

S/S 8609226



DEPARTMENT OF STATE

Washington, D.C. 20520

March 21, 1986

MEMORANDUM FOR:

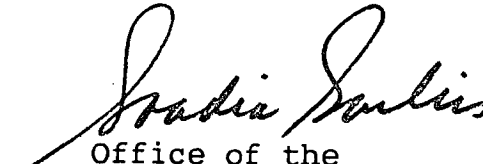
Ms. Sally Kelley
Director of Agency Liaison
Presidential Correspondence
The White House

SUBJECT:

Letter dated March 10, 1986 from
George J. Adams regarding Compact of
Free Association
ID #396027

The attached correspondence was forwarded to the Department of State for direct reply, furnish info copy.

We have reviewed the correspondence and believe that action on this matter more appropriately rests with the Department of Interior.


Office of the
Executive Secretary

Attachment:

As stated.

8609226



MOBILITY SYSTEMS and EQUIPMENT COMPANY

MAIN OFFICE:
6151 W. Century Blvd.
Los Angeles, California 90045
Phone (213) 641-3606

AUTOMOTIVE RESEARCH CENTER:
P.O. Box 424
Mira Loma, CA 91752
(714) 685-5247

10 March 1986

896027

The Honorable Donald T. Regan
Chief of Staff
THE WHITE HOUSE
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. Regan:

I am writing to you concerning the Compact of Free Association, which was recently passed by the U.S. Congress and signed by the President January 14, 1986 (Public Law 99239). This agreement was made between the Micronesian Government and the United States in accordance with the intent of the United Nations Trusteeships Agreement.

These three Governments (Palau, Marianas, Federation of States of Micronesia) were part of the Trusteeship established by the United Nations in 1947. The United States were the administering authority responsible for the economic, political and social development of these people.

For approximately thirty years, the United States directed, trained and worked with these people to develop a form of government suitable to their needs. We were successful in fulfilling our mandate relative to political and social development but failed in the economic area. During these years, we provided several billion dollars which went to pay for salaries and construction of some basic facilities (hospital, water, airports, etc...). However, none of the activities were operated by the private sector and as a result, we created a large government bureaucracy.

Over the next fifteen years, the recently signed compact will provide an additional three billion dollars to these nations. Unfortunately, it appears that more than half of the funds will be dedicated to government expenditures and salaries. If we are to assist these people, then greater emphasis must be placed on development of a strong private sector and reduction of the government employment. One of the main obstacles to private sector investment is the uncertainty and confusion relative to land rights and ownership. These islands were controlled by several nations for the past hundred years (Spain, Germany, Japan) and, as a result, identification of land owners and boundaries is a difficult task, to say the least.

NSC

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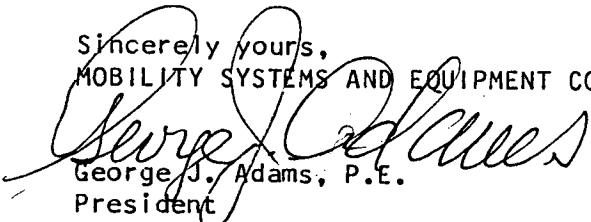
The Honorable Donalt T. Regan
THE WHITE HOUSE
10 March 1986

Page Two

I propose that the United States sponsor a project to develop accurate land records and identify legal ownership in order to facilitate private investment in these areas. Without a program of this type, these islands will be faced with this problem for years and will be hardpressed to dedicate the dollars to do the job in a reasonable time period.

The benefits to the United States of a special project of this type are enormous. Besides the goodwill and strengthening of relations, we anticipate a rapid development of the private sector; thus reducing the need in future years for direct federal assistance; and the island will develop in a proper fashion, and be in a financial position to meet their own needs and become a valuable ally in the Pacific Basin.

Sincerely yours,
MOBILITY SYSTEMS AND EQUIPMENT COMPANY


George J. Adams, P.E.
President

cc: The Honorable Senator Orrin G. Hatch
The Honorable Senator John H. Heinz, III
The Honorable Senator Pete Wilson

The Honorable Congressman Morris K. Udall
The Honorable Congressman Robert J. Lagomarsimo
The Honorable Congressman Manuel R. Lujan
The Honorable Congressman Sidney R. Yates
The Honorable Congressman Jack F. Kemp

The Honorable Donald P. Hodel
Secretary to the U.S. Department of the Interior
The Honorable Richard Montoya
Assistant Secretary to the U.S. Department of the Interior

GJA/db.

8609226

T H E W H I T E H O U S E O F F I C E

REFERRAL

MARCH 21, 1986

TO: DEPARTMENT OF STATE

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 396027

MEDIA: LETTER, DATED MARCH 10, 1986

TO: DONALD REGAN

FROM: MR. GEORGE J. ADAMS
PRESIDENT
MOBILITY SYSTEMS AND EQUIPMENT
COMPANY
6151 WEST CENTURY BOULEVARD
LOS ANGELES CA 90045

SUBJECT: COMPACT OF FREE ASSOCIATION

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 91, THE WHITE HOUSE

SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

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T H E W H I T E H O U S E O F F I C E

REFERRAL

MARCH 26, 1986

TO: DEPARTMENT OF THE INTERIOR

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 396027

MEDIA: LETTER, DATED MARCH 10, 1986

TO: DONALD REGAN

FROM: MR. GEORGE J. ADAMS
PRESIDENT
MOBILITY SYSTEMS AND EQUIPMENT
COMPANY
6151 WEST CENTURY BOULEVARD
LOS ANGELES CA 90045

SUBJECT: COMPACT OF FREE ASSOCIATION

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN
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DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE



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ID # 396027

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WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING

Date Correspondence Received (YY/MM/DD) 8613 113

Name of Correspondent: George J. Adams

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Compact of Free Association

ROUTE TO:

ACTION

DISPOSITION

| Office/Agency (Staff Name) | Action Code | Tracking Date YY/MM/DD | Type of Response | Code | Completion Date YY/MM/DD |
|----------------------------|-------------|-----------------------------|------------------|----------|-----------------------------|
| <u>OCS/NOLAN</u> | <u>CJ</u> | <u>861314</u> | <u>C</u> | <u>C</u> | <u>861314</u> |
| <u>Nsc/Poindexter</u> | <u>R</u> | <u>860318</u> | <u>C</u> | <u>C</u> | <u>861031</u> ^{TR} |
| <u>199D05</u> | <u>R</u> | <u>861031</u> ^{TR} | <u>C</u> | <u>C</u> | <u>861031</u> ^{TR} |
| <u>1900I</u> | <u>B</u> | <u>861031</u> ^{TR} | <u>A</u> | <u>A</u> | <u>861041</u> ^{TR} |
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ACTION CODES:

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure
- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: State

Keep this worksheet attached to the original incoming letter.
 Send all routing updates to Central Reference (Room 75, OEOP).
 Always return completed correspondence record to Central Files.
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.