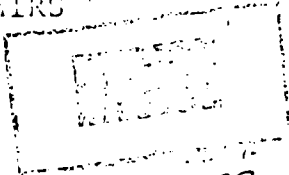


BUREAU OF INTERNATIONAL ORGANIZATION AFFAIRS

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September 2, 1971



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MEMORANDUM

TO : Ambassador Hummel
Chairman, Inter-agency Group

FROM : IO - Martin F. Herz

SUBJECT: Defense Land Requirements in Micronesia -
IO Comment

We have reviewed the DOD draft letter awaiting signature by Secretary Laird which Commander Kuhn presented at the last Inter-agency Meeting. We have three general comments and a number of specific points to make regarding the paper.

General Comments

1. Scope of Requirements

In general we believe that DOD has shown considerable restraint in defining its land needs. We do not believe that any of its requirements are by definition unobtainable. We believe the absence of a series of more inflated requirements from which we would be requested to fall back only with reluctance is a particularly valuable contribution and one which we did not initially expect. Starting out with a tight list should enable us to have maximum impact and avoid souring the negotiation before we get to the essential requirements.

DEPARTMENT OF STATE A/CDC/MR

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REVIEWED BY BHB DATE 7/2/88

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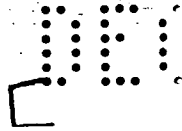
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3. Payment for Bases:

We fully support the general concept advanced by DOD that we should balance the cost of land we are obtaining against our overall contribution toward the Territory's support. We also agree that we should not just enter into a give-away program with the Micronesians; we should seek to achieve settlements reasonable from our standpoint as well as theirs. Nevertheless, we do see the following problems with some of the specific proposals which DOD has made to achieve this objective.

The DOD paper proposes that no payment be made if DOD's needs are to be met with "public" lands, or that "public" lands be traded for needed private land. This

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proposal does not take account of the fact that Micronesians do not view much of the "public" land as public at all, but as private land being held in trust by the Administration for ultimate return to the rightful Micronesian owners. As a result they would expect payment just as if it had been in private hands all along. It also overlooks the fact that our May 1970 proposal contained a pledge to return all "public" land to the new government of Micronesia to be dealt with as it saw fit. It would be most difficult to back off from that pledge. Even an attempt to do so could have a negative impact in terms of our credibility with the Micronesians. We can, of course, insist on needed "public" as well as private land, but we should expect to pay for both.

The DOD paper also places considerable stress on seeking to retain, without renegotiation, existing agreements for lands which we shall continue to require. We would support such a proposal if we had not promised the Micronesians, in May 1970 as part of the Commonwealth offer, to renegotiate all such existing agreements involving land we wished to retain. Again it is difficult to imagine that the Micronesians would agree to a lesser offer at this time. It is possible that in the case of the Mid-Corridor agreement we could argue that the renegotiation which took place in 1971 met the Commonwealth pledge. That is worth a serious effort, particularly since the agreement is subject to review again in 1976. But we should not be surprised if the Micronesians cite and insist upon our earlier pledge even in that case. We believe there is almost no chance that they would agree in other cases and that our position could be seriously damaged by even making such a proposal.

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We believe relying on past actions would be very unwise. The Micronesians would correctly point out that we had an obligation under the Trusteeship Agreement to perform such functions and provide such support--and they could point to the uneven nature of our record. The future is another matter, however, and we would agree that payment for lands should not simply be added to other support provided Micronesia. Nevertheless, we believe Micronesia must and should be paid for our basing rights. They already expect such payment and our May 1970 offer, with its elaborate provisions for making just compensation for needed land, again serves to tie our hands. More important, the Micronesians see this as one way in which they can obtain a portion of their budgetary support unencumbered with the normal appropriation ties. In terms of Micronesian self-respect and real self-government this is an important objective. The achievement of that objective should also be in our interests. Our constant involvement in Micronesian affairs and the resulting friction will be reduced, and Micronesian satisfaction with the association will be increased.

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Specific Comments

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References to the acquisition of land - We note a number of references of this sort, apparently referring to a desire to buy rather than lease land. This is worth an effort, but we trust we will settle for the lesser arrangement without too much fuss. We would also recall the May 1970 commitment that any land "acquired" would nevertheless revert to the original owners five years after it ceased to be used for the purpose for which it was originally acquired.

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Tab E - We believe that it is most unlikely that the physical plant on Eniwetok can be used as "a major negotiating asset." An air field on such a remote atoll is not very useful for civilian purposes. The remoteness of the atoll also makes the facilities less than ideal for any regional or even district use by the Micronesians. I.E., we must seek to put alleged assets in a Micronesian perspective--the price tag is not everything.

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