

**THE COMPONENTS OF A NEW BATTLEPLAN  
FOR FUNDING THE MHDP**

- I. The Interior Department**
  - A. The Secretary fo the Interior: Thomas Kloepppe
  - B. The Director of Territorial Affairs: Fred Zeder
  - C. The Acting High Commissioner: Peter Coleman
  - D. The Ambassador for Status Negotiations: F. Hayden Walker
  
- II. The United States Congress**
  - A. The Chairman of Senate Appropriations: Robert Byrd
  - B. The Chairman of House Appropriations: Ted Yates
  - C. The Sponsoring Senate Member: Mark Hatfield
  - D. The Sponsoring House Member: Robert Dancer
  
- III. The Applicable Federal Agencies**
  - A. The Department of Agriculture: J.hn McQuine
  - B. The Administration on Aging: Arthur Flemming
  - C. The Small Business Adminstration: Thomas Kloepppe
  - D. The U.S. Department of Defense
  
- IV. The Sponsoring Private Agencies**
  - A. The U.S. Catholic Conference
  - B. The Bank of America
  - C. The United Nations Development Program
  - D. Edge Participants
  
- V. The Local Marshallese Sponsors .**
  - A. The traditional leadership: Kabua Kabua
  - B. The District Legislature: Atlan Anien
  - C. The Congress of Micronesia: Ataji Balos
  - D. The private business leaders
  
- VI. The U.S. net of Influence**
  - A. John Brademus: U.S. Congressman
  - B. Cardinal Baum: Archbishop of Washington
  - C. Archbishop Barnadine: Head of the National Council of Bishops
  - D. Participating list of Patrons
  - E. Mayor Daley
  - F. Town Meeting leaders

## I. THE INTERIOR DEPARTMENT

The Interior Department could play an important role in Phase II funding. The objective would be to obtain a grant that could go immediately to Majuro to initiate expansion. The amount of the grant could be approximately \$250,000. Penetrating the department would involve setting up Secretary Kloeppel with power, probably through Senator Mark Hatfield. It would be well to think of having Kloeppel, J.W.M. and Hatfield, in on a joint meeting. The secretary has discretionary funds at his disposal. It could be thought that he could do as much as \$150,000 and the Office of Territorial Affairs do \$100,000. The Office of Territorial Affairs is certainly ready to be seen for funding once again. This would require definitive support from Peter Coleman. Zeder then would have to be seen after Kloeppel is seen. The request of Zeder then would have to be three-fold.

### I. The Interior Department

- a. Secretarial Discretionary Funds: \$150,000
- b. The Office of Territorial Affairs: \$100,000
- c. Inclusion into F.Y. '77 supplemental.

The third request would be made by Senator Hatfield with sponsoring letters from Chairman Jackson and other prominent Democrats and Republicans who serve on the Interior Committee. This would certainly provide the department ample opportunity to include the M.H.D.P. into their normal budgetary '77 scheme. If necessary direct contact could be made with the Office of Management and the Budget to solidify their approval of such an interim request. Ideally this could undermine the primary criticism of the Yates Committee; that being, the President did not see fit to include the funds into his request. Furthermore, if we strike soon we can catalyze our Hill support before the fact rather than after the fact. Hadyn Williams might well be in a position to welcome the I.C.A., and inasmuch as his status provides him direct and immediate access to the White House he could be developed into an important spokesman. The role of Coleman would be to make whole Micronesian support, to get a definitive and final word to both the committee and the department. It could be the department might devise a means of getting this supplemental bill attached as a rider to other legislation. In any event, the commitment of funds and early inclusion could provide a more ready access to the Appropriations Committee.

## II. THE UNITED STATES CONGRESS

The lesson to be learned in the hearings is the role of the Committee Chairmen. The Chairmen have a power 3 times as great as any member. Democrats in a democratic congress are always more powerful than Republicans. The Senate defers to the House on money issues whereas the House defers to the Senate on policy decisions. This is quite obvious in our situation. Our aide is only as powerful as the degree to which the boss is won. It is a relatively futile effort to see an aide if we have no access to his boss. Our symbology is without precedent here, an aide (ICA) seeing a Congressman or Senator does not work. We must have a greyhead with stature. The House must be worked simultaneously with the Senate, just as the Republicans must be worked with the Democrats simultaneously. Furthermore, the Administration must be worked along-side the Administrative branch. If we leave a hole, we more likely than not will fall into it. We lost in Conference for what we failed to do, not what we did. I believe the Yates issue would never have reached the proportions it did if we had covered our right and left flanks. We failed to reach a member of the House with power, both a Democrat and a Republican.

Our guns were aimed at Yates himself, who, as it turned out, had his own shopping list filled to the brim months before. Had we gotten to another member who himself was not asking for the moon the issue might have died early. Secondly, we knew this U.N. argument early, and yet we failed to check it out to the Nth degree. Therefore, even as flimsey as the reason given by Yates at Conference we were exposed to it and therefore Hatfield was held checked. Hatfield we know was in trouble on his own stuff and yet we did not get a co-sponsor, or indeed another sponsor. This meant winning not just any senator but a senator on the subcommittee, like Innoyue. Our seeing Aides with not the explicit intention of getting to his boss was interesting but finally a waste of time. I believe Senator Hollings could have helped had we asked him directly. A word must also be said about the importance of Committee Councils. They are the work horses of the Congress, their words ring with command and must be dealt with with careful prudence. Burne was won in the early days by the deference J.W.M. paid him, not the friendship of P.J.M. That occurred after the fact!

## LOCALS STRATEGY

At the outset, questions remain that temporarily block the completion of the "LOCALS STRATEGY". Some of these are: Who comprises the Micro. Delegation from the six districts?; Who from the Marshall Islands is making the trip to D.C. under the direction of the Congress of Micronesia and what is their relationship to MHDP and ICA?; What are our mechanisms for getting testimony from friends of MHDP.

### Locals in relation to the Senate

The sponsor of ICA and MHDP before the Senate Committee is Senator Hatfield who for years has promoted local initiative in federal budgetary measures. ICA and MHDP need several indicators of strong support from both the public and private sectors in the Marshalls. In this light, a letter from Atlan Anien or Amata Kabua expressing firm support is recommended. Also recommended is that Atlan Anien and/or Amata Kabua accompany J.W.M. to the July 23rd Hatfield meeting. Lastly, where appropriate, the Micronesian Delegation could participate in briefing sessions with Jim Berne and Tom Imeson. Foundational to these steps is a meeting between Micro. Delegation and ICA to clarify any points and to satisfactorily respond to questions on MHDP (resolve issues raised in letter ICA received July 15).

### Locals in Relationship to the the House

Because of Congressman Burton the House strategy relies heavily on local authorization. The letter from Atlan Anien and/or Amata Kabua is crucial. Setig is another possible Signiture. If Burton wants endorsement from the High Commissioner then the letter could offer quoutes from Mr. Johnston's statements delivered in a meeting with Rice and ICA. No meeting between Representatives, Senators, Administration personnel and the Micro. Delegation concerning MHDP should take place in the absence of ICA representatives.

### Locals in Relationship to the Aministration

Because of Johnston's strength the Micro. Delegation's role in relation to the administration is miniman. A copy of the before mentioned letter mailed to Johnston will cover bases in this arena.

## SENATE COMMITTEE STRATEGY

### Sponsor

#### Hatfield:

Senator Hatfield is floor leader for the Republicans during the New Hampshire filibuster. During this time he is unable to make appointments with anyone. As of this week the Senate has limited debate to two hours each morning.

Details have not been completely ironed out with Tom Imeson relative to the Senator's appearance at the hearings and the questions he might ask. Great consideration should go into the selection of representatives of the Micro. Delegation to accompany J.W.M. and Bishop Mathews for the July 23rd meeting with Senator Hatfield.

According to Imeson, meeting Hatfield the same day as the hearings is the best possible strategy. The early efforts to secure an appointment with Hatfield the week of July 14 were initiated because Hatfield was scheduled to be out of town the week of the hearings. That is no longer the case. Furthermore, Imeson has secured from Senator Hatfield a letter to Senator Jackson inviting J.W.M. to testify before the Committee and a statement of support for MHDP.

#### Fannin:

If for any reason there is difficulty with Hatfield or with prospective issues that could arise during the hearings, Senator Fannin could serve as a secondary front man. The Fannin/Avery appointment is set for Tuesday, July 22, at 9:30 AM. If for any reason J.W.M. decides not to attend this meeting, Avery can turn this meeting into a courtesy call.

The range of possible requests arising from a meeting with Senator Fannin is considerable. First, if Hatfield "died", Fannin could raise the issue of the Amendment before the Senate Committee and ask the appropriate questions of J.W.M. and the Micro. Delegation. Second, Fannin could contact Secretary Hathaway and convey measures of Senate enthusiasm and support of MHDP. Third, Fannin could attend the hearings and have officially recorded his support of MHDP. Fourth, as ranking Republican on the Committee, the Fannin call could be treated as an "authorization" visit apprising the Senator of MHDP, ICA intent, and the need for his help further down the line.

Harrison Loesch was visited and informed that both Avery and J.W.M. requested he attend the July 22 meeting with Senator Fannin. Loesch was pleased and accepted the invitation.

### Senate Staff

#### Tom Imeson:

All aides are besiged with work that has accumulated in committees during the recess and filibuster. Nevertheless, Imeson has fulfilled every request made of him.

Imeson will be contacted Friday, July 18, so that he might relay final instructions relative to the Weds., July 23, meeting between Hatfield and J.W.M. Furthermore, it would be a great honor for Imeson if the Micro. Delegation met with him early Monday, July 21, and conveyed their gratitude for the Senator's encouragement and Tom's continued help.

Jim Berne:

Berne has requested J.W.M. submit 10 copies of his testimony before the hearings and 50 copies during the hearings. This does not mean J.W.M. needs to read the testimony, though he could. An official transcript is made of the verbal presentation and written materials, as they are submitted and become part of the official record.

Two more meetings are scheduled with Jim Berne before the hearings. During the first encounter Berne will list in detail the agenda for the Senate Committee hearings. Also, he will hopefully pass on a list of witnesses and the schedule of their presentation. Last, if appropriate he will be asked to produce copies of questions to be addressed to the witnesses.

The second meeting gives Berne the option of relaying any last minute instructions. Also, he can apprise ICA of the Senators and staff scheduled to be present during the hearings. Finally, he can pass on any late news from the T.T., Siapan, or The Department of Interior.

## ADMINISTRATION STRATEGY

To date, the relationship with the Administration is fostered in Siapan rather than D.C. Any support or recognition from the Administration would come first from High Commissioner Johnston. As a result of Johnston's strength there is nothing that can be done in D.C. to obtain official Administration approval because that would entail changing the TTPI Budget request and therefore necessitate O.M.B. approval. O.M.B. approval will not happen until Johnston officially gives MHDP the green light.

With this situation, then, there are avenues for quietly moving the Department of Interior to a position of benign indifference. First, Senator Fannin, as ranking Republican, could indicate to Secretary Hawthway the thoroughness of Senate briefings on MHDP and the favorable reception granted the program. Second, Undersecretary Jack Horton, Assistant Secretary of Land and Water Management which formerly had jurisdiction over the trust territory, will soon fill the vacancy created by Undersecretary Whitter last month. Horton is a long time friend of Avery and Avery thinks he can greatly influence Horton in supporting MHDP. Horton could quietly put the "B" on Hathaway and Zeider to state no negative opinion on MHDP. Lastly, Secretary Rogers Morton (Secretary of Commerce, Former Secretary of Interior) is a long time friend of Avery (Avery visits Morton every trip to D.C. just to pay ~~him~~ a courtesy call). With Morton's considerable influence on Hathaway and Interior, the Administration could readily be placated in their response to MHDP.

If the MHDP encounters unsuspected difficulties from the Administration there are two other more drastic measures available. First, Congressman John Rhodes, minority leader in the House, is a long time friend of Gerald Ford. In fact Ford hand-picked Rhodes to fill his old position. Avery has been of considerable help to Rhodes in the past and feels he can favorably influence Rhodes to work on behalf of MHDP. Second, because of Avery's close relationship with Berry Goldwater, he says that MHDP would readily gain Goldwater's personal support. Any overture Goldwater would make to the Department of Interior would be taken with utmost seriousness.\*

To date, Avery's affective relation with these men and their careers has not been defined in detail. Therefore, these approaches to the Administration remain questionable until he is checked out. Toward that end, a team, other than J.W.M., could debrief Avery Monday nite, July 21, and then report to J.W.M. and determine to what degree and in what manner Avery is used.

\* NOTE: Other than using Senator Fannin as clout during the hearings and barring the necessity of any immediate appeasement of Burton these contacts could be placed in a creative holding pattern. The next few weeks will indicate how much clout will be needed to handle any problems. Right now, ~~any~~ problems are not severe, though Burton could change that overnite.

## HOUSE COMMITTEE STRATEGY

The House Committee strategy is shaped largely from last weeks contact with Congressman Phil Burton. Burton's primary concern is getting 8 million dollars through the Senate and Administration without a cut or veto. His anxiety is based upon his most recent battle with the Senate on a '75 supplement where they cut him 8 million. He has lost the college once and doesn't want to lose it again.

Jim Burney says no cuts are planned in the Senate though questions will be raised relative to administration. If the Senate had intentions of cutting Burton's 8 million, MHDP would be caught in the middle, <sup>HOWEVER,</sup> but there is no reason to suspect this is the case. To further strengthen MHDP, it is recommended that J.W.M.'s testimony strategically affirm Burton's request for the college. It would be foolish to appear competitive with other budget items rather than insist that MHDP be added to the current 80 million approved by the House.

Through Congressman Burton, the House Committee has three concerns; Administration approval, official local endorsement, and credibility of I.C.A. as consultants.

The first concern is covered in the MHDP "Administration Strategy". The primary line is supported by Johnston and can be enhanced with his official stamp. Secondary efforts rely upon Avery and his colleagues.

With the new letter proposed in the "Locals Strategies" a semblance of official local endorsement is supplied. This may not entirely satisfy Burton but would de-horn him.

The third concern might well require some form of communication from Daley through his lobby in Washington. This tactic cannot be taken lightly for Daley may well have considerable influence on Burton. Similar tactics could be employed through Senator Stevenson and Governor Walker.

If MHDP is brought before the Senate via the Republicans yet ICA is verified through the National Democratic leadership, any partisan confrontation is side-stepped.

In summary, there is no way of knowing the proper strategy for the House until after the Senate hearings. More appropriate is the design of precise measures to be used with the House after the Senate hearings rather than initiate anything immediately. Nevertheless, with urging from a Senate sponsor or colleague, immediate remedial work can be done with Burton through Congressman Edmonson.



## MARSHALLS HUMAN DEVELOPMENT PROJECT

### Local Support Funds

The Marshalls Human Development Project is a program of socio-economic development for the entire Marshall Islands. The budget calls for the participation of both the federal and local levels of support. For the first year, the request for federal funds calls for \$1,826,785, while the budget requests on the local level a sum of \$2,154,405. This report is submitted to account for the monies raised thus far in the local arena.

The funds secured have been listed in four categories, including (1) supplier credit, (2) in-kind contributions, (3) local fees, and (4) grants. Supplier credit includes volume buying or inventory turned over or on hand for the current year. Short term financing includes loans for copra cash and letters of credit. Small industry financing includes three EDLF loans, while investments include stock purchased in local business or capital outlay for the sawmill, chippery, land farm, and other heavy equipment. It should be noted that short term financing and investments represent cash flow and not cash balance.

In-kind contributions were made by individuals, agencies, and business firms. The largest contribution was made by CETA (Comprehensive Employment Training Act), which included the salaries of 53 persons involved in the program. They include 12 fishermen for the shark fishing operation, 7 pre-school teachers, 5 repairmen, 14 involved in community beautification, 4 in the Business Service Center, and 7 in the Marshalls Community Action Agency. The next largest item was a donation of a van by an individual in Philadelphia.

Local fees were obtained from the parents of pre-school students, who pay \$5.00 per month for tuition. A total of 100 children were involved in this aspect of local support.

Under Grants, it is noted that the Campaign for Human Development made a grant for the project, and matching funds were obtained to arrive at the totals submitted in this report.

This summary includes funds or credit actually secured and spent, funds promised, and funds which the MHDP intends to secure in order to insure the success of the project.

**MARSHALLS HUMAN DEVELOPMENT PROJECT: FINANCIAL REPORT ON LOCAL SUPPORT FUNDING**

ITEM	GRANTED	COMMITTED	TARGETED	TOTALS
<b>SUPPLIER CREDIT</b>  Volume buying in trade goods Short term financing Small industry financing Investments Ajidrik Co.: line of credit MEICO: line of credit  Ajidrik Co.: Loan for dry dock EDLF: Loan for dry dock	1,185,000.00 599,000.00  100,000.00 60,000.00 20,000.00		35,000.00 85,000.00	2,117,000.00
<b>INKIND CONTRIBUTIONS</b>  CETA: 53 persons employed Preschool books and toys Fishing equipment Fertilizer Seeds for corn and sorghum Welding equipment Twenty ton reefer van	50,128.89 400.00 500.00 200.00 200.00 200.00 10,000.00			62,228.89
<b>LOCAL FEES</b>  Tuition:100 students @ \$5 per mo.	7,500.00			7,500.00
<b>GRANTS</b>  Campaign for Human Development Matching Funds Campaign for Human Development Matching Funds	68,800.00 20,594.49	15,700.00 405.51		105,000.00
<b>GRAND TOTAL</b>				<b>\$2,292,228.89</b>

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MARSHALLS HUMAN DEVELOPMENT PROJECT: FINANCIAL REPORT ON LOCAL SUPPORT FUNDING

ITEM	GRANTED	COMMITTED	TARGETED	TOTALS
<b>SUPPLIER CREDIT</b>				
Volume buying in trade goods	1,185,000.00			
Short term financing	599,000.00			
Small industry financing				
Investments	100,000.00			
Ajidrik Co.: line of credit	60,000.00			
MEICO: line of credit	20,000.00			
Ajidrik Co.: Loan for dry dock			35,000.00	
EDLF: Loan for dry dock			85,000.00	
				2,117,000.00
<b>INKIND CONTRIBUTIONS</b>				
CETA: 53 persons employed	50,128.89			
Preschool books and toys	400.00			
Fishing equipment	500.00			
Fertilizer	200.00			
Seeds for corn and sorghum	200.00			
Welding equipment	200.00			
Twenty ton reefer van	10,000.00			
				62,228.89
<b>LOCAL FEES</b>				
Tuition:100 students @ \$5 per mo.	7,500.00			
				7,500.00
<b>GRANTS</b>				
Campaign for Human Development	68,800.00			
Matching Funds	20,594.49			
Campaign for Human Development		15,700.00		
Matching Funds		405.51		
				105,000.00
			<b>GRAND TOTAL</b>	<b>\$2,292,228.89</b>