

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

7 August 1972

Dear Mr. President,

I am pleased to present this report on the fifth round of talks on the future political status of the Trust Territory of the Pacific Islands was held with the Joint Committee on Future Status of the Congress of Micronesia in Washington, D.C., 12 July to 1 August 1972. A full record of these proceedings, including those sections of the draft "Compact of Association" which were approved by both delegations, are enclosed.

The opening and closing sessions were plenary; otherwise the work of drafting a Compact was conducted by an informal joint drafting committee. The committee was able to reach agreement on draft language for a preamble and on those titles of the Compact relating to internal affairs, foreign affairs and defense responsibilities. In addition two important annexes were completed - one dealing with foreign affairs and the other with the military land requirements of the United States Government.

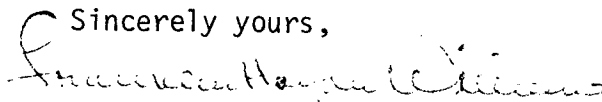
In essence these draft sections of the Compact vest full authority for the governing of Micronesia's internal affairs in the Government of Micronesia, and, in turn, vest full authority and responsibility over all matters relating to foreign affairs and defense in the United States.

While the general subject of finance was discussed briefly, this important issue remains to be explored. In addition, the areas of trade and commerce, nationality, termination, and transition procedures require further discussion and agreement. It is our intention to discuss the remaining issues at the sixth round of negotiations in Hawaii in September.

In the words of the Joint Communique, "the Washington talks have been among the most productive yet held and have provided the basis for a mutually beneficial relationship of free association between the United States and Micronesia."

I assure you that we will continue to strive for a final agreement which will serve the interests of both the United States and Micronesia.

Sincerely yours,


Franklin Hayden Williams