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TALKING PAPER

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MEETING WITH AMBASSADOR WILLIAMS, WEEK OF 25 NOVEMBER

PURPOSE

Before the next session of Marianas negotiations review DOD views on key issues to assure communication/understanding.

BACKGROUND

Several events have occurred during past year which necessitate this meeting:

- Increasing fiscal constraints causing changes in many DOD programs, including Tinian, requiring a change in the position announced in Tab A.
- Change in Marianas leadership due to election make it unlikely that next negotiating session (2-20 Dec) will be final/signature round.
- DepSecDef visit to Northern Marianas at end of September.
- DepSecDef letter to Ambassador Williams pressing for purchase vice lease of land on Tinian (Tab B).
 - -- This letter greatly angered Amb Williams. He viewed it as contrary to his Presidential Instructions, limiting his negotiating ability, and ill-timed. (However, his Presidential Instructions still give him the option.) (Tab C).
- The SecDef-directed OSD/JCS review of the mission and facility requirements contained in the seven-phase Tinian development plan is underway and will continue for several months before decision.
 - -- However, it is clear that budgetary pressures and reduced military requirements have killed support for proceeding through all seven phases of development at this time. (outline of plan at Tab D)
 - -- JCS recommend (Tab E) proceeding through land acquisition, planning appropriate upgrading of harbor and airfield. Further development dependent upon evolving requirements.
 - -- Considerations of integrity and teamwork dictate that DOD initiate discussion of this subject.

OBJECTIVE

- To reduce tension between Ambassador Williams and DOD, to review with him DOD problems regarding base development and land acquisition in today's climate, and to assure him of continuing DOD interest in Micronesia and support of his efforts in these negotiations.

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Recommend discussing the following subjects:

- Take the initiative by reviewing recent visit to Saipan and Tinian.
 - -- Impressed with Marianas leaders, noted friendly, optimistic attitude doubt if problems with Tinian people are as serious as advertised.
- Reveal confidentially, that it is now doubtful that DOD will proceed at this time with development of all seven phases of Tinian base development.
 - -- Point out OMB and Congressional reductions in budget, coupled with fact that inflation results in another cut of approximately 10 percent, are driving careful reexamination and reductions in DDD programs.
 - -- Tinian base plan is currently undergoing such a review.
 - While this review won't be completed for another month or two, estimate that it probably will result in a decision not to go to phase seven while world conditions continue as they are.
 - -- Relatively stable conditions and immediate military requirements in the Asian-Pacific area don't drive the funding priority high enough. JCS have recommended proceeding through harbor and airfield upgrade, with further development dependent upon evolving requirements.
 - -- Speculate that, although decision hasn't been made, DOD probably will develop only basic components of the base and use it for training until the requirement to proceed becomes more pronounced.
- Regarding land acquisition (purchase or lease) on Tinian:
 - -- Point out that DOD still requires the land on Tinian (as do the President's Instructions),
 - -- Suggest that since Marianas V (next month) will not be final round... due to change in Marianas leadership...this gives Amb Williams the opportunity to press hard for purchase. If this issue becomes final stumbling block to political settlement, then we can discuss it further before final round.
 - -- If pressed on options, remind Amb Williams he can "fall off" the two parcels of land on Saipan as trading pawns.
- Assure Amb Williams of continuing DOD support for his work and suggest joint briefings of House/Senate military-related committees after the first of the year, but before the budget hearings.
 - -- Joint effort needed to tell whole story and develop support before budget hearings.

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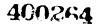


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Note: If subject of Memorial Park on Saipan is raised, mention that you had proposed a joint effort to Secretary Morton, but have not received a response.

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-- Proposal was for Reserve Army engineer unit to do initial clearing and grading work, with some financial support from Interior.



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November 22, 1974

MEMORANDUM FOR HOWARD WILLENS

Subject: <u>Materials for Marianas</u> V

Attached to this memorandum are various materials you may want to take with you (in addition to the Report to the Commission and the Joint Drafting Committee Working Draft), namely:

- -- Recommendations Concerning Disputed Issues;
- -- Memorandum Concerning Eligibility to Vote in the Marianas;
- -- Attempts to Articulate Limits on Plenary Authority of U.S.;
- -- U.S. Position Re Internal Revenue Code (Nov. 15, 1974);
- -- Lake Memorandum Concerning Tax System in the Marianas (October 4, 1974); and
- -- Excerpt from Appendix to November 1973 Memorandum to Commission Re Income Taxes Explaining Guam System.

You may also want to take with you certain materials relating to land which your secretary is holding for you, namely:

- -- October 4, 1974 Draft of Joint Land Committee Report (endorsed by Marianas Representatives);
- -- October 8, 1974 Draft of Joint Land Committee Report (endorsed by U.S. Representatives);
- -- August 1974 Interim Report of Joint Land Committee; (endorsed by Marianas Representatives); and

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-- Seldin Report Concerning Valuation and Supplemental Comments.

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November 21, 1974

MEMORANDUM FOR HOWARD WILLENS Subject: Won-Lost-Tied Record In case anyone asks for your batting average in the Joint Negotiating Committee, here is a quick list based on important differences between the MPSC Commonwealth Agreement and the U.S. Covenant: Title -- won (but are about to lose) Statement of Principles -- won (unless Williams screams) Enactment into Law -- turned out to be no difference Timing -- compromise (lost "Commonwealth" pre-termination, but got most benefits) Scope of Local Authority -- compromise Scope of U.S. Authority -- deadlock (compromise to come?) Mutual Consent -- lost a lot from extreme position Reapportionment -- won Land Alienation Requirements -- deadlock Justiciability -- won Local Execution of U.S. Laws -- won Naturalization -- deadlock (substantial loss to come?) (Knu: win ! Applicability of Laws Formula -- compromise (only a few differences; won a major point re using federal funds to match) Automatic Applicability of Federal Law Commission's Recommendations -- deadlock (loss to come?) Federal Court -- lost Income Tax laws -- lost to a pending compromise Social Security laws -- compromise Immigration laws -- compromise (?) Maritime Laws -- compromise Debt Limit -- lost Economic Support Goals -- deadlock (will win) Authorization v. Appropriation -- deadlock Eminent Domain -- deadlock (they won't take our offer to compromise) Consultation -- won principle; lost all details Delegate -- deadlock (loss to come?) Approval of Marianas Constitution -- deadlock

Michael S. Helfer