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Talking Points - Transition Planning

1. In its May 14, 1973 Position Paper on the Economic Aspects of the Revised Political Status, the MPSC proposed:

- A first phase of Transition consisting of one year during which detailed plans are prepared to facilitate changes in government structure, accelerate industrial and social infrastructure development, establish institutions for economic and social development, and establish a legal basis for self-government.

- The MPSC estimated the costs of such a program at \$4.5 million; \$3 million for an accelerated cadastral survey; \$750,000 for Master Planning and schematic design of facilities; \$125,000 for government reorganization; \$125,000 for economic and social development planning; and \$500,000 for legal planning [including political education] constitutional convention and the development of a legislative program. (2,455,000)

- The MPSC proposed that the funds (i.e., the \$4.5 million) be made available as a grant to the MPSC immediately after conclusion of successful negotiations.

- There were no further details provided in that paper on the content of Phase I or the basis for the \$4.5 million estimate.

2. The U.S. delegation indicated its concurrence in principle with this outline, subject to further consideration of the exact elements of timing, funding, and procedures, and proposed that the matter of developing details be dealt with initially by the Working Group on Economics and Finance.

3. The Marianas delegation expressed its satisfaction with the U.S. agreement in principle - proposed that the May 14 presentation be used as an agenda for the Working Group's deliberations.

4. In August, with the arrival of Mr. Silver on the scene, the joint working group became operational. Between August and ^{December} the meetings, the joint group met five times in Washington. Mr. Silver and Mr. Leonard attended all the sessions. Mr. Willens attended four and his representative, Jay Lapin, attended the fifth one in his behalf.

5. In August 29 Mr. Leonard, on behalf of the NPSC presented a more detailed cost estimate for Phase I, with some modification in the cost estimate for some of the items.

- The estimate for cadastral work was reduced to \$2.5 million from the May 14 estimate of \$3 million.

- Master Planning and schematic design were increased from \$750,000 to \$1.2 million - an increase of almost the whole 1/2 million dollars saved in the cadastral work.

- The economic development planning estimate was increased a modest amount from \$125,000 to \$200,000.

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ariat - A new item, Planning Coordination was introduced for \$112,000.

- Legal planning remained at \$500,000 but details were to be provided later. Such detail was presented October 31.

- In addition to the detailed cost estimates presented for legal planning at a later date, the August 29 proposal spelled out in greater detail the basis for the cost estimates of the cadastral survey and master planning. These three items composed the bulk of the \$4.5 million.

6. There were a number of discussions on these programs in the joint working group, and Mr. Leonard arranged for a special visit to Washington of the architects who drew up the cadastral and master planning cost estimates to meet with Mr. Wilver to answer his questions.

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7. We are now prepared to present to the MPSC our views on a transition program - taking into account the May 14, August 29 and October 31 presentations made to us by, and on behalf of, the MPSC.

8. We believe it essential to have the transition policy set by a Joint Commission (U.S. and Marianas) to insure conformity with the agreement and to insure that the continuing U.S. responsibility for administering the Trust Territory is fully discharged so long as the Trust Territory exists.

- We propose a Joint Commission with three Marianas officials and two U.S. officials. The U.S. officials will represent the OMSN and the DDOFA. The Marianas representatives will represent the MPSC, the District Legislature on behalf of the people of the Marianas and DISTAD/Business Community/Other.

- This high level commission will meet infrequently - perhaps two to three times a year throughout the Phase I period. It will provide policy guidance for the planning effort and for the political arrangements leading to the formation of a new government.

- The Commission will be served by a Joint Secretariat - a four man operation of salaried personnel - two Marianas and two U.S., plus secretarial help - whose function will be to manage - on a continuous basis - the work of Phase I. This includes the handling of, and accountability for, funds; phasing of study efforts; letting of contracts, seconding U.S. and TF Government personnel for special tasks, transmitting Commission guidance to study groups and insuring that studies and plans conform to policy, report to the Commission on progress, request guidance when necessary, recommend additional studies, etc.

- The studies and plans themselves are for the Marianas government (or for the Marianas district on its way to the new status). The Commission will have no responsibility for evaluating the quality of the reports or implementing the reports - That is the province of the ultimate customer - the Marianas.

~~believe, however, that we might together give consideration to~~
eliminating from the purview of the Joint mechanism, policy guidance for those elements of Phase I that are involve^d solely with Marianas political considerations; i.e., constitutional convention, constitutional referendum and government reorganization.

- All other items in our proposed Phase I program - to be detailed in a few minutes - would be managed by the Joint Commission and Secretariat.

- The Joint Secretariat ^{would} be accountable for the disposition of all the funds - ~~including those funds made available to the Marianas for its own use~~
^{for joint activities}

~~(including those funds made available to the Marianas for its own use for a constitutional convention.)~~

9. A final note on the administration aspects:

- In view of our expectations that we will make major progress in these two weeks discussions, we would propose the establishment of an interim ^{or preparatory} Joint ~~Secretariat~~ ^{Committee} even before the start of Phase I. We would be prepared to propose a U.S. person - we assume the MPSC would be able to obtain the services of a competent Marianas person.

- These ^{two} individuals could keep up the momentum of the work we will have accomplished here - provide concrete evidence of our ~~high~~ hopes for early agreement - and develop the Phase I program in the detail needed to make possible speedy implementation when agreement is reached and funds for Phase I become available.

- The interim ^{or preliminary Joint Committee} Secretariat would take an inventory of all plans and studies already on the books and in progress and evaluate their quality and relevance to Phase I requirements.

- It would attempt an assessment of the human talent available in the TT government and elsewhere in the Marianas that could be tapped for work on Phase I activities.

... program itself. We see a total program of about \$2,455,000 million. This compares to the MPSC \$4.5 million program.

A. Land Cadaster

- The largest reduction - though not a cut in real terms - is in the land survey work. Our people estimate a \$1.6 million requirement for the cadastral work adjudication as compared to your \$3 million of May 14 and \$2.5 million of August 29. This dollar figure is not a real limitation - we will do what is necessary to complete the job.

B. Economic Planning

- We propose \$350⁰⁰ thousand for a combined economic, social infrastructure, and physical planning effort. This compares to your May 14 estimate of \$375 thousand for these items and \$1.4 million on August 29.

- We cannot support a Phase I effort of \$1.2 million for physical planning as is outlined in the August 29 budget estimate in light of the work that has already been done.

- We have discussed with TTPI people and find that much of the data is available, and many plans are completed or underway.

-- Master plans for Saipan and Rota are available.

-- The one for Rota, for example, was done just last year and covers in its table of contents:

-- A physical plan for Rota

-- Existing conditions

-- Potential and Projection

-- Planning Infrastructure

-- Future Land Use Plan

- We believe Phase I is too soon to get into such things as concept development (i.e., examination of alternative design possibilities), and preparation of cost estimates.

- These items, in our view, come later on after the development strategy has been developed and the Marianas Government is closer to the implementation stage.

- We have no objection to having a consultant in this area involved in the economic development planning process - either full time or as a short term expert - to add that dimension to the economic planning work. Such an architect could interpret for the economic planners, the physical planning already on the books and the known physical constraints to development.

C. Planning for New Commonwealth Government

- We propose \$175 thousand for such legal and political undertakings to be handled by the Marianas directly.

- This includes the holding of a constitutional convention, the legal work required by the convention, and the holding of a constitutional referendum.

- Also in the area of political planning, but managed through the joint mechanism, we proposed \$75 thousand for political education and for the holding of a plebiscite on the change of status.

- The sum of these legal-political items is \$250 thousand; compared to the \$500 thousand requested in both your May 14 and August 29 budget requests for legal planning.

- The major deletion is the \$170 thousand item for legal services in connection with applicability of laws.

--- Our reasons for this deletion were presented yesterday.

D. Special Studies

- We also propose to provide \$50 thousand for studies designed to ease the adjustment necessary when the TT headquarters is moved.

- Marianas residents will find their means of livelihood removed.
- Plans will be needed for the use of facilities.

E. Organization and Management

- Finally, we propose \$30 thousand to cover incidental expenses of the Joint Commission and \$175 thousand for the Joint Secretariat.

- This latter amount covers salaries for four professionals, two secretaries, office space, office equipment, supplies, travel, etc.

11. The U. S. contribution outlined in our proposal does not include, of course, the services of the U. S. Government and the Trust Territory Government that can and should be called upon to meet those planning tasks that they can perform.

It does not include, for example, assistance from HUD or HEW that might be called upon to assist in urban development and classroom design.

12. Finally, let me say, this is our best estimate of firm requirements as we see them now. We welcome your views in light of this discussion.

-- The interim secretariat I referred to before might shed some additional light on the requirements and how they should be met.