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DEPARTMENT OF STATE
AIRGRAM

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TO : Department of State (IO/IMP, EA/ANZ, S/PO)
 DEPT. PASS COPIES (WITH ENCLOSURES) TO: Interior Dept. for Assistant Secretary Leach and Office of Territories, Defense Dept. for OSD/ISA, WHITE House for Mr. Levin (NSC).
 FROM : HICONTERPACIS POLAD, SAIPAN DATE: February 7, 1971
 SUBJECT: TTPI - Marianas District Attitudes on Political Status, Japanese Investment, and Other Issues

10/45

1. At the February 1 opening of the current session of the Marianas District Legislature, there were major statements by Vicente N. Santos, President of the Legislature, and by Frank Ada, Marianas District Administrator. The latter statement was billed as the "State of the District" message. Both statements are enclosed.

2. Aside from cataloguing accomplishments, problems, and legislative and program priorities, the statements highlight two major concerns in the Marianas. District Administrator Ada in his statement (pages 10-11) strongly and emotionally reaffirms that "a substantial majority of our people are in favor of a closer, permanent affiliation with the United States of America." President Santos, in his statement (pages 3 and 4), makes no direct mention of status, but makes a strong and lengthy appeal to "our overlords in Washington" to permit entry of Japanese capital and enterprise into the Marianas, and to permit each district to decide for itself whether or not it desires this or other foreign investment. President Santos is among many Marianas politicians and businessmen already having significant direct or indirect ties with Japanese firms.

DORRANCE

Enclosures: (1) Statement by District Administrator
 (2) Statement by President of Legislature

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Content and Classification Approved by: POLAD:JCDerrance

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY W. A. Tree DATE 25 MAR 1986

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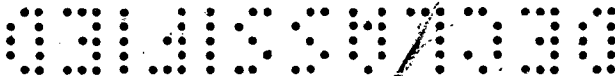
STATE OF THE DISTRICT'S MESSAGE - FEB. 1, 1971

Mr. President, Distinguished Members of this body, High Commissioner and Mrs. Johnston, Deputy High Commissioner and Mrs. Coleman, Mayor Sablan, Reverend Father Lee, Distinguished guests, ladies and gentlemen.

It is always an honor and a pleasure for me to be with you on this occasion. This marks the second instant when I appear before this deliberative body to report on the affairs of our District and share with you the satisfaction of having participated in the accomplishments of our Mission and equally share the frustration of not doing all the works we want to do. As I have said that while it is the inherent duty of us in the executive branch to report to you, the task of performing those obligations are mutually ours.

The vast construction projects unprecedented before are near completion.

It is hoped that by fall of this year the much needed improvement in the quality and quantity of our water system will be completed. Our sewer system will be completed soon. Construction of our new power plants system are presently under way on Saipan, Tinian and Rota. The new telephone exchange



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is completed and despite some confusion we are presently experiencing complete work will soon be accomplished.

Bid documents for the construction of a vocational building at Marianas High School are being finalized and invitation to bid will soon go out within six weeks. The dispensaries on Pagan and Agrihan have been completed and for the first time residents of these two islands will be assured of proper storage of medical supplies and more decent place for their health to be attended to.

In the area of long range capital improvements, emphasis is being put in water, power and sewer, items which reflect your recommendation in the first budget session held last year. It is our hope that by 1974, every person in Saipan, Tinian and Rota who need water and power will get them. These are certainly essential in upgrading and augmenting our infrastructures so that economic developments will be enhanced and social conditions will be uplifted.

The priority being given for the reactivation of Isley Field will add another land-mark. While definite commitment for Military Civil Action

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Team assistance has not been received, the plan now is to move as fast as possible on this project. This, however, will be determined by our funding capabilities. In this regard, I shall like to publicly acknowledge and thank the High Commissioner for his decision in moving the reactivation of Isley as a priority item.

If Isley Field does receive the funds being requested and if Military Civil Action Team and other assistance do come through to augment our modest funding contribution, a new era of economic dimension will shade a light for it will induce Japan Airline to move its schedule landing on Saipan, and that tourist business will increase. Isley will, also, benefit our sister districts, for Saipan will truly be the Gateway of Micronesia.

Education is continually in progress. With increased specialist staff and funds to procure needed equipment and other teaching aid materials, we have been able to move more rapidly toward the goals of curriculum development and teacher preparedness. The Saipan Teacher Education Center has expanded its capabilities to accommodate thirty trainees this school year. This is an increase of 21 over last year. These trainees will gain appreciable

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knowledge which will better equip them in their teaching. The trainees have access to modern method of teaching in the use of our educational television studio being converted into a classroom. The work of our audio visual center is a noted success.

Our special education for the deaf children of Saipan is other of our educational program with noted success. By next month the program capability will increase to accommodate 13 to 15 youngsters. This as you may know is a pilot project, and indication are quite obvious that for the first time, these unfortunate children of ours can be assisted. For this reason I shall like to acknowledge the assistance of the District Legislature and the Municipal government in providing funding and other necessary assistance.

The training of our teachers is extended to other institution. There are educational personnel attending the East West Center, Community College of Micronesia, Micronesian Occupational Center, in Ponape, University of Guam and other higher institutions. Micronesians with college education have cautioned to increase. It is certainly gratifying to note that two local teachers have recently returned and are teaching. The two teachers are

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completely certified in elementary education.

A program which will eventually offer high school drop-outs the opportunity to qualify for a high school equivalency certificate is being conducted in the evenings at our high school. Adults will have the chance to earn their certificate by successfully completing the General Educational Development test, which is offered twice a year.

Plan for the establishment of a tenth grade on Rota is being prepared. By fall of this year the new vocational buildings in our high school will be ready for occupancy. The program of assigning high school senior students to various departments in our District Government learning while working should be noted. In this regards students are preparing themselves that when graduated they can immediately be put to work. I have requested that this programs be extended within the limits of our capabilities.

Before departing from the subject of education, I shall like to recognize the significant role the parochial school is playingⁱⁿ augmenting the education of our youngsters. The contribution of Mt. Carmel High, grade and kindergarten schools is be noted. In this regard, the District Legislature



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is to be commended for the \$10,000 funding assistance for the school.

The headstart school program being sponsored by the Community Action Agency should also be noted as well as the various Community Action Agency projects. They are playing significant role in the development of our community.

But not all is sweet and smooth in our education. We still need twenty-eight additional classrooms to alleviate the double session in few of our schools.

Turning to the subject of economic development, a subject that is gaining momentum, it is long over due that we treat this a priority. For a community to advance politically and socially, economic development must be treated hand in hand. After all a hungry child cannot go to school, a hungry stomach disrupts other community growth. It is time that we look into outside investment with assured objectivity. The vast ocean for whatever it offers has not been tapped. The vast acres of land in this district have not been fully cultivated. Tourist, a potential source of revenue, must be given needed attention. The number of tourists have continued to increase since February of last year.

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The District Economic Development Board has gained the foresight in the area of outside investment. As I said in my last message, we have to erase the old fallacy that Micronesia is not ready. The exposure of Micronesia to the outside world and the interest on Micronesia from without inevitably will lure outside investors to come in. No community can isolate itself from the rest of the communities of the world. Modern technology and man's continued effort for creative ingenuity will influence Micronesia. The harshness of the fact is that whether we like it or not, outside capital will gain momentum and from it competition will be borne and from that consumers will be the ultimate benefactors. In agriculture, a long neglected program area, a new stride is at the offing with the initiative of the truck garden project. Construction of irrigation system will commence soon on Tinian as partial delivery of necessary materials has already been made. Rota is to come, and then Saipan all with initial funding amounting to \$120,000. With this, we can expect that the yielding capacity will increase nearly twofold. It may be of interest for you to note that in year 1970 alone a total of 1,346,686 lbs. of produce from Tinian and Rota were exported to Guam and Saipan for the Military and other markets

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with a cash value of \$188,830.00.

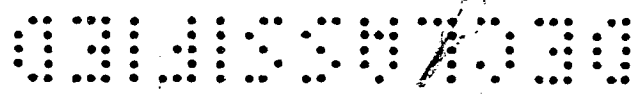
Of most interest is a report I received from Rota and Tinian that the number of person making farming as a business and occupation has doubled.

This is certainly a source of satisfaction.

Within six weeks the slaughter-house will be in operation on Saipan and Rota built with USDA Specification. With this we can now export beef and pork to Guam without restriction.

While in the area of economic development, we must assemble our thoughts in what direction must we take to insure an orderly pattern of development mindful of our capabilities and awareness that we must pursue development with cautious and a plan well-thought of to safe-guard the interest of the generation of tomorrow.

Land which is still a problem is beginning to gain attention. However, because of still constraint on budget, we have not been expeditious as we want to on the completion of the surveys of boundaries. However, it is to be noted that some 92 village lot quitclaim deeds have been completed and last year in July we issued the first certificate of title under the



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suspenses of the land commission and the land cadastrol program. From July of last year up to now a total of 490 certificates of titles have been issued. In addition, a total of 1818 preliminary inquiries have been made. I can assure you that we shall continue to work to the solution of this painful and delicate problem.

The needs of our children should be recognized. I urge that we develop jointly a program to curb the unfortunate increase of juvenile delinquency. We should develop more programs and other recreational activities for our children. The on going recreational activities sponsored by our Community Development is proving to be a success. More facilities of a recreational nature should be built.

During the course of your session, we shall submit a plan for the construction of a juvenile detention home. I urge that you give this request a funding priority. I am sure that all of you share with me that we have to nurture our youth, an important asset of any community as they will assume the role of leadership in the future. The continued exposure of Micronesia brings about new dimension of values and problems from without totally strange.

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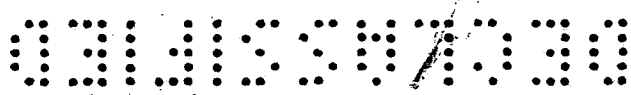
time that we confront them with planned solution.

The service of the Military Civil Action Team should be noted. Two Teams have served Rota and Pagan and Agrihan and a team is presently on Tinian. The dedication of these men under adverse conditions should be appreciated. The services of Peace Corps should, also, be noted. Their new approach of providing service is a significant step forward in the direction that will meet our needs.

Of interest to note is in the housing project. A total of about 130 new and permanent as well as modern houses are under construction made possible by the one million dollars appropriated by the United States Congress after Typhoon Jean. Most of the families are now occupying these houses.

The question of political status reached its peak last year, and it is most gratifying that the doors for further talks have not been completely closed. Further discussion is needed for this question must resolve the ultimate status, we will be in.

Perhaps, it is proper to re-iterate that a substantial majority of our people are in favor with a closer, permanent affiliation with the United States of America. The growing feeling of such closer affiliation can best expressed by what a young boy once confided to me of his deep feeling whenever he hears such as song "My Country tis of thee sweet land of liberty." Or that children begin to sing the national anthem with the spectators of a football game on the



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television. But as another young boy once said how can I call the U.S. my Country when he is an orphan, with no country to claim.

The spirit of cooperation and mutual concern to the problems at hand shown between this body and us in the executive branch have been most noticeable. We value your views on the many problems. Your recommendations in budgetary priority shown since last year's Budget Session have been included. The recently held budget briefing between the Committee on Appropriations and Budget the last six days has made it abundantly clear that we are truly partners in holding and charting of the programs ahead. I shall like to assure you that I shall value every recommendations you have. Indicative of this is the assigning of priorities in our budget submission for water, power and sewers which you so indicated in our last year's budgetary dialogue.

Further, I shall like to assure you that while it is virtually impossible to bring the entire body of this body in the participation of all importance issues by the fact of geography and time consuming task, I shall continue to consult with the leadership of this body all important issues and programs.

I believe that an open government with as wide dialogue as possible with people concerned is an indispensable ingredient in Democracy.

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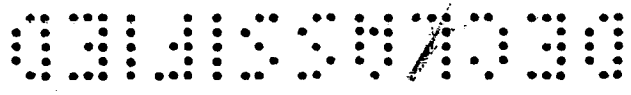
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The recognition of the right to dissent is as important as the right to consent on a given issue.

But before I close, I shall ^{like} to inject a friendly thought for whatever it may worth that we cease the use of this deliberative body as a forum of invective words, but employ it as a body where it seeks to right the wrong, to construct views rather destroy initiatives, that we bear in mind that we are partners of a co-operative venture in caring for the people we so represent, that we confront issues and problems with objective and open-minded approach rather to intimidate them with seemingly irrational uses of words. The time for responsible leadership has come. We have all come a long way in earning the respect and confidence of one other and the public at large. 'Your views shall be heard, your counsel shall be sought. The history of this District will undoubtedly include this era of holding our way and we shall be grateful for having the opportunity in participating in this venture.

This Gentleman is state of our District Affairs. A District which can take pride for its progress, but must constantly keep pace with problems caused



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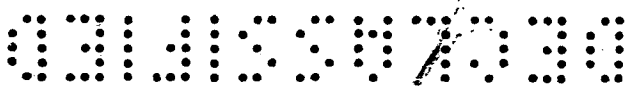
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by developments. It is a District which must exert leadership. What had been lost cannot be recalled, ^{but} we can still make use of the time ahead by recognizing the harshness of events at hand and in the future.

In the days ahead, there shall be more challenges for all of us. We must prepare for those challenges of the future. Problems give birth to problems, recognizing them is not enough. We have to find solutions for them. Some will be solved faster others take painful time, agony and frustration. But as Alfred Lord Tennyson wrote in Poem Ulysses and I quote:

"Tho' much is taken, much abides; and tho'
we are not now that strength which in the old
days moved earth and heaven, that which we are,
we are, one equal temper of heroic hearts, made
weak by time and fate, but strong in will to
strive, to seek, to find and not to yield."

Good-night!



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Enclosure 2 IO
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STATEMENT OF VICENTE N. SANTOS
FIFTH REGULAR SESSION
MARIANA ISLANDS DISTRICT LEGISLATURE

District Administrator and Mrs. Ada, High Commissioner and Mrs. Johnston, my colleagues, honored guests, ladies and gentlemen, I welcome all of you to the official opening of the Fifth Regular Session of the Third Mariana Islands District Legislature.

We welcome our good friend, Congressman Antonio R. Camacho, who was appointed to fill the vacancy created when Honorable David Q. Maratita resigned from the Legislature.

As we begin this session of the Legislature, we have reached the half way point in our administration, so it seems fitting that we review the goals we set for ourselves two years ago and our accomplishments.

During the past two years, we have accomplished a great deal in the area of providing vitally needed financial assistance to the various municipal governments in the district. The grant-in-aid have included providing funds for cement block making machines, scholarship, trucks, buses, typhoon shelters, beautification projects, the maintenance of ships, the construction of village meeting halls, coconut planting and rehabilitation, the repair and maintenance of public buildings and financial assistance for certain widows and the needy. In order to continue and expand this vital function of this Legislature, I call upon all of you to work with me in assigning priorities for the next two years, so that we can get maximum benefit from our limited resources.

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Among the most pressing needs of our people are:

- 1) Economic Development
- 2) Scholarships
- 3) Welfare Assistance
- 4) More liberal, but strictly enforced, immigration policies.

ECONOMIC DEVELOPMENT

In addition to all the other things that we do in the course of our daily activities, our basic concern is our jobs, in order to earn money to support our families. It is for this reason that we must give priority to assisting in establishing a viable, diversified and sound economy for the people of the Mariana Islands District.

As we pursue this goal, however, we must keep in mind that our land area is small and we must insist that proposed economic development projects for the Mariana Islands District result in the highest and best use of the land; that non-Micronesia employees of the proposed economic venture not be allowed to exceed 20% of the total labor force; and that economic activity will not result in polluting the waters or destroy the natural beauty of our islands.

According to unofficial estimates for the Mariana Islands District, we will need to create approximately 500 new jobs within the next three years for our youth who will be entering the work force. So, in order to fulfill our responsibilities to see that adequate employment opportunities exist to meet present and future needs to our people, we must give serious consideration to this problem.

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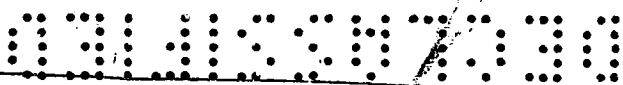
It is noted that the Trust Territory of New Guinea, which is also a Trustship of the United Nations, has an open policy on overseas investments where the administering authority actively solicits foreign investors in such vital areas on locating suitable land, planning. From what I can learn, this policy works well and the development of that trust territory is moving ahead rapidly.

So, in the same spirit, I call upon the United States to reassess its position and role in the Trust Territory, and to decentralize each district by eliminating the restriction on foreign investment so that each district can develop according to its own speed and needs.

SCHOLARSHIPS

At the present time, we have approximately 120 high school graduates a year and by 1980, just 9 years from now, it is estimate that we will have a graduating class of almost 200. Out of 116 applicants in the Mariana Islands District last year who applied for a government scholarship only 16 received any financial assistance.

This Legislature appropriated \$15,000.00 for scholarship assistance last year, and I am advised that the requests for financial aid have been heavy. I believe that this area is vital to our long range development, because future employment demands require that we make every effort to provide higher educational opportunities. Our young people today will have to assume leadership roles in our communities, and the problems that



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will confront them will in many respect be more complex than they are today. This area demands our immediate attention, and hopefully we will be able to provide more funds to supplement this basic need.

WELFARE ASSISTANCE

Over the years, this body has provided small assistance to our needy citizens by making grant-in-aids to the three Municipal Governments. This assistance has been small and only assisted these people in certain essentials such as utilities and a lesser amount for food once a month.

I am informed that the persons who are in need of welfare assistance has greatly increased. In considering this need, it is recommended that a more imaginative program be designed to both review the standards of eligibility as well as ^{at} increasing the grants for basic needs.

Hopefully, the Trust Territory Government will recognize the need for financial assistance to the needy. For instance, approximately 70% of our welfare funds go to utility services, that could be used for clothing, more food or other essentials if the government would provide free utility services to needy families.

IMMIGRATION POLICIES

This Legislature was instrumental in getting the restrictive immigration policies of yesteryear relaxed to the extent that tourist may now freely enter the Mariana Islands District (and the rest of the Trust Territory) for sightseeing purposes.

However, abuses of these entry privileges have grown steadily over



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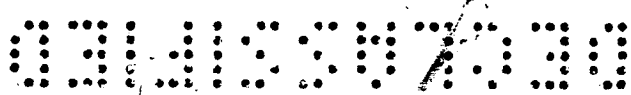
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the years and have now reached a point where steps must be taken to correct the matter. I refer to the case with which alien workers are allowed to be employed in this district and who, when their job is completed, manipulate extensions through false transfers and other means.

In order to maintain strict control over non-residents, immigration policies must be followed if we are to avoid diluting the limited employment opportunities open to our citizens.

In addition to the above, there are a number of on-going projects of the Legislature that will also demand our time and attention in the current session. We have in the past, and I am sure that the Legislature will continue to receive cooperation from the Executive Departments as may be necessary to carryout its work.

An example of this cooperation manifested itself during the past week when our Appropriations Committee conducted a week long pre-budget hearings with all district departments. I would like to commend the department and activity heads on the manner in which the budgetary justifications for discal years '71 thru '77 for both the Preliminary Operations Programs as well as the Schedule of Expanded Operations Program. This effort has resulted in assigning the priorities deemed essential for the progressive development of this district, and hopefully our input in the formulation of the budgetary expenditures for this district will continue and be expanded in years to come.



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In closing, I wish to thank you for your attention, and we wish to extend a special thanks to our District Administrator for his State of the District Message.

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