

MEMORANDUM

4194

NATIONAL SECURITY COUNCIL

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ACTION

July 21, 1976

MEMORANDUM FOR BRENT SCOWCROFT

FROM: THOMAS J. BARNES

SUBJECT: Memorandum of Your Conversation with Ambassador F. Haydn Williams, the President's Personal Representative for Micronesian Status Negotiations, on July 5, 1976

At Tab A is a memorandum of your conversation with Ambassador F. Haydn Williams, the President's Personal Representative for Micronesian Status Negotiations, on July 5, 1976 at 10:00 a. m.

RECOMMENDATION:

That you approve the memorandum of conversation with no further distribution to be made.

APPROVE

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DISAPPROVE

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

PARTICIPANTS: Ambassador F. Haydn Williams, the
President's Personal Representative
for Micronesian Status Negotiations
Brent Scowcroft, Assistant to the President
for National Security Affairs
John J. Taylor, Staff Member, NSC

DATE, TIME, AND PLACE: July 5, 1976, 10:00 a. m.
The White House

SUBJECT: 1. Micronesian Unity; 2. Negotiating
Prospects; 3. U. S. Territorial Policy;
4. The Asia Foundation; 5. The Ambassador's
Resignation

Introduction: At his request, you met with Ambassador Williams on July 5, 1976. The Ambassador discussed the prospects for negotiations with the Micronesians, his own resignation, U. S. territorial policy, and the future of the Asia Foundation. Following is a brief summary of his remarks on these subjects.

1. Micronesian Unity

Ambassador Williams said that the continued factionalism among the islands complicated the prospect for negotiations with the Micronesians. General Scowcroft said he was surprised at the extent of the difference. Williams explained that this situation was largely a reflection of the rich-poor dichotomy. Because of the Kawajelein Missile Range, the Marshalls have more money than the other islands, and they're not happy that 50 percent of it is going to the Congress of Micronesia. Palau, he said, used to be a center of Micronesian unity. With the possibility of a super port facility, Palau leaders now desire their district to be independent of the rest of Micronesia. There are also great differences of language and culture among the islands. We and the Japanese have imposed a false unity on the Micronesians.

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2. Negotiating Prospects

Williams said that we had obtained our primary objectives in establishing a permanent relationship with the Northern Marianas, and had come close to realizing our objectives in regard to the Caroline and the Marshalls when he and the Micronesian negotiators initialed a new draft Compact of Free Association a month ago. This Compact, the Ambassador said, met our principal foreign policy objectives in terms of defense and land use. Marine resources, however, was the one stumbling block. The Under Secretaries Committee has sent out to the various agencies and departments an inter-agency working group study on the problem. The Ambassador had hoped in April that it would be possible to present the draft Compact to the Congress of Micronesia's (COM) Special Session, which began on July 19, and if the COM approved it, to present the Compact to the people in a plebiscite this fall or early next year. This eventuality now looks unlikely.

Ambassador Williams said new Micronesian leaders have taken charge of the negotiations, and they are less friendly and seem to be in no hurry. The old leadership, instead of holding together and pressing for an early agreement, seems to have laid down its sword. The old group may possibly rally and defeat the new leadership, but this eventuality is not likely. The new leaders have a different approach to LOS issues. Palau and Marshall separatism is also a problem. In any event, an early agreement does not appear possible. Maybe it will be fall or winter before things shape up.

3. U. S. Territorial Policy

Williams said that he would like to discuss the lack of a comprehensive policy in the U. S. Government toward our territories. He said he was concerned not only about Micronesia, but also Guam and our other territories which we take too much for granted. There was too much ambiguity, he said, in our policies. Williams said there was a simmer of anger on the subject on the Hill. He named Congressmen Foley, Jackson, Bennett, Burton, and Clawson. These Congressmen, he said, were critical of the Department of State posture that frequently involved the United Nations in what were essentially U. S. domestic matters concerning our territories. Williams said that once we opened up the question of our fundamental relations with these territories, some will begin thinking of a different relationship. This is what happened, he said, in regard to Micronesian participation in the LOS Conference.



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The Ambassador opposed giving the Micronesians observer status at the conference, but the State Department insisted on it. This activity was a heady experience for the Micronesians and contributed to our current problem over marine resources.

Scowcroft said he had had some preliminary conversations with Jim Cannon about the question of our territories. Williams said some Congressmen were proposing a new Assistant Secretary of Interior for Territories. The Ambassador said there was no one responsible for this area like there was no one responsible for Idaho.

4. The Asia Foundation

Williams then referred to the outside commission that has been reviewing the work of the Asia Foundation. He said he knew that Scowcroft was aware of the background and the services the Asia Foundation performed. The commission's report is not yet finished, but its members have discussed their conclusions with AID and State. The commission is recommending not only continuation of U. S. Government funding for the Asia Foundation but an increase to \$10 million a year.

Last week, however, to the surprise of the Foundation and of AID, the FY 77 AID Appropriations Bill reported out of Senator Inouye's Subcommittee contained a stipulation that called for elimination of funding to the Asia Foundation. Two grounds were given for this action. First of all, it was alleged that the Asia Foundation was not voluntary, and that most of its support came from the government. Secondly, its programs and activities were said to be non-supportive of the Congressional mandate to AID to work with the poorest majority.

Actually, the Ambassador said, Congress had set out nine mandates, and the work of the Asia Foundation focuses on several of them. In addition, its contribution to educational and economic development indirectly contributes to the poorest majority. The Ambassador said that, unless Inouye pulls back, the Foundation after 26 years will be out of business.

Scowcroft said that he would talk both with Dan Parker and Phil Habib about this problem. He promised to give whatever help was possible.

5. The Ambassador's Resignation

Williams said that the Asia Foundation was putting pressure on him to return full time, and he thought he should hold to the date of July 31 for his resignation. Scowcroft observed that the marine resources issue

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was complex and that it looked like it was going to take longer than expected to reach an agreement. The General said he knew that Ambassador Williams had wanted to leave earlier. He said the Ambassador should proceed with his plans on the basis of his own desires. The General noted that the Ambassador had made a major achievement in obtaining the Commonwealth agreement with the Northern Marianas.

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