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MEMORANDUM

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NATIONAL SECURITY COUNCIL

ACTION

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April 29, 1974

MEMORANDUM FOR:

GENERAL SCOWCROFT

FROM:

JOHN A. FROEBE, JR. *JAF*

SUBJECT:

Proposed Amendment to Ambassador Williams' Negotiating Instructions on the Marianas

Ambassador F. Haydn Williams, the President's personal representative for Micronesian Status Negotiations, has asked authority to inform the representatives of the Marianas District that, as regards annual U. S. financial assistance to the Marianas, the U. S. Government will be prepared to adjust annually the agreed on level of such assistance to compensate for changes in the value of the U. S. dollar. The purpose of this change is to make his negotiating instructions vis-a-vis the Marianas (Tab B) consistent with those concerning the other five districts of the T. T. P. I. (Tab C). At Tab A is a draft supplementary instruction to this effect.

Since this is a purely routine matter, I recommend that you sign the attached memorandum for Secretary Kissinger.

Recommendation:

That you sign for Secretary Kissinger the draft supplementary negotiating instruction to Ambassador Williams at Tab A.

Concurrence:

Mr. Smyser *[Signature]*

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*HR 9/11/3/99*

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM FOR

Ambassador F. Haydn Williams  
The President's Representative for  
Micronesian Status Negotiations  
Department of Interior

SUBJECT: Supplementary to the President's Basic  
Negotiating Structure of May 9, 1973 on the  
Future Status of the Marianas District

In order to make the U. S. position toward the Marianas consistent with that toward the other five districts of the T. T. P. I. in the following respect, you are hereby authorized to inform the representative of the Marianas District as follows: as regards annual U. S. financial assistance to the Marianas District, the U. S. Government will adjust annually the agreed-on level of such assistance to compensate for changes in the value of the U. S. dollar.

Henry A. Kissinger

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THE WHITE HOUSE  
WASHINGTON

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May 9, 1973

MEMORANDUM FOR

THE CHAIRMAN, UNDER SECRETARIES  
COMMITTEE

SUBJECT: Negotiating Instructions on the Future Status  
of the Marianas District of TTPI

The President has considered your memorandum of April 13, 1973 to him forwarding the recommendations of the Under Secretaries Committee concerning our negotiations on the future status of the Marianas District of the Trust Territory of the Pacific Islands. He has approved the draft negotiating instructions which the USC recommended, with the exception of certain changes made as regards the question of land requirements. The negotiating instructions as approved by the President are attached at Tab A.

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*Brent Scowcroft*  
Brent Scowcroft  
Brigadier General, USAF  
Deputy Assistant to the President  
for National Security Affairs

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Instructions for President's Personal Representative

1. General

You are authorized to undertake on behalf of the U. S. Government negotiations with representatives of the Mariana Islands with the objective of arriving as soon as possible at an agreement providing for the Marianas' close and permanent association with the United States satisfying the following U. S. objectives:

Primary Objectives

- To fashion on a priority basis a close and permanent political relationship with the Mariana Islands District which will extend U. S. sovereignty to those islands and satisfy U. S. security requirements. The latter include: denial of the area for military use by third parties; U. S. control over the foreign and defense affairs of the Mariana Islands; and the right to establish military bases in those islands.
- To ensure establishment of a stable and friendly Marianas political unit through reasonable satisfaction of the political and economic aspirations of the people of the Marianas.
- To satisfy U. S. obligations under the Trusteeship Agreement through an act of self-determination leading to self-government for the Marianas.

Secondary Objectives

- To structure the status arrangements with the Marianas in such a manner as to have maximum favorable impact on the negotiations with the remaining five districts of Micronesia.
- To keep United States' financial obligations to the Mariana Islands within reasonable bounds and relevant to the character of our future relationship.
- To keep U. S. political, economic, and administrative relationships with the Marianas as simple as possible while accomplishing the above objectives.

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-- To establish a relationship with the Marianas which will (in addition to meeting U. S. obligations under the Trusteeship Agreement) obtain United Nations approval, or at least that of a majority of the Security Council and of the Trusteeship Council.

2. Status.

You should seek initially to reach agreement with the Marianas on a commonwealth arrangement providing internal self-government under a locally drafted constitution. This arrangement should provide for U. S. sovereignty, full U. S. control of defense and foreign affairs, and access to the Federal Court system.

Should the negotiation of a commonwealth arrangement appear impractical because of a clear preference in the Marianas and on Guam for a union of the two areas, or because of a strong preference in the Marianas for unincorporated territorial status, you may negotiate either status.

You should resist pressure from the Marianas to negotiate any status other than a territorial relationship. If pressed, you should note that your instructions are to negotiate a territorial status in response to the Marianas' expressed wishes and that discussion of any looser form of association would logically call into question the desirability of conducting negotiations with the Marianas separate from the rest of Micronesia. If, nonetheless, Marianas negotiators continue to resist territorial status, you should seek further negotiating instructions.

3. Land

The U. S. military and non-military land requirements should be satisfied by arrangements providing for purchase or long-term lease by the U. S. Government to take effect as soon as possible. You should make a serious effort to negotiate the land requirements defined under Alternative 1 and its variations in order to satisfy our priority land requirements on Tinian.

a. Alternative 1

Tinian. Purchase or lease the entire island (26,200 acres) but offer to lease back the southeast corner for population relocation (about



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7,000 acres). The U. S. Government would be willing to sign long-term leases, but would insist on controlling the uses the land can be put to and would not be obligated to lease back to anyone not currently a resident of Tinian.

Saipan

-- Conclude a Joint Use Agreement permitting U. S. military landing on and access to facilities of the civil airport.

-- Purchase or lease 500 acres adjacent to Isley Field runway. Part or all of the land could be leased back for agricultural purposes.

-- Purchase or lease 320 acres at Tanapag Harbor.

Farallon de Medinilla Island. Purchase or lease the entire island (229 acres). The acquisition of this island is to be included in all of the following negotiating alternatives.

Variants on the Saipan negotiating alternative:

(1) First Variant of Alternative 1

. Tinian. No change.

Saipan

-- Conclude a Joint Use Agreement permitting U. S. military landing rights on and access to facilities of civil airport.

-- Purchase or lease 500 acres adjacent to Isley Field runway. Land can be leased back for agricultural purposes.

-- Obtain access and use rights to Tanapag Harbor (320 acres). As part of this proposal the Marianas representative would be asked to agree that any subsequent development of Tanapag Harbor would meet criteria set by Department of Defense to insure that Harbor could be used by U. S. forces. The U. S. Government would be willing to furnish planning advice for any subsequent development. The U. S. Government will negotiate and pay rental fees for any usage at the time of U. S. Government use.

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(2) Second Variant of Alternative 1

Tinian. No change.

Saipan

-- Conclude a Joint Use Agreement permitting U. S. military landing rights on and access to facilities of civil airport.

-- Obtain access and use rights to 500 acres immediately adjacent to Isley Field runway to develop some type of military installation for servicing equipment, etc., whenever the need arises. Any interim civil development would have to meet criteria established by the Department of Defense. In turn, the U. S. Government would furnish planning advice and reassure Marianas that in the event a military installation was built on this land it would be a high employer. The U. S. Government would negotiate and pay rental fees for any usage at the time of U. S. Government use.

-- Obtain access and use rights to Tanapag Harbor (320 acres). As part of this proposal the Marianas representative would be asked to agree that any subsequent development of Tanapag Harbor would meet criteria set by the Department of Defense to insure the Harbor could be used by U. S. forces. The U. S. Government would be willing to furnish planning advice for any subsequent development. The U. S. Government will negotiate and pay rental fees for any usage at the time of U. S. Government use.

b. Alternative 2

Tinian. Purchase or lease the minimum essential U. S. land requirement (18,515 acres), and relocate the population to the southeast corner of the island.

Saipan and Farrallon de Medinilla Island. Same as under Alternative 1.

c. Alternative 3. The same as Alternative 2, except that the Saipan requirements would be omitted. Whether this alternative would be used as a fallback from Alternative 1 or 2 is left to your tactical discretion.



4. Financial Arrangements

You may propose sufficiently generous financial arrangements to make territorial status attractive to the Marianas, though the arrangements should encourage the Marianas' eventual economic self-sufficiency. Guaranteed minimum levels of direct assistance, based upon mutually-agreed program needs, can be in the range up to \$12 million. In addition, the U. S. expects to extend federal programs and services to the Marianas as appropriate. You may commit the U. S. to short-term assistance to cover any extraordinary transitional costs. You are authorized to negotiate, in coordination with interested agencies, land purchases or leases at reasonable rates, taking into account current land values in the Marianas District. It is important to make clear to the Marianans that all financial arrangements are subject to Congressional authorization and appropriation.

5. Interim Arrangements

Once an agreement on future status has been reached with the Marianas, the U. S. Government will seek to implement its terms, particularly those relating to separate governance of the District, as soon as possible, consistent with the need for Congressional approval. In your discussions with members of Congress you should outline the advantages of early implementation and explore Congressional receptivity to available alternative methods.

6. Congressional Consultation

You should keep the U. S. Congress informed of significant developments in the negotiations with the Marianas.

7. Responsibilities

Within the foregoing terms of reference, you are authorized to devise and implement the negotiating strategy best designed to achieve U. S. objectives in the negotiations and to determine the composition of the U. S. Delegation and appropriate procedural arrangements, taking into account the responsibilities and interests of the Departments of State, Defense, Interior, and Justice. All U. S. Government agencies and departments will provide you necessary assistance in seeing these negotiations carried to fruition.





THE WHITE HOUSE  
WASHINGTON

THE PRESIDENT HAS SEEN...

ACTION

May 3, 1973

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MEMORANDUM FOR:

THE PRESIDENT

FROM:

HENRY A. KISSINGER *K*

SUBJECT:

Negotiating Instructions on the Future Status  
of the Marianas District of the Trust  
Territory of the Pacific Islands (Micronesia)

At Tab B is a memorandum to you from the Chairman of the Under Secretaries Committee asking your approval on their proposed instructions to your Personal Representative for Micronesian Status Negotiations, Ambassador F. Haydn Williams, for negotiations on the future status of the Marianas District of the Trust Territory of the Pacific Islands (TTPI). As you will recall, our negotiating with the Marianas separately from the other five TTPI districts resulted from the request of the Marianas, who have long wanted a closer permanent relationship with us than the other districts.

The only controversial aspect of the USC recommendations is the question of our military land requirements in the Mariana Islands. The USC recommends that Ambassador Williams first try to secure our maximum land requirements: the purchase or lease of the entire island of Tinian, relocating its 800 inhabitants to Saipan, plus the acquisition of certain facilities and areas on Saipan and of the small uninhabited island of Farrallon de Medinilla (which is to be used as a bombing range). The USC fallback on Tinian -- the potentially serious sticking point -- would be first to modify or withdraw our requirements on Saipan, second to leave Tinian's population on the island but still to acquire the entire island (leasing back about 7,000 acres to the Tinianese), and last to acquire only three-quarters of the island (which the USC memorandum calls the "minimum and essential requirement").

We have serious doubts about taking all of Tinian, and a recent report from the State Department Political Adviser in the TTPI, whose past assessments have proved largely accurate, confirms these doubts as to the advisability of even trying to secure the Marianas' agreement to vacate Tinian's population to Saipan. The report arrived after the USC memorandum was submitted. Our Political Adviser and others began focusing on this aspect of Tinianese attitudes only recently because Defense only about two months

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NATIONAL SECURITY COUNCIL

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May 8, 1973

MEMORANDUM FOR: GENERAL SCOWCROFT  
FROM: JOHN A. FROEBE, JR. *(initials)*  
SUBJECT: Negotiating Instructions on the Future  
Status of the Marianas District of the  
TTPI

At Tab A is a draft memorandum from you to the Chairman of the Under Secretaries Committee attaching the negotiating instructions which the President has approved on the future status of the Marianas District of the TTPI.

Recommendation:

That you sign the draft memorandum to the Chairman of the Under Secretaries Committee at Tab A.

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THE WHITE HOUSE  
WASHINGTON

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March 29, 1974

MEMORANDUM FOR

Ambassador F. Haydn Williams  
The President's Representative for  
Micronesian Status Negotiations  
Department of Interior

SUBJECT: Supplementary Instructions Concerning  
Financial Arrangements with the Five  
Districts of Micronesia

After reviewing the recommendations contained in your letter of January 25, 1974 and the Under Secretaries Committee memorandum of February 23, 1974, the President has decided on the following:

-- That the ceiling of \$50 million in annual financial assistance for the five districts of Micronesia authorized by the President's instructions of November 14, 1973 should be raised to \$60 million. This ceiling will include grants, loans, federal programs and services, and payments for military land, and will extend for up to 15 years. This financial assistance will be contingent upon continued Micronesian agreement to U. S. rights in foreign affairs and defense as presently specified in the Compact.

-- This financial assistance will be subject to reviews periodically and at the end of the 15 year period, with the objective of negotiating such adjustments as may be supportive of a continuing Free Association relationship. A second major objective of these reviews should be to make a gradual reduction in U. S. financial assistance to Micronesia, in order to help Micronesia reduce its financial dependence on the United States. The reviews should also consider such adjustments as may be required by changes in the value of the U. S. dollar.

-- You may commit the U. S. Government to provide up to \$25 million for one-time costs of moving the capital of Micronesia from

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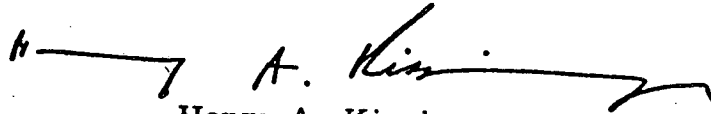


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Saipan to another district, subject to the approval of the U. S. Congress, with anything above that figure being provided on a matching basis of two U. S. dollars for every dollar provided by Micronesia and with an absolute U. S. ceiling of \$35 million.

-- You may commit the U. S. Government to provide a terminal five-year Capital Improvements Program of no less than \$15 million per annum for the five districts of Micronesia, the program to be developed by the Department of Interior, to begin in FY '75, and to be subject to the approval of the U. S. Congress.

  
Henry A. Kissinger

cc: The Secretary of the Treasury  
The Secretary of Defense  
The Secretary of the Interior  
The Deputy Secretary of State  
The Director, Office of Management  
and Budget

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## NATIONAL SECURITY COUNCIL

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March 19, 1974

MEMORANDUM FOR: SECRETARY KISSINGER  
 FROM: JOHN A. FROEBE, JR. *CAF*  
 SUBJECT: Micronesian Negotiations: Request for Supplemental Instructions on Financial Arrangements

At Tab I is a draft memorandum from you to the President attaching a report to him from his Personal Representative for Micronesian Status Negotiations, Ambassador F. Haydn Williams. The report covers the progress Williams made in his latest round of negotiations with Micronesia representatives, and asks for supplemental instructions on the financial aspects of the new status arrangements.

Ambassador Williams reports substantial forward movement in both sets of negotiations -- those with the Marianas District (which desires a separate, closer relationship with us than the other five districts of Micronesia do), as well as those with the other five districts. He hopes to conclude the negotiations with the Marianas this spring and those with the other five districts possibly next fall.

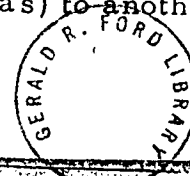
The principal problem, for which Ambassador Williams is seeking additional instructions, is that of financial arrangements with the five districts. He believes that the gap between our position and theirs has narrowed to the point where we can settle on a figure that approximates our current level of assistance to Micronesia -- about \$55 million annually -- plus certain supplemental assistance during the transition period. He therefore recommends that the President authorize him to:

-- Negotiate up to a ceiling on assistance of \$60 million a year for up to 15 years. (His present instructions authorize him to go up to \$50 million.)

-- Agree to reviews of the level of our assistance at 5-year intervals, as well as to adjustments in the levels to compensate for changes in the value of the dollar.

-- Commit us to provide up to \$25 million for one-time costs of moving the capital of Micronesia from Saipan (in the Marianas) to another district,

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with our assistance over that figure to be provided on a matching two-to-one basis, the total U.S. assistance for this purpose not to exceed \$35 million.

-- Commit us to a terminal five-year Capital Improvements Program for the five districts of no less than \$15 million annually. The program would begin in FY75 and would be developed by the Department of Interior.

The Under Secretaries Committee agrees with Ambassador Williams' recommendations, but wants to stress that our annual assistance would not be terminated at the end of 15 years but would be reviewed then -- as earlier at periodic intervals -- as regards the levels and types of assistance (Tab D).

OMB, however, has raised a number of objections (Tab E):

-- It would require that the five-year reviews of our financial assistance phase the level of our assistance down by \$5 million each time, and that the reviews otherwise be limited to adjusting the level of assistance to compensate for any changes in the value of the dollar. This limitation would be imposed in order to prevent the Micronesians from reopening the total amount of assistance.

-- It objects to the commitments at this point to specific figures on assistance for relocating the capital and on the CIP, contending that these need further study.

My view. I agree both with Ambassador Williams' recommendation and with the USC comment on them. I believe that we now have a better prospect of concluding these protracted negotiations at a reasonably early date, and that this modest increase in financial assistance should enable Williams to move toward that goal.

As to OMB's comments,

-- On the five-year reviews, I believe that we should not lock ourselves into a set figure for reducing the level of our assistance, but do agree that the general principle of downward revision should be included in Ambassador Williams' instructions. Secondly, I do not agree that the periodic reviews should otherwise be limited solely to adjustments for changes in the value of the dollar. More comprehensive reviews would seem advisable in order to insure that our financial assistance is supportive of a continuing Free Association relationship.

-- On the specific figures for moving the capital and the CIP, the question is only one of setting specific levels: Ambassador Williams' present

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instructions commit us to help relocate the capital, and Secretary Morton in a January speech on Micronesia committed us to a major increase in this program for the next five years. I do not agree with OMB that we have no adequate basis for setting such minimum and maximum financial limits at this point. Interior is satisfied that moving the capital will cost at least \$40 million. The CIP minimum of \$15 million annually would be lower than the \$25 million reached in FY71. The basic objective is to provide Micronesia with a basic economic infrastructure that will allow us to reduce our economic assistance considerably after this five-year transition period. Most importantly in terms of negotiating tactics, we need specific figures in order to be credible in what we hope will be our coming final rounds of negotiations. We have no objection to OMB's refining these figures in cooperation with interior, and understand that this process is already underway in the case of the CIP.

I would also note that these figures for this transitional assistance, when totaled with our basic annual assistance to the five districts, will leave us in a defensible position vis-a-vis the financial assistance we are planning to give the Marianas and Guam.

Attached to your draft memorandum to the President is a draft supplementary instruction in the President's name which approves Ambassador Williams' recommendations and incorporates my recommendations on the points OMB has raised.

Recommendation:

That you sign the draft memorandum to the President at Tab I.

Concurrences:

Mr. Kennedy *RMK* / *DR*  
 Mr. Smyser *WJS* / *DR*

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MEMORANDUM

## THE WHITE HOUSE

WASHINGTON ACTION

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March 25, 1974



MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY A. KISSINGER <sup>K</sup>

SUBJECT: Micronesian Status Negotiations:  
Request for Supplemental Instructions  
on Financial Arrangements

At Tab B is a report to you from your Personal Representative for Micronesian Status Negotiations, Ambassador F. Haydn Williams. The report covers the progress made in the latest round of negotiations with Micronesian representatives, and asks for supplemental instructions on the financial aspects of the new status arrangements. Ambassador Williams' initial report on this latest round, to which he refers in this letter of January 25, is at Tab C.

Ambassador Williams reports substantial forward movement in both sets of negotiations -- those with the Marianas District (which desires a separate, closer relationship with us than the other five districts of Micronesia do), as well as those with the other five districts. He hopes to conclude the negotiations with the Marianas this spring and those with the other five districts possibly sometime next fall.

The principle problem, for which Williams is seeking additional instructions, is that of financial arrangements with the five districts. He believes the gap between our position and theirs has narrowed to the point where we can settle on a figure that approximates our current level of assistance to Micronesia -- about \$55 million annually -- plus certain supplemental assistance during the transition period. He therefore recommends that you authorize him to:

-- Negotiate up to a ceiling on assistance of \$60 million a year for up to 15 years. (His present instructions authorize him to go up to \$50 million.)

-- Agree to periodic reviews of the level of our assistance, as well as to adjustments in the levels to compensate for inflation.

-- Commit us to provide up to \$25 million for one-time costs of moving the capital of Micronesia from Saipan (in the Marianas) to another

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district, with our assistance over that figure to be provided on a matching two-to-one basis, the total U. S. assistance for this purpose not to exceed \$35 million.

-- Commit us to a terminal five-year Capital Improvements Program (CIP) for the five districts of no less than \$15 million annually. The program would begin in FY75 and would be developed by the Department of Interior.

The Under Secretaries Committee agrees with Ambassador Williams' recommendations, but wants to stress that our annual assistance would not be terminated at the end of 15 years but would be reviewed then -- as earlier at five-year intervals -- as regards the levels and types of assistance (Tab D).

OMB, however, has raised a number of objections (Tab E):

-- It would require that the five-year reviews of our financial assistance phase the level of our assistance down by \$5 million each time, and that the reviews otherwise be limited to adjusting the level of assistance to compensate for any changes in the value of the dollar. This limitation would be imposed in order to prevent the Micronesians from reopening the total amount of assistance.

-- It objects to the commitments at this point to specific figures on assistance for relocating the capital and on the CIP, contending that these need further study.

My view. I agree both with Williams' recommendations and with the USC comment on them. I believe that we now have a better prospect of concluding these protracted negotiations at a reasonably early date, and that this modest increase in financial assistance should enable Ambassador Williams to move toward that goal.

As to OMB's views,

-- I agree that the general principle of a gradual reduction in U. S. financial assistance to Micronesia should be included in Williams' instructions, but I do not agree that we should lock ourselves into a specific figure or should confine our periodic reviews solely to the question of adjustments in the level to compensate for changes in the dollar. More comprehensive reviews would seem advisable, in order to insure that our financial assistance is supportive of a continuing Free Association relationship.

-- I disagree with OMB when it contends that we cannot rationally set specific minimum and maximum figures for assistance in relocating the capital and for the CIP. (The question is only one of specific figures, since you previously approved assistance for relocating the capital, and since Secretary Morton last January publicly committed us to a major increase in the CIP for Micronesia for the next five years.) We do have rational bases for setting specific minimum or maximum figures. Most importantly at



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this point, we need specific figures in order to be credible in what we hope will be our coming final rounds of negotiations.

At Tab A is a draft supplementary instruction in your name which approves Williams' recommendations.

Recommendation:

That you authorize me to sign the draft supplementary instruction to Ambassador Williams at Tab A.

Approve

A handwritten signature in dark ink, appearing to be a stylized 'P' or similar character, written over a horizontal line.

Disapprove

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