

*File*

WARNKE RESPONSE-November 19, 1973

- Draft Committee instructed to reach agreement on Finance ~~list~~ *first*.
- *See Furdan* Satisfactory figures <sup>were</sup> not bargaining figures.
  - Drastic cut.
  - Ultimate figures.
  - *Operations* Operations
    - '76 Budget *will*
    - Absorptive capacity taken into account.
- Title II restraints on foreign investment.
  - Restriction on availability of major resources from other subjects *countries*
- Brake on willingness of foreign investors due to Title II.
- Not encouraged by current TTPI CIP record.
  - Ceilings in Federal budget a further restraint.
- §405
  - Interest the same.
  - An implementing detail.
- §402
  - "Fair Market Value" incongruous in content.
    - Success in land negotiations a prerequisite to effectiveness of compact.
    - U.S. responsibility ~~is~~ to negotiate own deal and and then reimburse Government of Micronesia.
- FAA <sup>*technical*</sup> ~~federal~~ services only.
- CG - consider and consult.

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- U.S. concern on unilateral termination of FAA and Loran C understood and adjustment necessary.

-§406

- Flag to Silver

- Cant enforce.

- Drafting Committee cant go on

- Need to reflect on whether there is room for further discussion.

- Cant review or walk through other articles of compact.

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