

INCOMING TELEGRAM

Department of State

Australia

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Action

CO [REDACTED]

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TO: Secretary of State

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FILE

On occasion arrival Captain Maley (USN), OIC construction VLF facility, Pacific, GOA held meeting attended by senior representatives government's departments concerned, representatives from western Australian Government and Embassy. Following subjects discussed on which Department's views requested soonest:

1. Land tenure. GOA considering plan whereby federal government will acquire by eminent domain all land needed for facility. Acquisition costs probably nominal but in accordance cabinet decision that no costs should be borne by GOA, latter expected want US reimbursement for acquisition costs less value of grazing rights which would probably be retained by GOA in areas not required for exclusive US use.

Although this subject within purview of SOFA, it must be dealt with in VLF discussions since land involved is so extensive and so basic to entire agreement. If US can present ironclad reasons why our global policy on free land makes Australian acceptance of it of major importance, we may be able persuade GOA go along. However, we believe this would be difficult after having agreed pay for leases on non-Commonwealth owned land in transit arrangements (Department's telegram 475, March 2, 1961). In any event we believe US interests in this negotiation will be better served by not arguing this issue with GOA and making stand on item two below. Recommend we be authorized say at appropriate moment that US

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that US will reimburse GOA land acquisition costs.

2. Use of Australian materials. GOA strongly urging that maximum use be made of Australian materials. Contract procedure used by GOA, which it wishes US adopt, provides that if contractor desires use imported materials which also available from Australian sources, contractor's bid will compute cost of imported item on duty-paid basis. If imported item still materially cheaper, it may then be used and is admitted duty free.

It not yet possible foresee what overall effect acceptance this formula might have, but it conceivably could raise construction costs appreciably. Embassy believes we should make every effort avoid blanket commitment this type. On other hand, there may be individual commodity situations where it will be prudent for us take special measures. For instance Japan appears to be strong potential competitor for cement supply contracts but western Australia has unused cement manufacturing capacity.

3. Name of station. Australians would very much like have station given typically Australian name, possibly an aboriginal term linked to communications, in same way Woomera, their missile range, named after native spear throwing device. Embassy strongly supports this idea and recommends we be authorized undertake, in conjunction GOA, find suitable name for Washington approval.

BELTON

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