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DEPARTMENT OF STATE

BRIEFING MEMORANDUM

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TO: The Acting Secretary  
FROM: EA - J. Owen Zurhellen, Jr., Acting  
Your Meeting with Ambassador F. Haydn Williams  
Thursday, July 10, 5:00 p.m.

PARTICIPANTS

Ambassador F. Haydn Williams, The President's Personal Representative for Micronesian Status Negotiations

The Acting Secretary  
H. Richardson, Legislative Management Officer for the Far East, H  
John F. Knowles, Deputy Director, EA/ANP (notetaker)

CHECKLIST

- Marianas Plebiscite - Congratulate the Ambassador on the successful outcome of the June 17 plebiscite.
- White House Briefing on Covenant - We agree such a briefing would be helpful. I will recommend to the White House that the necessary arrangements be made.
- Telephone Calls to Congressmen - I am prepared to telephone key Congressmen.
- Palau Superport - We share the Ambassador's concerns and agree on need to develop a coordinated USG position. We are asking our Embassies to provide information on continuing basis.

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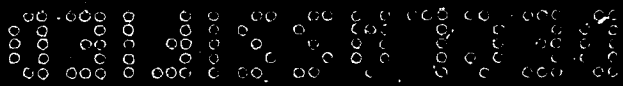
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SETTING

Ambassador Williams is coming in to report to you on the current status of the Micronesian negotiations, in particular the timetable and arrangements for Congressional action on the Northern Marianas Commonwealth Covenant. He plans to ask for your assistance in arranging for a White House briefing of Congressional leaders to be held before the House and the Senate vote on the Covenant. He also plans to ask if you would be willing to telephone selected Senators and Congressmen and indicate the Executive Branch's full support of the Commonwealth Covenant, a request which he is also making of Secretary of the Interior Hathaway and Deputy Secretary of Defense Clements.

The Ambassador may also raise the subject of the subject of the Palau Superport Project and express his belief that the US Government should urgently develop a coordinated position on the matter.

Our objective is to assist the Ambassador in any way possible in his conduct of the Micronesian negotiations and in his efforts to obtain Congressional approval of the Commonwealth Covenant. On the Palau Superport Project, we wish to assure him of our full cooperation in developing a USG position.

BACKGROUND/ANALYSIS

Marianas Covenant - The Northern Marianas Commonwealth Covenant was approved by 78.8% of the registered voters (of whom 95% went to the polls) in the UN-observed plebiscite held on June 17. The President transmitted the Covenant to the Senate and the House on July 1 with a request for early consideration and approval (Tab 1). Congressman Philip Burton is introducing a Joint Resolution in the House that would approve the Covenant (Tab 2). The current timetable for Congressional action on the Covenant is as follows:

July 14 Hearings before the House Subcommittee on Territorial and Insular Affairs of which Congressman Burton is the chairman. (Ambassador Williams, Plebiscite Commissioner Erwin Canham, Department of the Interior

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officials and representatives of the Northern Mariana Islands have been asked to testify. State and Defense have not been asked).

- July 16 Action by the House Interior Committee
- July 21 Action by the full House of Representatives.
- July 23 Senate Interior Committee hearings.  
or 24
- Date not set Action by the Senate (Ambassador Williams has hoped to obtain Senate approval before the August recess, but this appears doubtful).

We understand that Ambassador Williams and Congressman Burton do not anticipate any serious difficulties in obtaining House approval of the Covenant. However, approval by the Senate is less certain. In a Senate debate of March 17, the only debate that has been held on the floor of the Congress, Senator Gary Hart and Senator Harry F. Byrd, Jr. opposed the granting of Commonwealth status to the Northern Marianas and the Senate voted in favor of Marianas-related legislation by the surprisingly small margin of 47 to 39. The 39 "nay" votes included Senators Bentsen, Robert C. Byrd, Humphrey, Javits, Kennedy, McGovern, Muskie, Stennis and Talmadge.

The NSC Under Secretaries Committee, in your Memorandum for the President of January 25, agreed that the coordination of consultation with the Congress on the Covenant should be carried out by Ambassador Williams and the Office for Micronesian Status Negotiations in consultation with the concerned departments. H has participated in advising the Ambassador. The Senate and House Interior Committees have been fully consulted over the months and individual members of Congress have also been briefed. The Senate Foreign Relations Committee and the House Committee on International Relations have not asked for briefings.

Senator Hart has repeatedly charged that the Administration has not properly consulted with the Congress and is attempting to present the Congress with

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a fait accompli, a theme echoed in a recent New York Times editorial. To avoid such criticism Secretary of the Interior Hathaway has decided not to institute a separate administration of the Northern Marianas, as previously planned, until after the Congress has approved the Covenant. He also shelved plans to exempt the Northern Marianas from participating in a Micronesia-wide referendum on future political status held July 8 and from participating in the Micronesian Constitutional Convention, which opens on Saipan on July 12.

Negotiations with the Congress of Micronesia - Our other set of negotiations, looking toward a future status of "free association" with the United States for the other districts of the Trust Territory, remain suspended. It is difficult to say when they will be resumed. Congress of Micronesia representatives told the UN Trusteeship Council in early June that "free association" was no longer a viable objective unless the United States agreed to renegotiate the financial provisions of the draft Compact. Meanwhile, Palau has written to Ambassador Williams requesting that the US enter into separate negotiations with Palau.

Finally, a referendum was held throughout Micronesia on July 8 at which the voters were asked to vote "yes" or "no" on each of the following choices of future political status: independence, Commonwealth of the US, free association, Statehood, and the present status as a Trust Territory. They were also asked whether they support the unity of Micronesia and whether the Congress of Micronesia should continue to negotiate a future political status on behalf of all the districts. Congress of Micronesia leaders have characterized the referendum as a "non-binding" or "straw" vote. Preliminary reports suggest that the outcome of the referendum has been inconclusive (and that few residents of the Northern Marianas participated).

Palau Superport - Ambassador Williams wrote you on June 26 requesting the Department to seek information from Embassy Tehran on possible Iranian Government involvement in this project (Tab 3). The project, proposed by Robert Panero Associates, Inc. of New York,



calls for the development of an international trans-shipment and petroleum storage port in Palau through formation of an Iranian/international consortium that would include Japanese banking and commercial interests. Panero and his representatives have given briefings to interested agencies of the USG (including EA in State) here and in Saipan, but the precise nature and present status of the project is not clear. The USG has not developed a coordinated position on the project.

COURTESY POINT

-- Congratulations on the successful outcome of the Marianas plebiscite.

ISSUES/TALKING POINTS

1. White House Briefing on Marianas Covenant

Ambassador Williams' Position:

Although the Congressional liaison staff of State and other interested agencies have agreed on the desirability of a White House briefing of Congressional leadership on the Marianas Covenant, the White House has not as yet arranged such a briefing. A telephone call from you would be very helpful in persuading the White House to arrange the briefing.

Our Position: We agree that a White House briefing of Congressional leaders could be very helpful to build support for Senate and House approval of the Covenant.

Your Talking Points:

-- I shall be pleased to contact the White House and urge that such a briefing be held.

2. Telephone Calls to Selected Congressmen

Ambassador Williams' Position:

It would be very helpful if you could make telephone calls to a number of key Congressmen and indicate that you and the State Department fully support the Commonwealth Covenant.

Our Position: The Department of State fully supports the Covenant and is prepared to testify before the Congress if requested. Jack Knowles of EA/ANP will be present at the hearings to assist the Ambassador and to arrange for appropriate State officers to testify if required.

Your Talking Points:

-- I will be prepared to contact key Congressmen, selected in consultation with the Ambassador, to express our full support of the Covenant.

3. Palau Superport

Ambassador Williams' Position:

This project could have a serious adverse effect on the Micronesian status negotiations. By encouraging hopes of economic self-sufficiency, such a large-scale investment could stimulate Palauan sentiments in favor of separation from the rest of Micronesia and even a future status of full independence. The project may already have stimulated the recent Palauan request for separate negotiations with the United States. The US Government needs to study all the potential implications of this project and develop a coordinated USG position.

Our Position: We share the Ambassador's concerns. Embassy Tokyo has been asked to report on possible Japanese involvement on a continuing basis. In response to the Ambassador's memorandum of June 26, we are preparing a cable asking our Embassy in Tehran to do the same. We agree on the need to develop a USG position on this project.

Your Talking Points:

-- We share the Ambassador's concern over the possible implications of this project.

-- We agree on the need for a coordinated USG position, based on full information and study. We believe that representatives of all the agencies concerned should meet and pool their information and

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thinking. The Department would be pleased to convene such a meeting or, alternatively, to attend a meeting of the Inter-Agency Working Group on Micronesia convened by the Office for Micronesian Status Negotiations.

IMPACT ON US INTERESTS

Congressional approval of the Commonwealth Covenant, extending US sovereignty to the Northern Mariana Islands, is required to enable the United States to fulfill its obligations under the Trusteeship Agreement and to satisfy US security requirements which include denial of the area for military use by third parties. A Northern Marianas Commonwealth will assist the United States in carrying out its responsibilities for the security of Guam, the Trust Territory of the Pacific Islands and the Pacific area.

Attachments:

- Tab 1 - President's letter of July 1.
- Tab 2 - Text of draft Joint Resolution.
- Tab 3 - Ambassador Williams' memorandum of June 26.

Drafted: EA/ANP:JFKnowles:rlw  
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Concurrence: H - Mr. Richardson

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