


THE WHITE HOUSE

WASHINGTON

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February 23, 1976

MEMORANDUM FOR JAMES CANNON

FROM: BRENT SCOWCROFT 

SUBJECT: Background Information on Guam and the Trust Territory of the Pacific Islands

For your information, there is attached at Tab A a brief fact sheet on the history of our relations and negotiations with Guam and Micronesia (Trust Territory of the Pacific Islands).

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HR 9/26/99



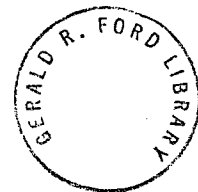
Status of Guam

The United States took over Guam from Spain after the Spanish-American War. From 1898 until 1950, the U. S. Navy administered Guam. In 1950 an organic act of the U. S. Congress made Guam an "organized" territory under the responsibility of the Department of Interior. The act also identified the territory as "unincorporated" since the U. S. Constitution does not fully extend to Guam. The President appointed the governor until amendment of the Organic Act in 1968 made the position elective. Guam's legislature kept an elected representative in Washington after 1964, but he lacked official recognition until 1972 when an act of Congress provided that Guam and the Virgin Islands should both have elected non-voting delegates in the House of Representatives.

A Guam constitutional convention that the Guam legislature called for in 1968, and held in 1970, proposed extensive amendment to the Organic Act, including the changing of its name to "Constitution of the Territory of Guam." The U. S. Congress did not act on them. In 1975 the House of Representatives passed a bill authorizing Guam to hold a constitutional convention. The bill is pending in the Senate. The Guam Legislature has created a Special Commission on Future Status and the head of the Commission as well as the Governor have asked the President to appoint a special representative to open talks on Guam's future status. We have prepared a draft reply letter for your office informing the Guamanians that the issue is currently under active consideration within the Administration, and that we hope to begin talks with them sometime this spring.

Following the completion in August 1974 of an NSC Under Secretaries Committee Study on Guam, the NSC issued a Presidential directive in February 1975 setting out broad objectives in negotiating a new status for Guam. The directive authorized the offer to Guam of a commonwealth arrangement no less favorable than that afforded the Northern Marianas. The directive tasked Interior with coming up with recommendations on positions and on the organization of a consultative team. Interior delayed doing anything until recently, partly because of bureaucratic reasons, and partly because it felt that we should not engage in serious talks with the Guamanians until after the passage of the Northern Marianas Commonwealth Covenant.

HR 9/20/99



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Under the Northern Marianas Commonwealth Covenant, the people of the islands have American citizenship and the U. S. enjoys full sovereignty. The Covenant provides for the extension to the Northern Marianas of federal programs and services now available to other American territories. Proceeds from numerous federal taxes, duties, and fees will remain with the local government in the same manner as they remain with the Territory of Guam. The Covenant also provides for the authorization of payment to the Northern Marianas of a \$14 million annual grant in constant 1975 dollars for the first seven years. The Covenant also authorizes the single appropriation of \$19,520,600 to be paid for lease of eighteen thousand acres for possible defense use to cover two terms of 50 years each.

Negotiations with the Micronesians

The U. S. Government opened formal discussions with the Micronesians in October 1969, with the initial objective of extending full American sovereignty over the islands. In 1970 the Micronesian Political Status Delegation rejected an organic act that the U. S. offered and which would have made Micronesia an incorporated U. S. territory. At the second round of discussions in Saipan in May 1970, the U. S. presented a commonwealth proposal to the Micronesian Political Status Delegation. The proposal provided for internal Micronesian self-government under a constitution devised locally and with a carefully circumscribed right of eminent domain -- a particular Micronesian concern. The Congress of Micronesia rejected the commonwealth proposal, and instead propounded a self-governing state of Micronesia in free association with the U. S. through a "compact of free association" revocable unilaterally by either party.

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The Marianas District, however, indicated that it desired a closer relationship with the United States, and we opened separate talks with the Northern Marianas in December 1972. The resultant covenant establishing the commonwealth received unanimous approval in the Marianas' local legislative bodies, including the Marianas District Legislature. A plebiscite held last June in the Northern Marianas under United Nations observation confirmed this choice by an overwhelming majority.

Meanwhile, negotiations with the Congress of Micronesia's negotiating body, now called the Joint Commission on Future Status, produced a final draft "compact of free association" in October 1974. The Congress

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of Micronesia later rejected the draft compact on grounds that the level of U. S. future financial assistance was inadequate. In November 1975 the Micronesians held a constitutional convention and agreed on a draft constitution for the proposed "Federated States of Micronesia." The new constitution provides the proposed Federated States with all the aspects of a sovereign independent state. The Micronesians have also held that all parts of the draft "compact of free association" which are in conflict with the constitution must be renegotiated to come into agreement with the constitution.

An NSC directive of January 20, 1976 instructed the NSC Under Secretaries Committee to undertake a review of U. S. policy toward the future status of Micronesia in light of developments including the new draft constitution. An inter-agency working group is currently preparing a report for the Under Secretaries Committee.

There are three broad options open to us:

-- Seek to persuade the Micronesians to amend their draft constitution to be consistent with the draft compact.

-- Agree to amend the compact to fit the draft constitution, thus ending up with free association in name but independence in fact.

-- Negotiate independence with some sort of U. S. -Micronesia defense agreement that would achieve our objective of denial, and assure our continued use of Kawjalien.



MEMORANDUM

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NATIONAL SECURITY COUNCIL

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ACTION

February 20, 1976

MEMORANDUM FOR BRENT SCOWCROFT

FROM: THOMAS J. BARNES

SUBJECT: Material on Guam and the TTPI for Mr. Cannon

Following your meeting on the afternoon of February 19 with Jim Cannon, you asked that we provide background on the history of our relationships and negotiations with Guam and Micronesia (the Trust Territory of the Pacific Islands). Attached at Tab I is a memorandum from you to Mr. Cannon conveying a brief fact sheet on this subject.

RECOMMENDATION:

That you sign the memorandum at Tab I.

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HR 9/20/99



NSC CORRESPONDENCE PROFILE

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SOURCE/CLASS/DESCRIPTION

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SUBJECT: Material on Guam & TPI for Barnes

DISTRIBUTION/INITIAL ACTION ASGMT

INTERNAL ROUTING AND DISTRIBUTION

	ACTION	INFO.	REC CY FOR
ADVANCE CYS TO HAK/SCOWCROFT			
STAFF SECRETARY			
FAR EAST <u>Barnes</u>			<u>X</u>
SUB-SAHARAN AFRICA			
MID EAST / NO. AFRICA / SO. ASIA			
EUROPE / CANADA			
LATIN AMERICA			
UNITED NATIONS			
ECONOMIC			
SCIENTIFIC			
PROGRAM ANALYSIS			
NSC PLANNING			
CONGRESSIONAL			
OCEANS POLICY			
INTELLIGENCE			

ACTION REQUIRED

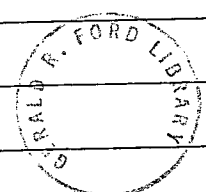
- MEMO FOR HAK
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- REPLY FOR
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- MEMO _____ TO
- RECOMMENDATIONS
- JOINT MEMO
- REFER TO _____ FOR:
- ANY ACTION NECESSARY?
- CONCURRENCE
- DUE DATE:

COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS)

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SUBSEQUENT ROUTING/ACTIONS

DATE	FROM	TO	S	SUBSEQUENT ACTION REQUIRED (OR TAKEN):	CY TO
2/20		Swift	X	Sgn memo to Cannon (2/20)	
2/23		NSC/C		Scowcroft sgd memo to Cannon	



NSC/S DISP INSTR

DISPATCH: DD up h/c 2-23
 CY RQMTS: SEE ABOVE PLUS: _____ BY _____
 NOTIFY _____ & DATE _____
 SPECIAL DISPOSITION: _____
 CROSS REF W/ 7600651
 SUSPENSE CY ATTACHED: X FOLDER: _____

MICROFILM & FILE RQMTS:
 M/F ID _____ BY _____
 FEB 25 1975
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 OPEN _____ HP NS
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