



# United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

August 24, 1973

The Honorable Edward E. Johnston  
High Commissioner  
Trust Territory of the Pacific Islands  
Saipan, Mariana Islands 96950

Dear High Commissioner:

Mr. Wilson has asked me to respond to your letter of July 24, 1973, wherein you requested clarification of OMSN's position regarding leases on Tinian Island, particularly those leases between citizens and non-citizens of the Trust Territory. You note specifically the application of two American banks to rent office space. I sincerely appreciate your giving us this opportunity to clear up the gray areas before you take further action.

We stated the OMSN position on the overall matter of land leases in a July 24, 1973, memorandum from Jim Wilson to Stan Carpenter wherein we saw no objection to honoring those land leases on Tinian that were approved prior to May 8, 1973, the day we first surfaced our military requirements in the Marianas but noted that significant building projects or other improvements of public land should be avoided while negotiations were under way.

Our overall objective is to prevent land speculation and a sharp rise in land costs to the U.S. Government. We are concerned also about those agreements that involve the actual use of land or that would impinge on the use of land, such as hotels and resort ventures and industrial or quarry operations. We are in no way attempting to impede the economic development of Tinian as indeed there are many economic development opportunities still existing within the framework we suggest.

We would support those agreements that do not give rise to land speculation or otherwise adversely effect land values. This applies especially to the lease of existing private (Micronesian citizen) land or facilities to public service institutions such as banks. It follows that we have no objection to the specific rentals to the two banks mentioned in your letter.

You have, of course, our proposal for U.S. land requirements on Tinian and can most certainly visualize situations which might increase costs to the United States Government just as readily as we. Consequently,

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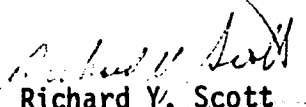
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Tinian

I know I can trust your good judgment to avoid those situations that are designed to take advantage of our land and development proposal merely to gain pecuniary advantage or to impede our negotiations.

I hope the above clarification is satisfactory. However, in the event there are further cases of a unique nature, consultation with this office, prior to making your decision, would be appreciated.

Sincerely,

  
Richard Y. Scott  
Director, OMSN