

THE WHITE HOUSE

WASHINGTON

December 7, 1969

MEMORANDUM FOR STU EIZENSTAT

FROM:

JEFFREY FARROW *J.F.*

SUBJECT:

Burton and the Micronesian status negotiations

Brzezinski agreed with your memo suggesting that we be a part of the Trust Territory termination negotiation strategy planning. Consequently, I have been working with Nick Platt of his staff on the recommendations of the Micronesia Interagency Group chaired by State Counselor Matt Nimetz.

Our conclusion is, as I suggested to you initially, that the inter-agency group's proposed Presidential action doesn't get to the heart of the issue. That is the question of whether we can reach an accommodation with Phil Burton, whose support is essential to Congressional approval.

Our proposal, therefore, is to ascertain whether we can buy Burton's backing before proceeding further with the negotiations. The price would be explored at a meeting that I will set-up next week with Phil, DPA (you and me or just me), NSC (Platt), OMB (Hessler), CL (Cable), and Jim Joseph would attend. It will be preceded by a strategy session here.

The cost may be:

- *the extension of health and educational programs post-trusteeship (at an estimated cost of \$25 million annually) to the freely associated states which will have every character of independence save defense responsibilities;
- *an increase in the 3 percent inflation adjustment offer (the inter-agency group's recommended 7 percent hike would cost \$362 million over 15 years); and
- *possibly other items related or unrelated to this issue.

Do you want to attend? _____ Yes _____ No