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APRIL 20, 1972

ON-FILE NSC RELEASE
INSTRUCTIONS APPLY

DOS review
completed.

MEMORANDUM FOR MR. KISSINGER

FROM: DAVE MCMANIS

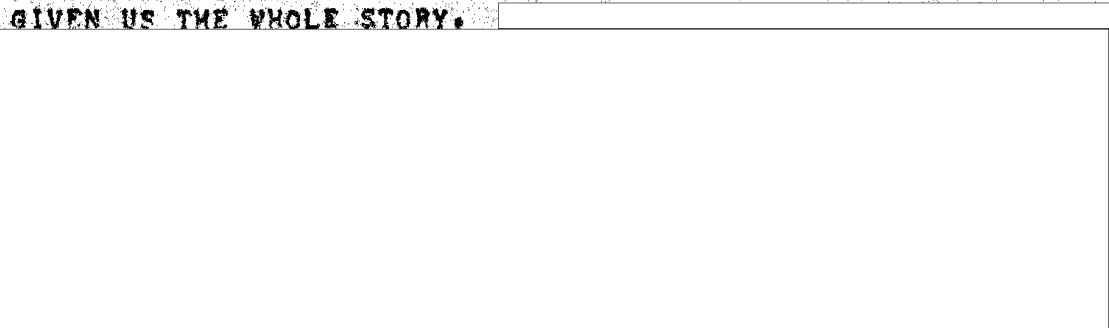
SUBJECT: ADDITIONAL INFORMATION ITEMS

MORI/CDF
C03353031

NORTH VIETNAMESE TRADE MISSION TO JAPAN APPARENTLY ACHIEVES LITTLE. THE NORTH VIETNAMESE TRADE DELEGATION WHICH HAS BEEN VISITING JAPAN SINCE EARLY APRIL HAS APPARENTLY ACHIEVED LITTLE, ACCORDING TO WHAT EMBASSY TOKYO HAS LEARNED FROM THE JAPANESE FOREIGN OFFICE.

- NEITHER SIDE BROACHED THE QUESTION OF TRADE OFFICES IN TOKYO AND HANOI, AND JAPAN'S PROPOSAL FOR ONGOING OFFICIAL CONTACTS IN PARIS OR VIENTIANE RESULTED IN A NORTH VIETNAMESE PROMISE TO STUDY THE IDEA.
- BOTH SIDES AGREED ON THE DESIRABILITY OF EXPANDED BILATERAL TRADE, BUT THE JAPANESE SAID IT WOULD BE LEFT IN PRIVATE HANDS ON THEIR SIDE. JAPANESE EXIM BANK LONG-TERM CREDITS REPORTEDLY WERE NOT DISCUSSED.
- HANOI ASKED FOR TECHNICAL ASSISTANCE, BUT JAPANESE OFFICIALS SAID THEY RESPONDED THIS WOULD HAVE TO BE ON A PRIVATE BASIS AND LIMITED.
- HANOI ASKED JAPANESE OFFICIALS TO FACILITATE JAPANESE SHIPPING SERVICES TO HAIPHONG, BUT FOREIGN OFFICE OFFICIALS SAID THEY RESPONDED THIS WOULD SIMILARLY BE LEFT IN PRIVATE HANDS.

WE ARE SOMEWHAT SKEPTICAL THAT THE JAPANESE FOREIGN OFFICE IN THIS INITIAL RUNDOWN OF THE NORTH VIETNAMESE VISIT HAS GIVEN US THE WHOLE STORY.



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MICRONESIAN STATUS NEGOTIATIONS: OUT OF THE LATEST SESSION OF THE MICRONESIAN STATUS NEGOTIATIONS HELD IN MICRONESIA APRIL 2-13, AMBASSADOR FRANKLIN HAYDEN WILLIAMS HAS ACHIEVED AGREEMENT IN PRINCIPLE WITH THE MICRONESIAN REPRESENTATIVES TO CONCLUDE A COMPACT OF ASSOCIATION. EMBODIED IN A JOINT COMMUNIQUE, THE AGREEMENT:

- BASES THE COMPACT ON THE "SOVEREIGN RIGHT OF THE PEOPLE OF MICRONESIA TO CHOOSE THEIR OWN FUTURE."
- VESTS IN MICRONESIA THE CONTROL OVER MICRONESIAN INTERNAL AFFAIRS, WHILE RESERVING TO THE U.S. RESPONSIBILITY FOR FOREIGN AFFAIRS AND DEFENSE.
- PROVIDES FOR THE RIGHT OF THE PEOPLE OF MICRONESIA TO WRITE THEIR OWN CONSTITUTION, WHILE STIPULATING THAT THE CONSTITUTION WILL NOT CONFLICT WITH THE COMPACT.
- PROVIDES THE RIGHT OF UNILATERAL TERMINATION OF THE COMPACT, UNDER WHICH EITHER PARTY COULD GIVE NOTICE AFTER THE COMPACT HAS BEEN IN FORCE FOR A SPECIFIED NUMBER OF YEARS (TO BE DETERMINED) -- WHILE STIPULATING THAT OUR NEW LEASES AND OPTIONS TO LEASE WOULD CONTINUE FOR THEIR SPECIFIED TERMS, AND THAT A MUTUAL SECURITY PACT, WHICH WOULD PROVIDE FOR U.S. DEFENSE INTERESTS, WOULD BE NEGOTIATED IN ADVANCE OF THE SIGNING OF THE COMPACT AND WOULD TAKE EFFECT IN THE EVENT OF TERMINATION.

NEGOTIATIONS ON THE COMPACT WILL BEGIN POSSIBLY AS EARLY AS JUNE.

ONE OF THE SIX DISTRICTS, THE MARIANAS DISTRICT, WHICH IS THE MOST IMPORTANT TO OUR IMMEDIATE MILITARY BASING REQUIREMENTS AND WHICH GEOGRAPHICALLY (AS THE MARIANAS ISLANDS) INCLUDES GUAM, OPTED OUT OF MICRONESIA AND ASKED US FOR SEPARATE NEGOTIATIONS LOOKING TOWARD SOME FORM OF CLOSER PERMANENT POLITICAL ASSOCIATION WITH US. AMBASSADOR WILLIAMS AGREED, AND IS DISCUSSING A TIME AND PLACE FOR THE NEGOTIATIONS TO GET UNDERWAY. HE WAS AUTHORIZED IN HIS NEGOTIATING INSTRUCTIONS TO TAKE THIS STEP IF IN HIS JUDGMENT HE CONSIDERED IT WARRANTED. (FROEBE)

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FINLAND'S PRESIDENT KEKKONEN PLANS JUNE VISIT TO ALASKA; PRESIDENT KEKKONEN'S AIDE-DE-CAMP HAS INFORMED AMBASSADOR PETERSON THAT KEKKONEN HAS ACCEPTED AN INVITATION FROM JAMES THORNTON, BOARD CHAIRMAN OF COMBUSTION ENGINEERING'S SUBSIDIARY LUMMUS COMPANY, TO MAKE A ONE-WEEK UNOFFICIAL FISHING AND HUNTING VISIT TO ALASKA, JUNE 22-30, 1972. LUMMUS COMPANY WILL ARRANGE TRAVEL BY PRIVATE PLANE. THE PRESIDENT'S AIDE-DE-CAMP HAS ASKED THAT THE VISIT BE CONSIDERED CONFIDENTIAL UNTIL ANNOUNCED BY THE FINNISH GOVERNMENT. (CLIFT)

CHILE - PARIS CLUB AGREEMENT: CHILE'S CREDITORS HAVE REACHED ACCORD IN THE PARIS CLUB ON THE TERMS OF A MULTI-LATERAL DEBT RE-SCHEDULING AGREEMENT. UNDER THE AGREEMENT, CHILE WOULD ACCEPT A SHORT CONSOLIDATION PERIOD WHICH PERMITS A REVIEW OF THE SITUATION AT THE END OF 1972, AGREE TO PAY ALL ITS EXTERNAL PUBLIC DEBT WHETHER OWED TO GOVERNMENTS OR PRIVATE FOREIGN CORPORATIONS (AND PRESUMABLY INCLUDING THE BRADEN AND ANNACONDA NOTES), AND PROMISE TO PROVIDE JUST COMPENSATION FOR ALL NATIONALIZED PROPERTY. SINCE THE DRAFT AGREEMENT MEETS OUR BASIC REQUIREMENTS WE HAVE TOLD OUR NEGOTIATORS TO APPROVE IT AD REFERENDUM. THE NEWS OF ALLENDE'S DECISION TO EXPROPRIATE ITT HOLDINGS IN CHILE CAME HARD ON THE HEELS OF THE ACHIEVEMENT OF THE PARIS CLUB AGREEMENT. CHILE'S DELEGATE WAS CALLED IN BY THE CREDITORS AND ASKED IF ITT WOULD BE INCLUDED UNDER CHILE'S COMMITMENTS ON DEBT AND COMPENSATION. HE INDICATED THAT IT WOULD. WE CAN EXPECT THAT THE PROCEEDINGS WILL BE LENGTHY IN THE CASES OF BOTH THE COPPER COMPANIES AND ITT, AND THAT CHILE WILL CONTINUE TO AVOID MAJOR PAYMENTS TO THE LARGE AMERICAN COMPANIES AS LONG AS POSSIBLE. HOWEVER, ITS ACCEPTANCE OF THE PRINCIPAL AND ASSUMPTION OF COMMITMENTS IN THE CONTEXT OF THE PARIS CLUB CONSTITUTES A MAJOR STEP FORWARD FROM OUR VIEWPOINT. (JORDEN)

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