



DEPARTMENT OF STATE

Washington, D.C. 20520

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April 24, 1975

TO: M/DG - Mr. Appling  
 FROM: D/HÅ - J. M. Wilson, Jr.  
 SUBJECT: Letter From Fred Fox to the Secretary

Fred Fox's letter of April 13 to the Secretary is a pretty sorry piece of work and grossly unfair to Haydn Williams.

Fox, a wealthy Texan with past Trust Territory associations, has been in and out of the periphery of Micronesian operations for years, always offering to be helpful, but never contributing constructively. Up till now he has appeared as simply a benign kibitzer from Texas. I talked to him once over two years ago.

After the Marianas Covenant was signed in February, Fox surfaced again with an offer of private oil money for the Marianas Political Status Committee (MPSC) headed by Pangelinan. This offer was made to the MPSC through one James Leonard of Washington who has been acting as economic consultant to the Commission. Leonard called me and I talked it over with Haydn in San Francisco. We concluded that it would be very bad if it became known (as it would) that Texas oil men were financing a vote-getting campaign in Saipan for a Marianas Commonwealth, and we so advised Leonard.

When Pangelinan subsequently appeared we told him the USG had decided earlier that it should play a strictly neutral role in the forthcoming plebiscite on the Covenant in the Marianas and any advocacy for the new arrangement should be left

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E.O. 12958, Sec. 3.5

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By *HR*, NARA, Date 9/30/99

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to the MPSC. The MPSC clearly would need money for this but it could not be provided by the USG or the Trust Territory Headquarters. Pangelinan was not happy about this but said the District Legislature had voted the MPSC some \$55,000 just before he left Saipan. The problem was that the funds had to be released by the Trust Territory Government and District Administration and the bureaucracy normally took a long time to release them. We asked Interior to see what they could do to speed up the process and they did so, informing Pangelinan of their action before he left.

Fox's facts are thus wrong and should be corrected for the record in any reply, since we have been leaning over backwards to avoid any taint of USG or Trust Territory funding in the advocacy effort by the MPSC.

Fox's information on organizational changes within the Trust Territory and Interior is also out of whack, but can be ignored. His tale bearing impugning Haydn's reputation with the other Micronesians negotiations is little short of vicious. The problem there has not been any inability to establish personal confidence (Haydn has that with a great number of the delegation members) but a highly erratic chairman on the other side who has agreed three times on a complete agreement and reneged on all occasions for a series of very complicated reasons -- all of which are being analyzed in a report to the President. Haydn is now preparing that will probably recommend a major change in our negotiating stance.

I am out of this business now, but would be happy to work with whoever prepares the M/DG reply.



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