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1/9/74

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BACKUP BOOK
FOR
AMBASSADOR WILLIAMS MEETING
WITH
DEPUTY SECRETARY OF DEFENSE CLEMENTS

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PREPARED BY: E. C. WHELAN
Captain, USN
Ass't for TTPI

OASD/ISA/EAPR
X-71802

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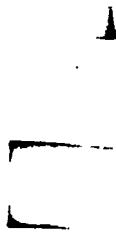
9 JANUARY VISIT WITH AMBASSADOR HAYDN WILLIAMS

DEF. SEC. HAS SEEN

TAB

- A Recommended Discussion Points
- B RECAP of Third Round with Mariannas (MPSC)
- C Highlights of Seventh Round with Micronesians (JCFS)
- D Tinian Base Requirement Diagram
- E Copy of SECDEF Letter of 5 Dec 1973 (TTPI Land Requirements)
- F Copy of Chairman JCS Letter of Dec 1973 (Saipan Memorial Park)
- G Copy of "Pacific Daily News" Article on Saipan Park
- H Ongoing DOD actions Resulting from Third Round

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RECOMMENDED DISCUSSION POINTS

Impact of Seventh Round with JCFS

- It would appear that firm position taken with Joint Committee for Future Status (Micronesian Negotiations) in November 1973 had favorable impact on the Marianas Talks (Third Round). (TAB C).

Outlook for Acquiring Northern Two-Thirds of Tinian

- Did US offer of private ownership of southern 1/3 Tinian produce favorable outlook for acquiring northern 2/3 for joint-use base. (TAB D).

Purchase versus Lease of Military Lands

- Avoid leasing land ... even if long term ... because of adverse precedent to other defense land negotiations on US soil, particularly Guam.
 - And because of cost effectiveness (up to \$10 million authorized for purchase of Tinian vice \$200 million for 100 year lease).

OMB Comment About Tinian Base

- Understand that OMB representative remarked to members of your office that some supported Tinian base development only through Phase Three, i.e., completion of bare base.
 - Did they point out Secretary Schlesinger's letter of 5 December 1973 reaffirming DOD resolve. (TAB E).
 - The recent air resupply of Israel with attendant overload of Lajes, Azores reemphasizes necessity for support/throughput bases which we can count on.

Scope of Saipan Memorial Park

- OSD currently staffing letter from Chairman JCS supporting concept of memorial park to WWII US servicemen casualties. (TAB F).
 - Looking into problems of funding; owning land vice lease for military retention; and maintenance of park in future.
 - Do you envision scope of park to encompass more than DOD interests (e.g., swimming pool, arboretum and small boat marina). (TAB G).
 - How do you propose to respond to suggestion that it honor Saipanese casualties ... Japanese ...?

Military Presence on Tinian

- Military Liaison Officers and USAF/USN base survey teams visiting Tinian plus Marine amphibious exercise scheduled March 1974 should provide good DOD presence in support of your negotiations.
- One must understand no permanent military presence possible until after land is acquired on Tinian.

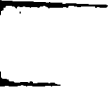
Relocation of Village on Tinian

(FYI ONLY: DOD preference is move village; however some individuals in DOD believe not necessary.)

- Do you anticipate villagers on Tinian will choose relocation?
 - We believe that alternate ammunition handling facility (wet slip on base) will solve safety criteria ... but not all of logistic shipping and improvement of civilian community.

Under Secretarys Committee Study on Guam

- DOD is working hard on Study to seek ways to improve lot of Guamanians ... Would appreciate Ambassador Williams assistance in stressing importance of this across-the-board review to other US Government departments to generate better interest/support.



10- 431690



THIRD ROUND: MARIANAS POLITICAL STATUS

Purpose

- The following summarizes the highlights of the subject negotiations as reported by the final communique contained in HICOMTERPACIS message 190920Z December 1973 (JCS IN 71312).

Summary

- The Marianas Political Status Commission (MPSC) and the President's Personal Representative, Ambassador F.H. Williams met from 6 December 1973 through 19 December 1973 in public plenary opening and closing sessions and many working meetings. Agenda items covered were:
 - Political and Legal
 - Transition Planning and Programs
 - Economics and Finance
 - Land
- Substantial progress in political and transition areas, but much to be accomplished in finance and land areas...outlook good.

Political and Legal

- Political Status. The Marianas are to be a "Commonwealth" with repeal or amendment of such status only by mutual consent of the parties. That status would reflect maximum self-government enforceability in the federal courts, and the specific recognition that approval would constitute a sovereign act of self-determination.
- Citizenship. Persons born in the Marianas prior to and after establishment of the Commonwealth would become US citizens. Those not wishing US citizenship could become a "national, not a citizen" after their declaration in court.
 - Applicability of Federal Laws. A joint legal group will explore a general formula of interim, i.e., before commonwealth, applicability. Subsequently, a study will make recommendations to the US Congress on future applicability of relevant federal laws to the Marianas.
 - Federal Income, Gift and Estate Taxation. Marianas citizens and nationals will not be taxed federally on income earned in the Marianas, but would be subject to tax on US source income. The future government of the Marianas would have the power to enact, repeal or amend its internal revenue laws as part of their effort to develop economic self-sufficiency.

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- Customs Duties and Excise Taxes. The Marianas would not be included in US customs territory and would have authority to establish a "duty-free port" consistent with the obligations of US-including the General Agreement on Tariffs and Trade (GATT).
- Transition Planning and Programs. The parties agreed that planning for transition (including constitutional convention, plebiscite on status, organizational structure, etc.) was required. A joint ad hoc committee is to provide a report on such planning to the Chairman of the delegations by 1 March 1974.
- Economics and Finance. The direct assistance proposed by the US totals \$11.5 million plus about \$3 million in federal programs. The MPSC noted its studies show a higher need than the USG proposed but the MPSC will consider proposals and reevaluate their work prior to the next session of negotiations. At this session no attempt was made to reach definitive agreement on the US financial assistance to the future Commonwealth government.
- Land. The MPSC noted with satisfaction the USG policy statement of 2 November 1973, concerning the return of public lands to the District. General agreement reached that military retention land not needed would be returned to public domain. Future use of remaining land is a matter for negotiation between delegations in these status talks.
 - The MPSC proposed that US military land requirements be met through a combination of long-term (50 years) renewable leases and restrictive covenants on civilian access and use of nearby and/or adjacent areas.
 - MPSC proposed the following specifics:
 - Farallon de Medenilla. US would be able to lease the entire island for target area subject to filing of an environmental impact statement.
 - Tanapag Harbor, Saipan. US would be able to use it jointly with civilians, but the harbor would be under civilian control. 320 acres adjacent to the harbor to be returned to the public domain (the District) but agreements would be made to restrict civilian use consistent with military needs.
 - Isley Field, Saipan. Field will come under civilian control with joint usage available. 250 acres near the south end would be leased and 250 acres adjoining to be subject to restrictive covenants such as for Tanapag Harbor (above).
 - Tinian Island. Negotiations will continue for a lease to meet US needs for a Joint Service Military base complex including harbor facilities on a joint basis; an operational

airfield with related facilities (open to civilian use);
an ammunition and logistics port facility; and air, sea,
and land maneuver and training area.

- Noting privately that foregoing did not preclude any of DOD land requirements, it was agreed that the whole matter of US military land needs would be discussed further at the next negotiating session to be held after Easter (April 14).

PREPARED BY: CAPT E.C. Whelan, USA
EAPR/X-71802

Amb Williams Meeting W/DepSecDef



16- 431694



POLITICAL SITUATION IN MICRONESIAN NEGOTIATIONSSummary:

The Seventh Round of Micronesian Future Status Negotiations came to a close on 21 November 1973 when agreement could not be reached on the financial provisions of the Draft Compact of Free Association.

Impasse Reached. Since the talks opened 14 November, considerable progress was made in the wording of the Title on Finance; however, the negotiations over a total dollar value of annual payments, loans and services stalled with nearly \$40 million separating the two sides.

US Final Position. The US closing offer of \$43.5 million plus certain services and leases was presented as a "...fair and reasonable..." offer, close to current levels of support, but for a less close political relationship. The Micronesians were pointedly reminded that they wanted more money for a more distant relationship, yet, in effect, such a sum would result in a greater dependence on the US, rather than a lesser dependent status as was their stated goal.

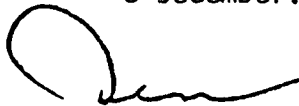
Micronesian Offer. The Micronesian closing position contained two alternative "offers." The first was acceptance of their position of about \$80 million plus services for Free Association status, or, alternatively, they would accept our proposed level of financial support for an even more distant, or loose, relationship. The latter proposal would require redrafting of the previously agreed upon Titles on foreign affairs and defense matters. These proposals were rejected by Ambassador Williams and the talks were terminated.

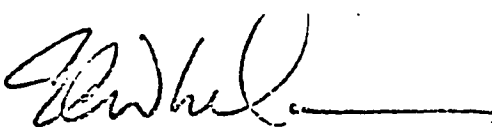
Conclusion. The net effect of this action should be favorable to future US positions:

The current strategic Trusteeship will continue in operation, thereby protecting US interests in the area.

This break will permit the Micronesian Joint Committee to return to its Congress, having saved face by not caving in to US demands, and obtain new guidance for future talks.

The strong US position and clear talk in the closing session should have a beneficial effect on the impending negotiations for the Marianas District to become a commonwealth of the US. (The Marianas Political Status negotiations are scheduled to commence in Saipan on 6 December.)


DENNIS J. DOOLIN
DASD, EA&PA


E. C. WHELAN, CAPTAIN, USN
DESK OFFICER

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POLITICAL SITUATION IN MICRONESIAN NEGOTIATIONS

Summary:

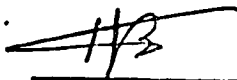
The Seventh Round of Micronesian Future Status Negotiations began in Washington on 14 November with lack of agreement on financial and termination provisions of the Compact as the major issues.

First Week's Activities: Preliminary to the official commencement of the Seventh Round were talks on the recently released US policy for the prompt return to the people of public lands. The Joint Committee for Future Status had threatened to return to Micronesia if this policy was not acceptable; however, after discussions satisfactorily clarified the policies concerning eminent domain and meeting military land requirements, the talks were officially opened last Wednesday. The primary objective of this round is to complete the Draft Compact for Free Association, namely titles four through twelve which concern financial support, internal affairs and provisions for terminating the Compact. Although both sides initially expressed the desire to conclude the Compact rapidly, early progress has been slow since the major issues are being tackled first. The JCS and the Secretary of Defense each have representatives on the US Delegation.

Issues: As indicated, the two toughest problems, financial support and termination provisions, were addressed first:

The US side initially proposed a level of about \$35 million annually to include all costs and programs. The other side indicated a requirement for at least \$100 million a year, but it was still developing rationale for this amount. Ways to narrow the gap are being sought.

Secondly, the Micronesians proposed that Defense base rights and base denial to other foreign powers survive for only five years after termination of the Compact; however, the US countered with 99 year survivability. Formulas to link this difference with financial differences, and thereby work towards a compromise, are being explored.

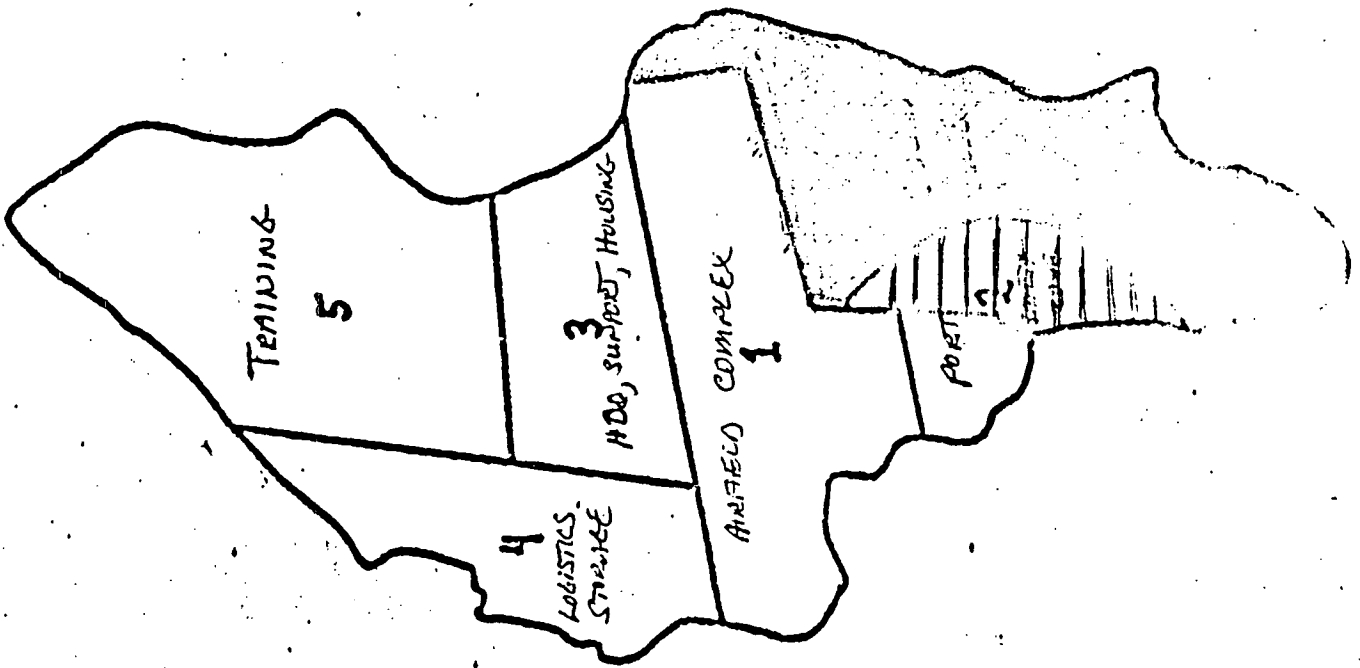


T. J. BIGLEY, RADM, USN
Director, EA&PR



E. C. WHELAN, CAPT, USN
Desk Officer

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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

FEB 20 1973

Honorable Franklin Haydn Williams
The President's Personal Representative
for Micronesian Status Negotiations
Old Executive Office Building
Room 361
Washington, DC 20506

Dear Ambassador Williams:

(C) Your letter of 29 October 1973 highlighted concerns of the Marianas Political Status Commission and certain members of the US Congress over the resolve of the US Government to develop a military base on Tinian as a part of the agreement on future political status of the Northern Marianas.

(C) As evidenced by the Secretary of Defense and the Joint Chiefs of Staff endorsement of the Under Secretaries Committee Study and its recommendations concerning the Future Political Status of the Marianas Island District, TTPI, and as indicated in other correspondence and actions over the past year, the Department of Defense fully supports the Administration's decision to acquire the necessary land on Tinian and proceed with the time-phased development of a joint-use base on that property.

(C) In addition to our earlier correspondence to you concerning various aspects of this base development, the Assistant Secretary of Defense (Installations and Logistics) last August approved the programming plan for the Tinian base and the US Air Force has allocated \$297,000 to planning and surveys for this facility. As you know, we have been sending various survey teams to the island since July of this year. In short, once the necessary political, financial and land agreements have been reached with the Marianas, the US Government, including the Department of Defense, is committed to proceed with the development of a base on Tinian consistent with the general plan previously revealed.

(C) We recognize fully that obtaining Congressional support and approval for the final Marianas Agreement may be difficult; however, rest assured that the Defense Department will provide all possible support including the effort necessary to obtain Congressional approval for the acquisition and development of Tinian base complex. As we indicated informally, our initial briefings on the base concept

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EXECUTIVE ORDER 11652, APRIL 2, 1962
OR TWO YEAR INTERIM.

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to Congressional Armed Services Committees and their staffs during the past spring and summer were received with understanding and general support.

(C) As a related matter, I also would like to take this opportunity to reaffirm Defense requirements elsewhere in the Trust Territory. As stated in Secretary Richardson's letter of 28 March 1973, the basing rights in the Palaus are mandatory, in addition to the Marianas facilities, to buttress our long-range strategic posture in the Pacific. Continuing strategic reviews of the Pacific-Indian Ocean area underscore the long term necessity to satisfy the land requirements stated in Annex B to Title III of the draft Compact of Free Association.

(U) Best wishes for your continued success in these two sets of difficult negotiations.

Sincerely,

(Signed) J R SCHLESINGER



10-431702



THE JOINT CHIEFS OF STAFF
WASHINGTON, D.C. 20301

CM-3030-73
6 December 1973

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Memorial Park in the Trust Territory of
the Pacific Islands: Saipan (U)

1. (C) During a discussion of the above subject and an exchange of correspondence with Ambassador Franklin Haydn Williams, the President's Personal Representative for Micronesian Status Negotiations, it was agreed that a memorial park on Saipan would be an ideal way to commemorate the over 3,500 Americans killed and nearly 15,000 wounded, from all Services, in the World War II battle of Saipan. Such a park would also counterbalance several Japanese memorials on the island. The Service Chiefs have wholeheartedly endorsed the concept.

2. (C) Subsequently, a member of the Joint Staff met with a member of Ambassador Williams' staff and a representative of the American Battle Monuments Commission to discuss the construction of such a memorial. The results of the meeting indicated that such a memorial is feasible. However, the Battle Monuments Commission has been unable to acquire funds for construction of other memorials, such as one in Seoul, Korea, and Utah Beach in Normandy. Furthermore, the Commission does not anticipate being able to obtain funds for a memorial on Saipan, although they are more than willing to assist with such things as design and ideas for establishing a memorial park.

3. (C) The park envisioned by Ambassador Williams would be located on a portion of the prime beach front property along the Micro Point portion of the Tanapag Harbor military retention area (Enclosure). Initially, it could perhaps consist of a cleared beach front area, with associated recreational facilities, and a gate or archway. It is contemplated that a monument could be erected at a later date. Given the limited resources available, all of the items, with the exception of the monument, could probably

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SUBJECT TO GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
AUTOMATICALLY DOWNGRADED AT TWO
YEAR INTERVALS
DECLASSIFIED ON DECEMBER 31 1979

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be accomplished on an as available basis by one of the military Civic Action Teams assigned to the Trust Territory of the Pacific Islands or as a training project by the Navy Construction Battalion assigned to Guam. The type of monument being considered is relatively inexpensive, approximately \$50,000.

4. (C) Although initial park construction could be accomplished as previously indicated, there are legal restrictions that should be considered which prevent the expenditure of DOD funds for continuing maintenance and for the erection of the monument. However, there is a possibility of obtaining special authorization and funding authority from Congress to support the project such as was done in the case of the Arizona Memorial. I therefore solicit your endorsement of the memorial park concept and request that you designate a Service to take the lead in this project.

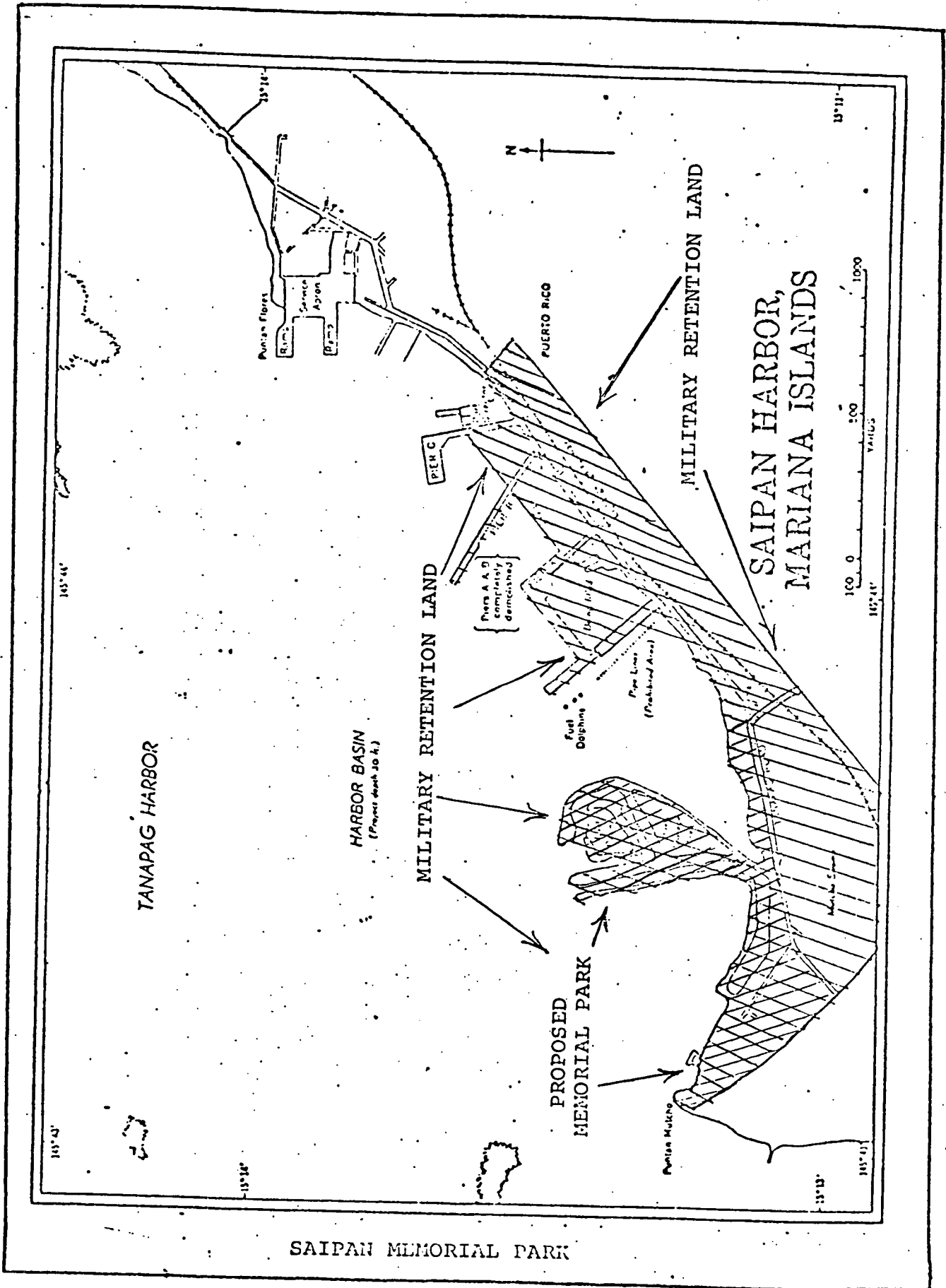
5. (C) Ambassador Williams is interested in having something firm to discuss with the Marianas Political Status Commission regarding a memorial park on Saipan during the negotiations which resume on 6 December 1973. Upon your approval of the concept, the Defense representatives on the American delegation could advise Ambassador Williams that you are in agreement and that DOD is exploring the alternatives by which it may be able to sponsor a memorial park on Saipan.



E. R. ZUMWALT, Jr.
Acting Chairman
Joint Chiefs of Staff

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SAIPAN MEMORIAL PARK



10-431706

War Park Plan Eyed Favorably

By Diane Maddex
 Daily News Staff Writer

SAIPAN — Almost buried in the joint communique ending the recent U.S. - Marianas future status talks was the United States' disclosure that it would like to develop a World War II memorial park near Saipan's harbor.

This commemoration of the war dead is envisioned as a "living memorial" centering around recreation areas, pools, an arboretum and tropical gardens — all open to the public, James M. Wilson Jr., deputy U.S. representative to the talks, later explained.

The idea, said Wilson, has been batted around for some time by U.S. Ambassador Franklin Haydn Williams, but "just surfaced" during the third round of negotiations, which ended on Saipan 10 days ago.

The site for the proposed memorial park is part of a 640-acre parcel of U.S. military retention land, half of which the U.S. offered to return to the new Marianas government for harbor development. The park would encompass "the bulk of the remaining 320 acres," said the U.S.

Members of the Marianas Political Status Commission think the plan has merit, said chairman Edward DLG. Pangelinan, but are waiting for the U.S. to provide further details. Among these are exactly how much land is needed, what kind of park it would be and how much money it would cost.

Pangelinan said the U.S. delegation took under

advisement a suggestion that the park be a joint war memorial commemorating Micronesians who also lost their lives during the war.

"We don't want a military project in that area anyway," he added, "so its use as a park would be ideal."

During the previous round of talks, the Marianas delegation strongly objected to the U.S. keeping this area for contingency military purposes.

Shedding even further light on the proposal, Pangelinan suggested that the park idea could be a "compromise" for the Saipanese having lost the nearby Micro Beach to the new Continental Hotel. A suit critical of the TI administration for having leased that public beach is now set for an appeal hearing before the U.S. Ninth Circuit Court of Appeals on Jan. 16.

"With all the new development of Saipan," said Pangelinan, "we're losing ground on our beaches. So it may be best to assure this area as a park."

Turning to major questions also unresolved in the latest U.S. - Marianas talks, Pangelinan discussed why the Marianas delegation opposes the U.S. preference to purchase rather than lease land for its military needs.

"Land here is limited and very precious with great sentimental value. It's our concern to have title remain with the people. I'm thinking of symbolic value more than monetary value," he explained.

The main issue in his mind, Pangelinan said, is whether it is legal for the U.S. to lease property

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(Continued from page 3)

within one of its own possessions.

"Our legal research shows no legal restriction or impediment to such a lease," he said.

The Marianas has offered the U.S. 50-year renewable leases together with covenants restricting civilian access to other areas desired for military uses. The U.S. position has been, said Pangelinan, that Congress might be reluctant to appropriate millions of dollars and get only leases, not title to the land requested.

Pangelinan said that the U.S. "raised a number of very technical questions" about the Marianas lease offer in agreeing to consider it further. Among them were whether the option is unilateral, or can be taken by only one side, and whether the leases will be renewed for 50 years.

"We think 100 years is a very long time," Pangelinan said. He added that he thinks this matter of lease versus purchase "can be resolved without too much difficulty."

"We remain firm in our position that we desire to retain symbolic ownership of Marianas lands," emphasized Pangelinan.

Speaking in the absence of Williams, Wilson indicated he did not see that much of a problem since the U.S. already leases or holds as military retention areas a good percentage of the land under negotiation. All that remains to be freshly negotiated, he said, were the additional areas the U.S. has asked for on Tinian.

There, Wilson characterized the two major problems remaining as the extent of the military

needs and the required 8,000 foot safety arc around the harbor area, where ammunition ships would unload. San Jose Tinian's only village adjoins the harbor.

Because of safety requirements, no one could live within the area, said Wilson, although they could still farm or fish or otherwise use the harbor. Pangelinan would not commit himself on his delegation's position on the requested relocation of San Jose Village except to say that they now have more details to take to the people of Tinian regarding the U.S. offers of financial assistance and substitute facilities.

Pangelinan expects the Marianas commission, sometime during the Congress of Micronesia session starting Jan. 14, to go to the people of the district "to encourage them to start thinking of the implications" arising out of the status talks.

The commission will meet on Jan. 7 to begin organizing a comprehensive political education program "to take the fruits of our labors to the people," as Pangelinan pledged at the close of the latest talks.

Although the two sides are still apart on the matter of funding for the new Marianas government, Pangelinan said, "One very substantial advantage of the U.S. proposal (or \$14.5 million annually for five years) over the present procedure is that it would give us an assured level of funding every year. That way we wouldn't have to go to the U.S. Congress to justify our annual budget, which the TT government has to do even now."

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ONGOING DOD ACTIONS RESULTING FROM THIRD ROUND

- We currently are processing the following actions:
 - Briefing of CDR Westlake, CINCPACREP Guam/TTPI politico-military advisor for TTPI. (Ambassador Williams has met this officer (PhD from Fletcher Law & Diplomacy) during past few days here in Washington).
 - Directing Navy to submit draft Environmental Impact Statement on target island (Farallon de Medinilla).
 - Developing fact sheets on military matters in Marianas for Ambassador's office.
 - Requesting Services provide unclassified portions of past studies done on base-community relations for OMSN to provide to Marianas planners.
 - Determine what can be done to support Saipan Memorial Park concept.
 - Refining boundary of land requirement for Tinian base.
 - Looking into status of Civic Action Teams assigned to TTPI.

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