

NATIONAL SECURITY COUNCIL


25~~SECRET~~

May 26, 1979

ACTION

MEMORANDUM FOR: ZBIGNIEW BRZEZINSKI
 FROM: NICK PLATT *NP*
 SUBJECT: Micronesia Status Negotiations (C)

The attached memo to the President asks him to authorize an increase in the amount of money our negotiators can offer the Micronesians. Without the increase, the negotiations will come to an end. OMB opposes the increase with arguments that are fiscally sound, but politically unrealistic. (S)

The package seems formidably complex 


(S)

There is some time pressure behind this package. A Micronesia delegation will be in New York next week, and it would be advantageous for us to put any new proposals we might have to them there. I have told our bureaucrats that it is unfair to dump a package of this complexity on the White House on the eve of a long weekend after they have spent months massaging it and then request that we ram it through. I have told Peter Rosenblatt not to hold his breath. Nevertheless, our side will be helped if we give the issue prompt attention. (S)

Recommendation

That you send the package and forward under the attached memorandum (Tab I). (U)

Approve _____ Disapprove _____

~~SECRET~~

Review May 26, 1985

*dlz/oo NX**MLL-00-86
4/24/02*

25B

THE WHITE HOUSE
WASHINGTON

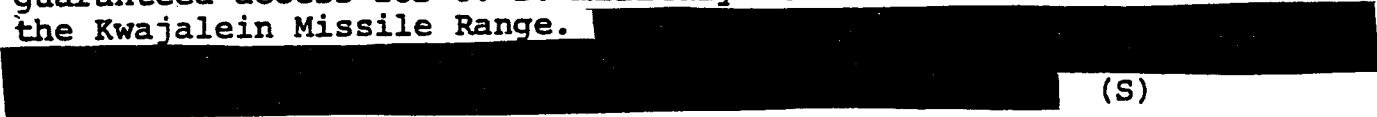
MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI
SUBJECT: Revision of Instructions for the
Micronesian Status Negotiations (C)

The Micronesian status negotiations are entering the final stage but cannot be concluded unless our negotiator is authorized to offer more money. In January, the Micronesians rejected the U. S. offer authorized under PD-11 (\$75 million annual commitment, certain Federal services, and a total of \$18 million in one-time payments) and asked for three or four times the amount. The Micronesians also wanted most of the money loaded on to the front five years of the fifteen-year agreement and adjusted for inflation. (S)



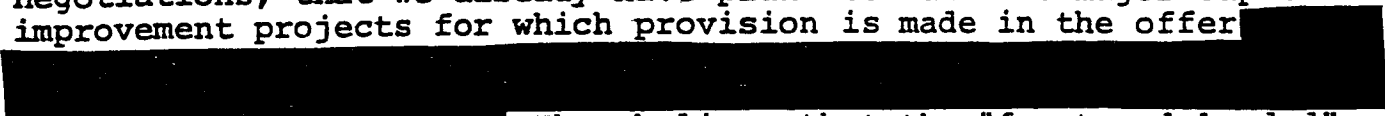
(S)

The Group argues that the negotiations will die without an adjustment in the negotiating instructions, that continuation of the trusteeship would cause problems at the UN and continuous confrontation with the Micronesians, and that the other alternative--independence--would threaten our security interests, particularly guaranteed access for U. S. military forces and continued use of the Kwajalein Missile Range.



(S)

OMB (Tab C) believes that we have conceded too much already in the negotiations, that we already have plans to fund the major capital improvement projects for which provision is made in the offer



They believe that the "front-end loaded" figure will become the basis for future negotiations. (S)

*State, NSC, Interior, Defense, Justice, Commerce, Transportation, Energy, JSC, OMB, and the Office of Micronesian Status Negotiations.

~~SECRET~~

Review May 26, 1985

96400 NSC NLC-00-86
4/24/02

NATIONAL SECURITY COUNCIL

25SECRET

May 26, 1979

ACTION

MEMORANDUM FOR: ZBIGNIEW BRZEZINSKI
 FROM: NICK PLATT *NP*
 SUBJECT: Micronesian Status Negotiations (C)

The attached memo to the President asks him to authorize an increase in the amount of money our negotiators can offer the Micronesians. Without the increase, the negotiations will come to an end. OMB opposes the increase with arguments that are fiscally sound, but politically unrealistic. (S)

The package seems formidably complex

(S)

There is some time pressure behind this package. A Micronesian delegation will be in New York next week, and it would be advantageous for us to put any new proposals we might have to them there. I have told our bureaucrats that it is unfair to dump a package of this complexity on the White House on the eve of a long weekend after they have spent months massaging it and then request that we ram it through. I have told Peter Rosenblatt not to hold his breath. Nevertheless, our side will be helped if we give the issue prompt attention. (S)

Recommendation

That you send the package and forward under the attached memorandum (Tab I). (U)

Approve _____

Disapprove _____

SECRET

Review May 26, 1985

9/26/00 NSX
J

NLC-00-86
 4/24/02

OMB recommends [REDACTED]

[REDACTED] The Department of Justice associates itself with the OMB position. (S)

The OMB position is sound from the budgetary and fiscal points of view. There is no doubt that the Interagency Group recommendation will be [REDACTED]

The OMB position fails, however, to address the political realities of the negotiations. The issues are, in starkest terms:

- Do we want the negotiations to proceed?
- Are the policy objectives originally set forth in 1977 still valid? (S)

I believe that our stated policy of terminating the trusteeship in 1981 and agreement on the free association relationship which we are currently negotiating will most effectively guarantee our security and defense interests in the Pacific. I believe that we should move these negotiations forward [REDACTED]

(S)

OMB has asked that consideration of the \$10 million one-time payment on nuclear claims, and authorization for continued related services, be deferred without prejudice until it has studied the proposal. I support this request. (S)

Recommendation

That you authorize me to sign the attached PD approving the Micronesia Interagency Group recommendations on the size of annual average payments, "front-end loading," inflation adjustment, and one-time payments (Tab B) (except the \$10 million payment on nuclear claims, and authorization for continued related services, which will be deferred). (S)

Approve _____ Disapprove _____

~~SECRET~~

Components of [redacted] Million Annual Average

<u>Interagency Group Recommendations (In Millions)</u>	<u>OMB Recommendations</u>	<u>Present Authority</u>	
[redacted]	[redacted]	\$60	Yearly average grant assistance. For operations and infrastructure development. [redacted]
[redacted]	[redacted]	10	Annual cost for Kwajalein Missile Range requirements. (No change.)
[redacted]	[redacted]	0	Scholarship fund for post-secondary education. [redacted]
[redacted]	[redacted]	5	Fishery zone surveillance. (Reduced from PD-11 authority of \$5 million yearly on matching basis.)
[redacted]	[redacted]	<u>0</u>	Value of health and medical services currently provided. [redacted]
		\$75	

Aif Micronesians insist on inflation adjustment.

Bif Micronesians will drop the inflation adjustment and agree to no review during the life of the Compact.

~~SECRET~~

7/6/88 NSC

NLS-00-88