3166

NATIONAL SECURITY COUNCIL

SECRET.

June 1, 1979

ACTION

MEMORANDUM FOR:

DAVID AARON

FROM:

NICK PLATTIF

SUBJECT:

Micronesian Status Negotiations (C)

I have not been able to get DOD and OMB to agree on a sensible position on the million nuclear claims item. At the very best OMB will agree to sending forward a request for authority from the President to negotiate a one-time payment of no more than million with the precise amount to be determined by interagency agreement. OMB will agree to this only if the entire package is returned so that DOD can review its position on all the major payments issues. With months of inter-agency haggling having gone already into the package at hand, and with negotiators on both sides languishing in New York, I think it would be irresponsible to send the package back. The best course of action in my view is to move forward as is with the nuclear claims issue separate. OMB will agree to this. DOD will not be happy, but we can assuage their concern by offering to give prompt consideration to a separate package on this issue as soon as it is ready.

In fact, there is no real reason why the nuclear claims issue has to be an integral part of the entire package. The current negotiations are focussed on the monetary assistance issues. No one is ready on either side actually to negotiate nuclear claims. In fact, the Micronesians have not even selected an agency to represent them on this issue. (S)

## RECOMMENDATION:

That we move the Micronesian status negotiations package back to the President's desk as is.

SECRET Review June 1, 1985

7/6/00 NSC ALCOO-88 A/26/02