



DEPARTMENT OF STATE

Washington, D.C. 20520

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March 27, 1973

Dear Ambassador Williams:

The Department of State has reviewed the Interagency Group's study on the future political status of the Mariana Islands, Trust Territory of the Pacific Islands. With minor reservations and qualifications, the Department believes that the study provides a comprehensive basis for decisions by the Under Secretaries Committee and the President, as well as adequate guidance for the forthcoming negotiations with the Marianas Future Political Status Commission. The Department of State has therefore concurred in the Interagency Group's recommendations to the Under Secretaries Committee.

However, the Department does believe that some issues were inadequately addressed in the study, and that in at least one instance a degree of ambiguity could lead to a conflict in negotiating objectives. The Department of State's views on these issues are summarized in Tab A to this letter, and elaborated on in Tabs B, C, and D. The Department of State trusts that you, and all concerned agencies and departments of the U.S. Government, will give due weight to the considerations and points of view expressed in these tabs.

With all best wishes for success in your negotiations with the Marianas, I am,

Sincerely,

Marshall Green
Assistant Secretary
Bureau of East Asian
and Pacific Affairs

The Honorable Franklin Maydn Williams,
President's Personal Representative for
Micronesian Status Negotiations,
Office of Micronesian Status Negotiations,
Department of the Interior,
Washington, D.C.

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Attachments:

- Tab "A" - Department of State Reservations and Recommendations
- Tab "B" - The Impact of Potential Japanese Economic Activity in the Mariana Islands on the Status and Land Negotiations
- Tab "C" - Strategic Importance of the Mariana Islands and DOD Planning for Bases in those Islands
- Tab "D" - Termination of the Trusteeship Agreement

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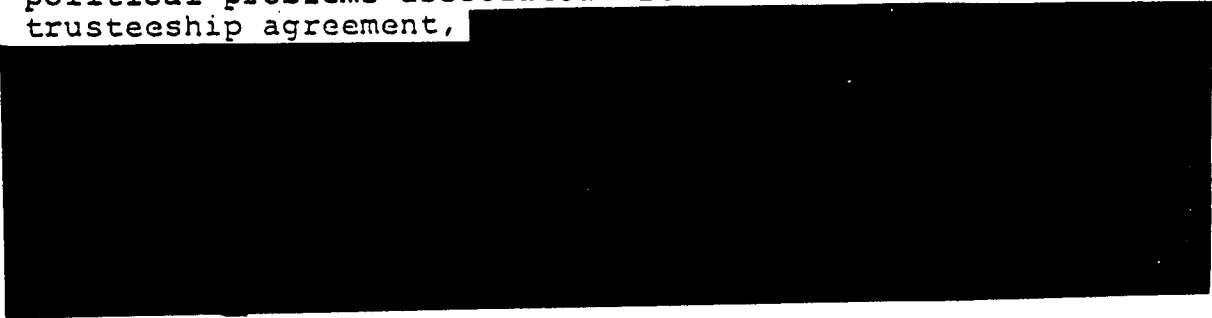
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TAB A"

Department of State Reservations and Recommendations

A. Termination of the Trusteeship and the United Nations:
Section VII of the Marianas study, and Section G(i) of the summary of the study, briefly highlight the legal and political problems associated with termination of the trusteeship agreement,



Since the Interagency Group study on the Marianas inadequately covers the legal and political considerations which underlie this important recommendation, the Department of State wishes to draw the attention of the Under Secretaries Committee to its views on the matter as outlined in Tab D to this memorandum.

B. Land Requirements and U.S. Negotiating Goals:
Throughout the Marianas study it is clearly stated that a priority U.S. objective should be early agreement on and implementation of a close and permanent Marianas relationship with the United States. This is explicit in the objectives described on page i of the Summary, and again in the draft instructions for the President's Personal Representative (summary page xxi).

Elsewhere (in the summary discussion of defense land requirements on page vi), it is recommended that a "determined effort" be made to negotiate acquisition of the Defense Department's maximum land requirement, i.e. all of Tinian Island, two parcels of land on Saipan, and Farallon de Medinilla Island.

The Department of State concurs in both recommendations, i.e. that priority be given to achievement and early implementation of a status agreement, and that a determined effort be made to obtain the Defense Department's maximum land requirements.

However, the Department is concerned that the two goals could come into conflict and that an unrealistically determined effort to obtain the maximum Defense land requirement could threaten the priority objective of an early status settlement.

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The Department of State believes there is little or no prospect of actually acquiring the maximum land requirements, and that the effort to obtain those requirements must be considered as no more than a useful tactical device to assure that minimum land requirements will be met.

It is the Department of State's understanding that the Department of Defense concurs in the relative priority of the political status and optimum land requirement objectives. In particular, we understand that it is not the intent of the Department of Defense that negotiation of the optimum land requirement be pressed in the event that it becomes clear: (a) that the requirement cannot be satisfied under reasonable conditions, and (b) that a continuing "determined" effort to obtain that requirement may significantly delay or threaten the objective of early agreement on and implementation of a satisfactory status settlement.

The Department of State believes that, if this interpretation of the Department of Defense's position is correct, no amendment or change in the Under Secretaries Recommendations to the President, or in the proposed draft instructions for the President's Personal Representative, is required.

C. Marianas Basing Requirements and NSSM 171: The Defense Department's plan for the development of Tinian Island, and contingency planning for Saipan, were developed prior to the NSSM 171 requirement, and conceivably could be in conflict with the assessments and decisions that will flow from that NSSM. These concerns are elaborated on in detail in Tab C to this memorandum.

In the above circumstances, the Department of State believes that a final decision on the development of Tinian Island should be deferred until it can be considered within the context of a completed NSSM 171 study. This view is not intended to defer or delay the acquisition of land in the Mariana Islands for basing purposes, nor does it require any change in the negotiating instructions for the President's Personal Representative.

D. Impact of Japanese Economic Activity on Marianas Status and Land Requirements: The study does not adequately discuss increasing Japanese interest in investment in the Marianas Islands' tourist and other industries and resultant changing Marianan perceptions concerning the level of dependency of their islands on the U.S. This problem is discussed in Tab B to this memorandum and underscores the importance of an early status agreement, and early resolution of our land requirements.

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TAB "B"

The Impact of Potential Japanese Economic Activity in
the Mariana Islands on the Status and Land Negotiations

There is a strong presumption in the study that the Marianans see their future economic growth as almost totally dependent on the establishment of large scale U.S. military facilities. This may well have been true when the Marianas leaders first began actively pursuing separate status. Defense activities had been the corner-stone of the prosperity of nearby Guam which they have looked upon as an example of what they might achieve. Other sectors of the Guam economy have boomed, however, in the last few years with heavy influxes of investment from the United States, Japan and Taiwan. The Marianans have been in close touch with Guamanian leaders who continue to attach great economic importance to U.S. defense activities on the island but have become increasingly concerned that military land requirements not inhibit the growth of conventional commercial activity.

The Marianas political leadership is well aware that their islands have a considerable potential for the development of tourism and agriculture. Saipan already attracts more tourists than the rest of Micronesia and further heavy investment in hotel construction is soon to come. The exercise by Japan Airlines of landing rights on Saipan which they already hold is only a matter of time. The Mayor of Tinian has publicly discussed plans for the construction of a four hundred room hotel on that island which would hardly square with Department of Defense plans for the utilization of Tinian. Tinian is also the site of one of the few attempts at large scale agricultural development in Micronesia with several thousand cattle now grazing on TTPI public lands.

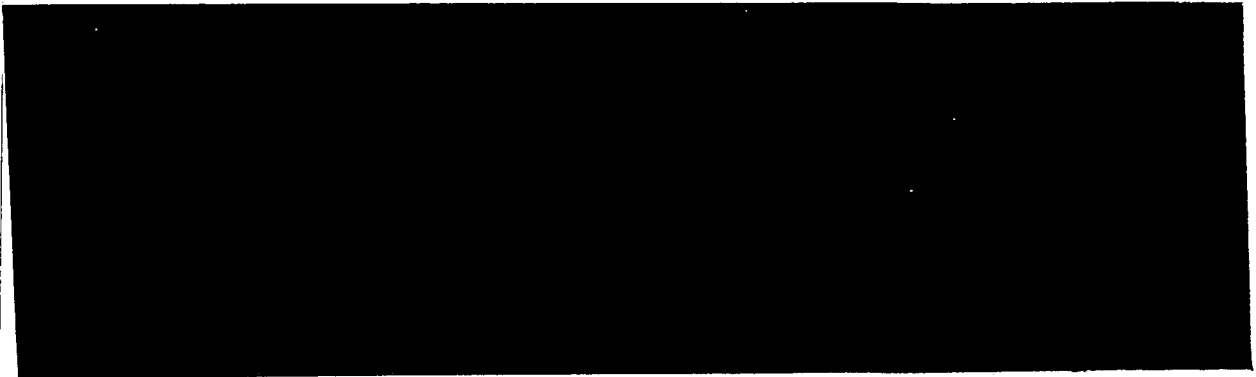
As is the case in Guam, the Marianas leaders will probably welcome our defense requirements to the extent that they do not preclude other types of development. The opening position suggested by Defense (all of Tinian, and harbor and airfield requirements on Saipan) will considerably exceed Marianan expectations and could delay completion of the negotiations if pursued for any length of time. Economic perspectives in the Marianas are changing rapidly and it is important that our requirements be quickly agreed upon before they become unattainable or unduly expensive.

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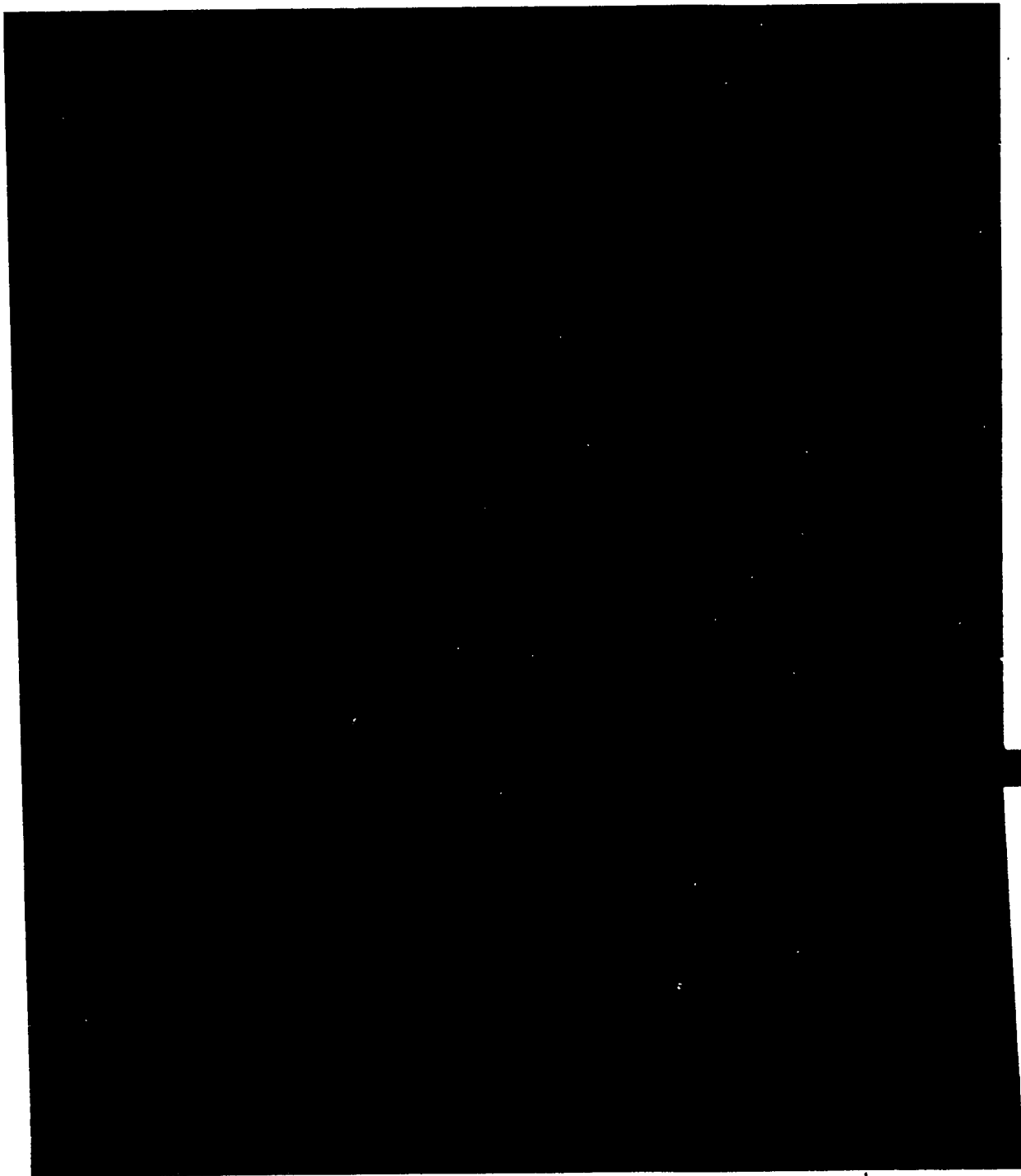
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TAB C

Strategic Importance of the Mariana Islands and Defense
Department Planning for Bases in Those Islands



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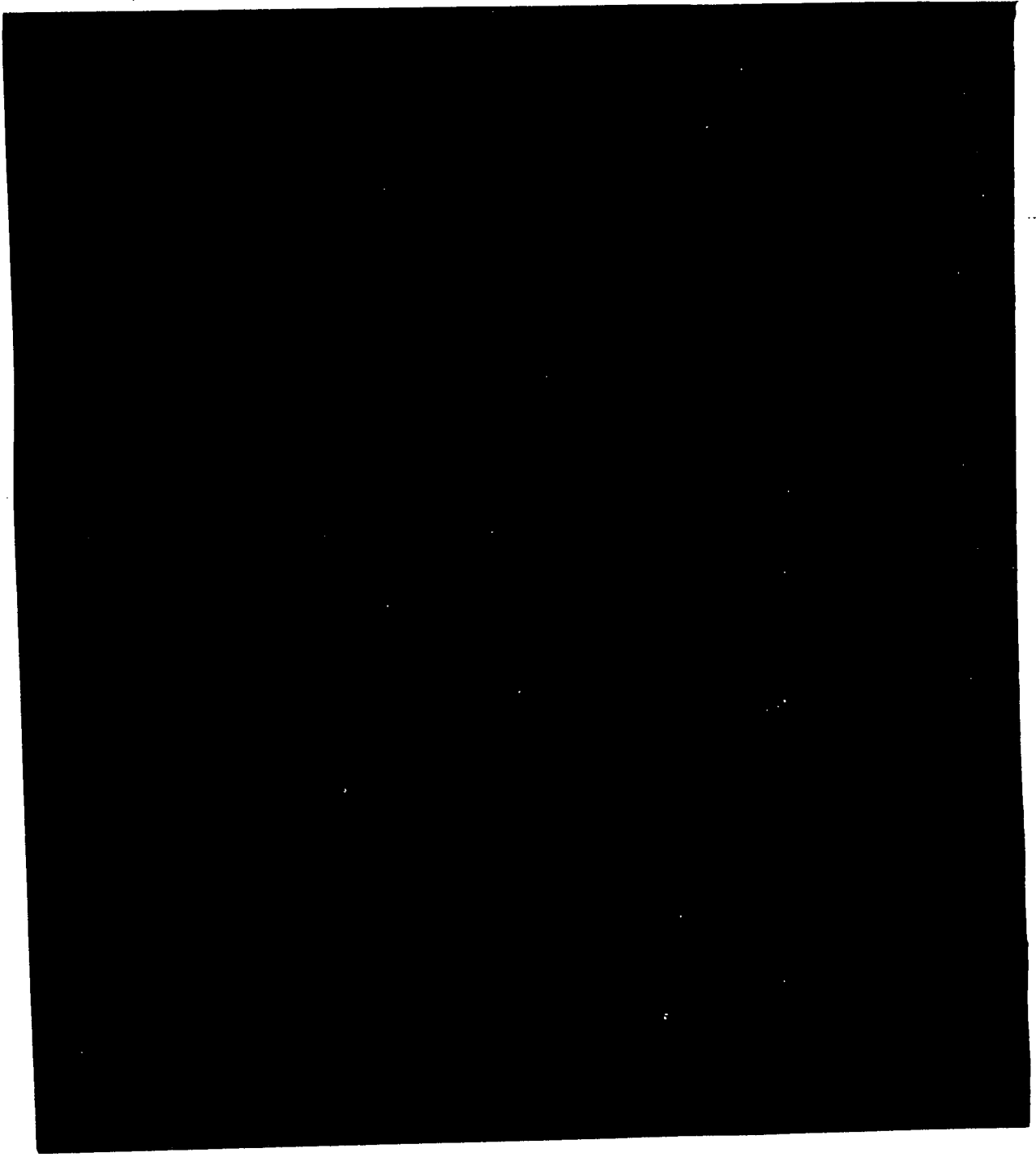
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TAB "D"

TERMINATION OF THE TRUSTEESHIP AGREEMENT



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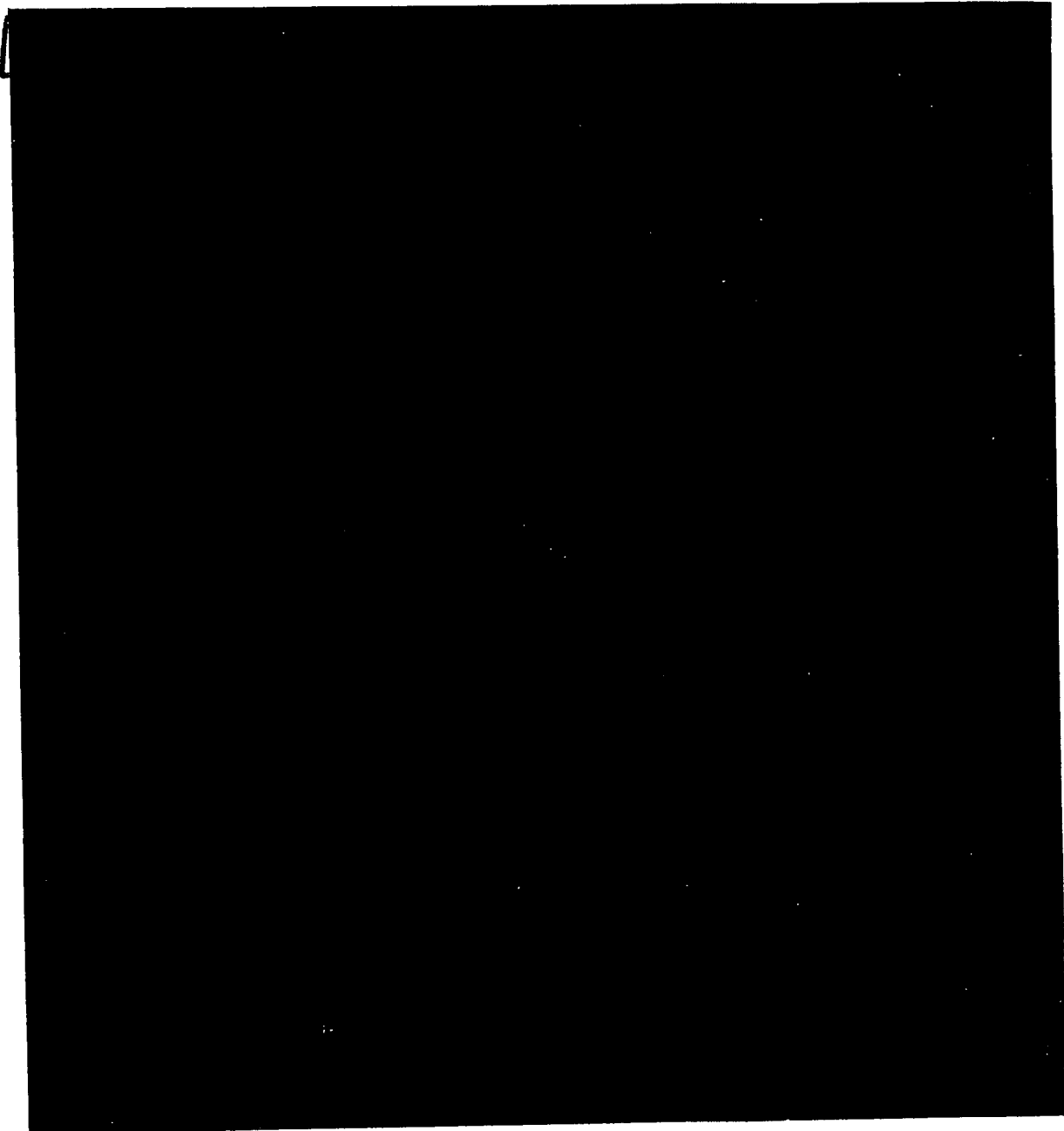
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L/UNA - Mr. Nelson *R255*
IO/UNP - Mr. Sylvester *R255*
EA - Mr. Dorzance

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