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MEMORANDUM

NATIONAL SECURITY COUNCIL

March 23, 1982

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ACTION

MEMORANDUM FOR WILLIAM P. CLARK

SIGNED

FROM: DONALD GREGG DG

SUBJECT: An NSDD Attempting to Settle Northern Marshall Islands Nuclear Claims

One part of the infinitely complicated process of negotiating a Compact of Free Association with Pacific territories that have been under our trust is the settlement of nuclear claims brought by citizens of the Marshall Islands. These claims, now pending before the United States Court of Claims allege damages totaling \$4.85 billion and related administrative claims amounting to \$1.68 billion.

A subcommittee of the SIG dealing with Compact negotiation took a meticulous look at these claims and came up with an estimate that they might be settled out of court for a total of \$195 million. OMB then got into the act and cut the figure down to \$125 million. State has located a Chief Negotiator, Fred Zeder, who is willing to go out and try to settle these claims. I have talked to Zeder at some length. He is tough and courageous but admits that he may not be able to bring this settlement off.

The SIG has given unanimous approval to Mr. Zeder's attempt. He will leave for the Pacific shortly and will begin negotiating in early April. Attached are SIG Memorandum No. 5, giving additional background; a memorandum from you to the President; an NSDD for the President to sign and a memorandum from you to the concerned organizations transmitting the NSDD, when it has been signed.

RECOMMENDATIONS

OK No

- 1 1. That you sign the attached memorandum to the President.
- 2 2. That you sign the attached memorandum transmitting the signed NSDD.

Declassified/Released 9/6/95
under provisions of E.O. 12958
by D. Van Tassel, National Security Council
(F87-249)

Attachments

- Tab I Memorandum for Signature to the President
- A NSDD for Signature
- Tab II SIG Memorandum No. 5
- Tab III Memorandum for Signature to Concerned Organizations

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Review on March 23, 1988

DECLASSIFY ON: OADR