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ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

INTERNATIONAL
SECURITY AFFAIRS

In reply refer to:
J-26392/74

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting Between Ambassador Williams and Deputy Secretary of
Defense Clements

Participants:

U.S. Delegation

- Ambassador F. Haydn Williams - The President's Personal Representative
for Micronesian Status Negotiations
- Mr. James Wilson - Deputy U.S. Representative for Micronesian Status
Negotiations

DOD Representatives

- Mr. William P. Clements Jr. - Deputy Secretary of Defense
- Mr. Robert Ellsworth - Assistant Secretary of Defense (International Security
Affairs)
- Mr. Morton I. Abramowitz - Deputy Assistant Secretary of Defense (ISA/EAPR)
- Mr. Perry J. Fliakas - Deputy Assistant Secretary of Defense (I&L/I&H)
- Mr. Roy Markon - Deputy Assistant Commander for Real Estate, NAVFACENGCOM
- Brigadier General John G. Jones - Military Assistant to the DEPSECDEF
- Captain Edward C. Whelan, Jr. - Assistant for TTPI

Time: 1400-1500 November 26, 1974

Place: Deputy Secretary Clements' Office, Pentagon

1. (C) Purchase or Lease.

Ambassador Williams indicated he had insisted on purchasing the land all
along; however, he also pointed out that since the U.S. did not have
sovereignty over Micronesia we were not able to fall back on eminent domain
proceedings. The Marianas leaders steadfastly had pursued the position
that they should only lease the land to the U.S. Secretary Clements
pointed out that the current 50 year lease-renewable for 50 years-proposed
by the Marianas would require us to pay double for the land. He wondered
whether the Marianas Commission had been pressed hard on this point. Mr.
Abramowitz pointed out that a lease arrangement such as proposed would

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have the effect of putting us in a position of perpetual negotiation with the Marianas. Ambassador Williams believes it is clear that we are now at the point where we may have to consider lease to obtain a political agreement with the Marianas. He explained that in the recent elections a probable factor in the outcome was the victorious party's strong opposition to selling land. Mr. Markon pointed out that there were strong signals from the Defense-oriented committees of the U.S. Congress that they expected the land to be purchased. Ambassador Williams recounted recent discussions with Senator Jackson in which the Senator indicated that political settlement with the Marianas was the important thing. After that we could rely on unfettered eminent domain. Furthermore, Congressman Burton had informed him that he would oppose an agreement if we forced purchase upon the people of the Marianas. Mr. Fliakas pointed out that those congressmen and their committees were not the ones DOD had to deal with. Secretary Clements indicated that he wasn't taking away an option given the Ambassador by the President, but was emphasizing how strongly Defense felt about this matter. Later in the meeting, Ambassador Williams came back to this subject and pointed out that purchasing versus leasing the land could easily become the sole issue obstructing a negotiated settlement. Secretary Clements observed that if we could not purchase the military lands, then we would just have to accept a lease.

2. (C) Military Retention Lands.

The Ambassador raised the subject of military retention lands, i.e., lands in the Marianas leased by DOD after World War II for an indefinite period of time at the then prevailing fee simple value. He indicated that the lawyers from State and Justice did not believe these leases would survive the termination of the Trusteeship, although DOD General Council was of the opposite opinion. (Note: Interior Department's counsel concurs with the DOD opinion.) Ambassador Williams pointed out that in spite of these dissenting positions, he continued to support the DOD position with a view towards holding down land prices. Secretary Clements again pointed out DOD objections to paying twice for some of the land on Tinian. Mr. Fliakas indicated that the Armed Services Committees also believed the U.S. had purchased those military retention lands. Mr. Markon gave a brief explanation of how the average cost per acre had been arrived at, indicating that it was a defensible and supportable value.

3. (S) Tinian Base Development.

Ambassador Williams related the skepticism he encountered in the Congress over the need to construct a multi-million dollar base on Tinian, and wondered whether DOD still fully intended to proceed with the base as planned. He recalled Secretary Schlesinger's letter of December 5, 1973 reassuring him of Defense's intention to proceed and pointed out that the Marianas people were counting on tangible and financial benefits from the base. Secretary Clements stated that the cost of the base had grown to such proportions that he could not support it, and had told the Air Force so. He reported that the Joint Staff and the Air Force were reexamining the plans at this time. Also, he reassured Ambassador Williams that we still need the land. Mr. Abramowitz asked what impact this change in

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DOD plans might have on the Marianas people. Ambassador Williams estimated that they were counting very much on the base being developed, and that he would have to reevaluate his approach. Mr. Clements reassured him that DOD still needed the property and that Defense wanted to do some things on it. He indicated we may go ahead with the plan but that it would be stretched over a long period of time. Ambassador Williams, recalling the DOD change in ammunition unloading plans, asked whether in the event ammunition were stored on the island, it would be brought in through the port of San Jose? (Thus requiring temporary relocation of the local people, a contingency which Ambassador Williams has promised would not happen.) Secretary Clements indicated that DOD still may construct the "wet slip" alternate ammunition port to avoid this problem. He then asked Ambassador Williams which parts of the planned base were considered crucial to the negotiations. Ambassador Williams stated that modernizing the harbor and improving the airfield were the most important, along with joint use of the facilities and lease back of certain lands for civilian use. Secretary Clements assured the Ambassador that DOD could do those things and promised him a letter by Tuesday or so (December 3, 1974) providing a broad outline of what DOD now could do. Secretary Clements indicated that the letter would outline intentions to proceed with the early phases such as modernizing the harbor, fixing up the airfield, and maybe doing some other things. However, any further development would have to be stretched out - maybe over 15 phases or more. Economic considerations won't permit us to do anything else at this time, he explained. Secretary Clements mentioned that he already had told some people in the Marianas of this change in DOD plans, and hoped that didn't cause any difficulty. In closing, Ambassador Williams expressed his belief that an early military presence on Tinian was important in order to assert our claim and defend it verbally. Secretary Clements said he didn't know if we could do that, but later he asked Ambassador Williams whether the establishment of a contractor camp in the near future would not largely satisfy his concern. The Ambassador agreed that would help - "anything to fly the flag!" Mr. Clements again assured him that DOD would soon move forward on the approach discussed.

Memorandum of Conversation

Prepared by: Capt Whelan
HWL

Approved by: *[Signature]*

Date: 12/18/74

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