YOU "PERSONALLY WELCOME" THE SUGGESTION THAT ROUND VIII BE HELD IN MARCH IN MICRONESIA AFTER THE CLOSE OF THE CURRENT SESSION OF THE CONGRESS OF MICRONESIA. I HAD HOPED THAT YOU AND EKPAP AND I COULD HAVE FOUND AN OPPORTUNITY TO DISCUSS THIS MATTER WHEN I WAS IN SAIPAN EARLIER THIS MONTH; AND I HOPE THAT MY EFFORTS TO SEE YOU BOTH WERE BROUGHT TO YOUR ATTENTION-- EVEN THOUGH I REALIZE THAT YOUR CONGRESSIONAL RESPONSIBILITIES WERE KEEPING YOU BOTH VERY BUSY.

FROM VARIOUS CONGRESS OF MICRONESIA PRESS RELEASES I HAVE NOTED THAT WHILE YOU FEEL AGREEMENT HAS BEEN REACHED BETWEEN US ON A COMPACT OF FREE ASSOCIATION YOU CONTINUE TO BE CONCERNED WITH TRANSITION AND ESPECIALLY THE LEVELS OF FUNDING AGREED TO AT CARMEL LAST YEAR FOR THE TRANSITION YEARS (FY 1975-1980). I ALSO UNDERSTAND THAT YOU HAVE INDICATED THAT YOU MAY WISH TO REOPEN TITLES II AND IV OF THE COMPACT. WITHOUT KNOWING WHAT YOU MAY HAVE ON YOUR MIND I, OF COURSE, CANNOT COMMENT ON THE LATTER TWO QUESTIONS; BUT WITH RESPECT TO TRANSITION I CAN UNDERSTAND YOUR DESIRE TO PURSUE THIS MATTER FURTHER SINCE OUR AGREEMENTS TO DATE ON TRANSITION HAVE BEEN PROVISIONAL AND THUS SUBJECT TO REVIEW.

AS WE INDICATED TO YOU IN HONOLULU IN OCTOBER, AND AGAIN IN MY LETTER OF JANUARY 10, 1975, WE ARE MORE THAN WILLING TO DISCUSS THIS MATTER WITH YOU AND WITH THE FULL JOINT COMMITTEE ON FUTURE STATUS. YOU WILL RECALL THAT THE ENTIRE THRUST OF OUR CARMEL DISCUSSIONS AND UNDERSTANDINGS WAS DESIGNED TO PROVIDE MICRONESIA WITH THE BASIC INFRASTRUCTURE AND GOVERNMENTAL SYSTEM UPON WHICH IT COULD BUILD TOWARD THE JOINT COMMITTEE'S GOAL OF PROGRESSIVELY GREATER MICRONESIAN SELF-SUFFICIENCY AND COMMENSURATELY

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LESSENER DEPENDENCY UPON U.S. SUBSIDIES AND FINANCIAL ASSISTANCE. IT WAS FOR THESE REASONS THAT YOU AND YOUR COLLEAGUES LAST APRIL AGREED WITH THE PLAN FOR SUBSTANTIAL FUNDING INCREASES, IN REAL TERMS EXPRESSED IN CONSTANT DOLLARS, FOR CAPITAL IMPROVEMENTS OVER THE NEXT FIVE YEARS, TAPERING DOWN TO LOWER CONTINUING LEVELS AT THE TIME THE

COMPACT COMES INTO FORCE. AT THE SAME TIME WE WOULD BEGIN IMMEDIATELY TO HOLD BACK ANY FURTHER INCREASES AND THEN START A PHASED REDUCTION IN THE PERCENTAGE OF YOUR TOTAL BUDGET AMOUNTS ALLOCATED FOR GOVERNMENT OPERATIONS TO BRING THOSE EXPENDITURES GRADUALLY MORE IN LINE WITH YOUR OWN PLANS FOR REDUCED GOVERNMENTAL OVERHEAD AS YOU BECOME MORE DEPENDENT ON YOUR OWN RESOURCES. WE CONTINUE TO BELIEVE THIS IS A SOUND APPROACH, AND AS WE HAVE TOLD YOU ON SEVERAL OCCASIONS WE AGREE WITH YOUR OFT-STATED DESIRE TO BECOME GRADUALLY LESS AND LESS DEPENDENT UPON THE UNITED STATES AND MORE AND MORE ECONOMICALLY SELF-RELIANT IN THE POST TRUSTEESHIP PERIOD UNDER YOUR PREFERRED STATUS OF FREE ASSOCIATION.

MORE THOUGHT HAS TO BE GIVEN TO HOW THAT OBJECTIVE CAN BEST BE ACCOMPLISHED. WITH THIS IN MIND I BELIEVE IT WOULD BE USEFUL IF A PRE-ROUND VIII MEETING INCLUDING YOU, EKPAP, THE PRESIDENT OF YOUR SENATE, THE SPEAKER OF THE HOUSE, RAY SETIK AND BAILEY OLTER COULD BE HELD WITH ME AND OFFICIALS FROM INTERIOR AND THE TTPI ADMINISTRATION TO DISCUSS FURTHER THE FULL RANGE OF QUESTIONS CONCERNING TRANSITION OVER THE NEXT FIVE YEARS. SUCH A MEETING COULD BE HELD IN THE LATTER HALF OF MARCH, OR, IF PREFERABLE, SOMETIME IN APRIL POSSIBLY IN MICRONESIA. IN OUR VIEW SUCH A MEETING COULD ALSO BE MOST HELPFUL IN IDENTIFYING PROBLEMS AND OTHER ISSUES FOR LATER DISCUSSION WITH THE FULL JOINT COMMITTEE.

AS YOU LOOK BACK ON SEVERAL YEARS OF NEGOTIATIONS I AM SURE YOU FEEL THAT IT HAS BEEN A LONG, HARD ROAD TO TRAVEL. YET AT IMPORTANT MILESTONES ALONG THE WAY, YOU HAVE SHOWN YOUR SATISFACTION IN MANY PUBLIC STATEMENTS WITH THE PROGRESS BEING MADE AND YOUR CONFIDENCE IN THE DIRECTION THE TALKS WERE TAKING. I BELIEVE THAT ANY

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OBJECTIVE REVIEW OF THESE TALKS TO DATE WOULD PARALLEL YOUR OWN PERIODIC ASSESSMENTS THAT SLOW BUT STEADY PROGRESS HAS BEEN MADE. WE DO NOT HAVE MUCH FARTHER TO GO, ASSUMING THAT THE WHOLE JOINT COMMITTEE ON FUTURE STATUS WILL ENDORSE THE TENTATIVE TEXT THAT YOU AND EKPAP HAVE AGREED TO, AND THAT THE CONGRESS OF MICRONESIA WILL SUBSEQUENTLY ALSO GIVE ITS APPROVAL TO THE AGREED OCTOBER DRAFT OF THE COMPACT.

IF THAT IS THE CASE, VERY LITTLE NOW STANDS IN THE WAY OF YOUR REALIZING THE GOALS THE JOINT COMMITTEE AND THE CONGRESS OF MICRONESIA SET FOR MICRONESIA SOME SIX YEARS AGO: TERMINATION OF THE TRUSTEESHIP AND A NEW STATUS OF

FREE ASSOCIATION WITH THE UNITED STATES--A STATUS WHICH OF COURSE WILL COME INTO FORCE ONLY AFTER IT HAS BEEN APPROVED BY THE PEOPLE OF MICRONESIA AS AN EXPRESSION OF THEIR SOVEREIGN RIGHT OF SELF-DETERMINATION.

THE UNITED STATES FULLY INTENDS TO GIVE THE PEOPLES OF MICRONESIA THIS OPPORTUNITY TO CHOOSE THEIR OWN FUTURE AND LOOKS FORWARD TO CONTINUING TO WORK COOPERATIVELY WITH YOU, THE MEMBERS OF THE CONGRESS OF MICRONESIA, AND OTHERS TOWARDS THIS ULTIMATE OBJECTIVE

WITH BEST WISHES, I REMAIN

SINCERELY YOURS,

F. HAYDK WILLIAMS
THE PRESIDENT'S PERSONAL REPRESENTATIVE
FOR MICRONESIAN STATUS NEGOTIATIONS

CC:
MEMBERS OF THE JOINT COMMITTEE ON FUTURE STATUS
PRESIDENT OF THE SENATE NAKAYAMA
SPEAKER OF THE HOUSE HENRY
CONGRESSMAN SETIK
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END QUOTE.

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