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ACTION July 15, 1972

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MEMORANDUM FOR:

THE PRESIDENT

FROM:

HENRY A. KISSINGER

SUBJECT:

Micronesian Status Negotiations: Ambassador Williams' Report on the April Negotiations

At Tab B is a report of June 12 to you from Ambassador Franklin Haydn Williams, your Personal Representative for Micronesian Status Negotiations, covering last April's negotiations with Micronesian representatives in Palau, Micronesia. The talks most significantly resulted in agreement on the basic principles of Micronesia's future relationship to the U.S., which thus all but puts aside Micronesia's opting for independence with the difficulties that would present for us. Also of significance, one of the six districts making up Micronesia, the Mariana Islands, which geographically include Guam in its archipelego, asked us for separate negotiations leading to a closer political union with us than will be the case with the other five. We of course agreed to their request.

The principal points of our agreement with Micronesian representatives, which was embodied in the form of a Joint Communique, are as follows:

- -- The authority and responsibilities of the U.S. and Micronesia will be defined in a Compact, which will be submitted to the Congresses of the United States and Micronesia for approval as well as to the people of Micronesia in a plebiscite.
 - -- The U.S. will exercise full authority in foreign affairs and defense.
- -- Micronesia will exercise control over its internal affairs, and the structure and functioning of its government for this purpose will be spelled out in a Constitution, which will be drawn up by the people of Micronesia. (It was stipulated that the provisions of the Constitution will not conflict with those of the Compact.)
- -- Termination of the Compact on a unilateral basis will be permitted, after an initial period during which the Compact will be terminated by mutual consent only. (The length of the period remains to be worked out; our

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representatives proposed 15 years, while the Micronesians proposed five years.)

-- U.S. authority in the defense area, as well as U.S. land leases and options for defense purposes, would survive the termination. (A mutual security arrangement will be negotiated before the signing of the Compact, and will take effect in the event of termination.)

Although the Joint Communique represents a first major step, much hard negotiating remains in order to apply the general principles to the problems such as drawing up a Compact, a mutual security arrangement, and finances. These negotiations are expected to begin this month.

Ambassador Williams is briefing the concerned committees of the Congress on the negotiating progress to date.

Given Ambassador Williams' success in achieving agreement on basic principles in the year since he has taken up this responsibility, I would recommend that a personal letter of appreciation from you to him would be appropriate. A draft letter, which has been coordinated with Ray Price's office, is at Tab A.

RECOMMENDATION:

That you sign the letter of appreciation to Ambassador Williams at Tab A.

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