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AGENDA

Sept 20, 1972

1. Whether the U.S. should seek - in its interests - to renegotiate the leases relating to leased lands in Micronesia.
 - (b) Whether renegotiation need run to the leases on quarries.
 - (c) In the event there is no renegotiation what measures should be taken to protect US interests - esp. security/defense - in terms of the Compact.

2. Renegotiation of the leases - Advantages.

- Brings all the leases into a single universal set of terms and conditions.
- Assures the application of the Compact provisions.
- Ensures the extension of all leases to the term contemplated by the Compact of US base occupancy.
- Settles any questions relating to compensation or rental payments.
- Avoids any further intrusion by the Micronesian Government.
- Avoids any complaint by Micronesian factions whether or not they have an "interest" in the terms and conditions.

3. Leases on the Quarries.

- Depends upon the need and use made of the quarries.
- They appear to be ancillary to the exercise of defense powers.
- They appear to be essential to base construction.

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4. Measures to be taken in lieu of renegotiation.

- Vest strong powers to assist the United States in getting lease terms and conditions in Govt. of Micronesia.
- Assure adequate powers - of eminent domain and of police powers; assure that such powers can and will be exercised if necessary; determine whether such exercise would have severe impact on relations within Micronesia or toward the US generally.
- Take the following steps:
 - Provide for the necessary enforcement powers in the Govt. of Micronesia.
 - Provide for consultation and review of all leases with a view toward making the change proposed in my memorandum.
 - Provide for such provisions as are needed to ensure that the leases will continue with no change in benefits to the US; to ensure that they are compatible with the Compact; to ensure that we have full rights and authority as provided under the Compact.
 - Provide for such measures as may be needed as to recalcitrant landowners.

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