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ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

23 DEC 1974

INTERNATIONAL
SECURITY AFFAIRS

In reply refer to:
I-11735/74

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Marianas Negotiations (U) - INFORMATION MEMORANDUM

The current round of negotiations with the Marianas recessed on a positive note 19 December with provisional agreement reached on all major issues. Formal signing of the final covenant is scheduled for early February, allowing time for (1) a careful review by both sides of the specific provisions in the draft covenant and (2) the fleshing out of the technical agreements which will govern the lease and land use arrangements. The provisions of the covenant which relate to DOD interests are as follow.

Military Lands. The Marianas will lease to us the 18,000 plus acres we want for defense purposes. The lease will be for 50 years, with an option to extend for 50 more. We will make a lump sum payment of \$19,520,600 which will cover the entire 100 year period. In addition, we will lease back to ranchers and others (for a nominal price) one third of our 18,000 acres. However, these leases will be made with the understanding that the land will be used only in ways compatible with our plans and that we may take it back promptly if required.

We will obtain almost all of the land we want on Tinian (17,799 acres), the only exception being 9 acres at San Jose harbor which the Marianas wants for civilian port activities. Our lump sum payment for land on Tinian will be \$17,500,000.

The other defense-related land considerations involved in the talks were relatively modest. On Saipan, we declined to acquire 485 acres adjacent to Isely Field because the price was too high. We did agree to lease for \$2 million 177 acres at Tanapag harbor, ostensibly for military contingencies. However, our immediate objective is to consign our \$2 million payment to a trust fund for the creation of a memorial park to honor those Americans and Marianans who lost their lives in World War II.

Tinian Base. In view of the prospect of reduced revenues for the Marianas because of our scaled down plans for a Tinian base, the US will

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provide the Marianas with an additional \$500,000 for each of the first 7 years of the new government. These payments will be used for housing, education and training.

Next Steps. Careful analysis of the terms of the covenant and the supporting technical agreements will be required over the coming weeks. It will be necessary to obtain Presidential approval for the additional payments designed to compensate for our scaled down Tinian plans and we may also need to talk to Congress about using Tanapag for an American memorial park rather than for military contingencies. However, it is important that we move quickly in these matters. We have the outline of an agreement which meets our needs and should seek to formalize it before the current negotiating atmosphere deteriorates. There are eager young "Nationalists" milling in the wings who would be pleased to tamper with the deal if they have an opportunity to do so before it is concluded.

It should be noted that the last minute change in Defense plans for Tinian did not significantly affect the negotiations.



Robert Ellsworth
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