

**MARIANAS POLITICAL STATUS
NEGOTIATIONS**

THIRD SESSION

SAIPAN

DECEMBER 6 - DECEMBER 19, 1973

OFFICE FOR MICRONESIAN STATUS NEGOTIATIONS

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**MARIANAS POLITICAL STATUS NEGOTIATIONS
THIRD SESSION
DECEMBER 6 TO DECEMBER 19, 1973
ROYAL TAGA, HOTEL, SAIPAN, MARIANA ISLANDS
TRUST TERRITORY OF THE PACIFIC ISLANDS**

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OPENING OF SESSION - By Senator Edward DLG Pangelinan (Host Chairman)

INVOCATION - Father Arnold Bendowske

OPENING REMARKS - Ambassador Franklin Haydn Williams

OPENING REMARKS - Chairman Edward DLG Pangelinan

BENEDICTION - Reverend Max William

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The Third Session of the Marianas Political Status Talks between the Marianas Political Status Commission and the President's Personal Representative for Marianas Status Negotiations was officially opened at a plenary session held at 10:00 A.M., Thursday, December 6, 1973, at the Royal Taga Hotel, Saipan, Mariana Islands District, Trust Territory of the Pacific Islands.

The following is a transcript of the opening statements made by Ambassador Franklin Haydn Williams, the President's Personal Representative and Senator Edward DLG Pangelinan, Chairman of the Marianas Political Status Commission.

AMBASSADOR WILLIAMS: Senator Pangelinan, Members of the Marianas Political Status Commission, Mr. High Commissioner, Mr. Ada, Father Arnold, Reverend William, honored guests, ladies and gentlemen, we are very pleased to be back in your islands again. We all very much appreciated the wonderfully warm welcome we received on our arrival at Kobler Field yesterday afternoon, and it gave us all a good feeling to see friends again and by now familiar sights as we drove to our hotel along your beautiful beach road. In May and June the flame trees glorified your land and seascapes and now the colorful poinsettias remind us of the coming Holiday Season and Christmastime. Yes, for all of us, it is good to be with you again.

Before proceeding with my opening remarks, Mr. Chairman, I would like to have the pleasure of introducing the members of the American Delegation. Most of them are known to you, a few are new and will be participating for the first time in these negotiations.

(At this point Ambassador Williams introduced the members of his delegation)

Last year we came to Saipan to begin these negotiations. This year we have come to the Marianas twice to continue the effort. Next year, hopefully, we will return to finish the job.

As we proceed, I believe it might be useful to review why we are here and what are our principal objectives. I believe that it might be helpful to remember at the outset that the American Delegation is here at your invitation, and as a direct result of the oft-repeated requests of the people of the Northern Mariana Islands, through their municipal councils and their District Legislature, for separate negotiations and a separate status.

We are here to pursue the attainment of a future status which you have asked for—and that is a political union with the United States.

We are here to attempt to accommodate these expressed wishes within the framework of a commonwealth agreement, which will provide for maximum internal self-government within the context of the larger American political system.

We are here to work toward understandings that will mean in the future that the Northern Marianas under its own constitution will elect its own executives and its own legislature and will have its own judiciary for the administration of local justice.

We are here to work with the Marianas Political Status Commission to ensure that in the future individual civil rights will continue to be guaranteed and protected and that there will be equal opportunities for all.

We are here to find ways to preserve and protect your own cultural traditions and identity. Under a new status we wish to give the people of the Northern Mariana Islands also the right to become American citizens if they so desire.

We are here to discuss the future economic needs of the Northern Marianas, to reach agreement on how best the United States can assist in raising standards of living and how best the United States can contribute to your long range goals of economic self-sufficiency.

We are here to bring assurances that the United States intends to provide your new government with basic budgetary support to meet the cost of government administration, education, health and other essential public services. Likewise, we will be proposing the extension of long term, low interest loans for economic development, and under the status which you have indicated is your first preference, you will be eligible for a wide range of United States federal programs and services ranging from disaster relief to "head start" type programs.

As we take up these tasks it is also important and comforting to remember that we will be building on foundations and preliminary understandings reached last May and June about the essential political nature of the new relationship between the Northern Marianas and the United States. We can now turn from general principles to more technical specific and practical considerations. This will involve a review

of some remaining political status questions of a legal and constitutional nature, a deeper and fuller exploration of economic needs and support requirements, and a further discussion of land questions including the disposition of public land, land alienation and the satisfaction of United States land requirements.

We will also be suggesting that some of our time over the next two weeks be spent on the subject of Transition. If the Northern Marianas are to move forward toward a new status progressively and in a timely way, it is important to begin planning now. The United States is prepared to explore with you in detail how it can appropriately assist in this effort. It is our assumption that United States financial assistance will be necessary for both the planning and implementation stages of your major steps toward full self-government and we expect to discuss with you in these talks the character and level of our support.

As we open these talks we are confident that further progress will be made in the days immediately ahead. We are here as friends and not as adversaries. We share in common a great challenge, a great opportunity to fashion a new and lasting political relationship between the Northern Marianas and the United States—one which will serve the best interests of your people and one that will be entered into freely as a true expression of their right of self-determination.

In conclusion, let me say that we appreciate that our talks have been marked by good will and uninterrupted progress. We look forward to further steady advancement toward our ultimate objective, yet the United States recognizes that the pace of our negotiations must be set essentially by the people of the Northern Marianas and their leaders.

Finally, in closing, I bring to you all greetings and best wishes from your many friends in the United States in both our Executive and Legislative Branches of Government.

Thank you.

SENATOR PANGELINAN: Ambassador Williams, Members of the U.S. Delegation, Honored Guests, Ladies and Gentlemen:

On behalf of the Marianas Political Status Commission, it is my pleasure to welcome you here to continue the deliberations which we began last December looking toward a close political relationship between the people of the Marianas and the United States.

The members of the Commission are proud of the progress which the two Delegations have made in only a single year. The Joint Communique of last June 4, 1973—reflecting three weeks of intensive negotiations—has provided a clear and solid foundation for our further deliberations. Speaking for the Commission and the people of the Marianas, I am confident that this third session of our negotiations will show even greater progress toward our mutual goal—a secure and enduring place in the American political family for the people of the Marianas.

Since the beginning of these negotiations, the members of the Commission have been in constant communication with the people of the Marianas. We are well aware that these negotiations will serve no useful purpose unless the status agreement which we negotiate is approved by the Marianas District Legislature and the people in a referendum. We are confident that the people of the Marianas support the tentative agreements which we have already made. Our most recent public discussion with the people was only three days ago, when the Commission met with the people of Tinian for a full and frank discussion of these negotiations and the U.S. proposals regarding land on Tinian. After these negotiations are concluded, the Commission plans to undertake a series of similar meetings in the various municipalities and villages of the Marianas.

As before, much work has been undertaken in preparation for these negotiations. Some of this work has been helped by the meetings in Washington of the joint working groups established by the parties pursuant to the terms of the Joint Communique of last June 4. As we get closer to specific final agreements, we believe that these working groups will become even more important. In addition, the members of the Commission have been meeting continuously for the past ten days in preparation for the session.

One development of special significance since our last session is the U.S. Policy Statement on the Return of Public Lands. On behalf of the people, the Commission wishes to commend the United States for issuing this statement and promising to honor its long-standing commitment to return the public lands to the people of Micronesia. The Commission will make a proposal during these negotiations aimed

at achieving the prompt transfer of public lands in the Marianas to the people. In some respects, we will need the assistance of the U.S. Delegation in the project and we hope that the United States will aid our efforts to implement the U.S. Statement of Policy on this important subject.

Our agenda for this session will include that familiar quartet of topics—political status, financial support, land and military needs, and transition. On some of these subjects, the Commission has proposals; on others, we expect that the United States will take the initiative in submitting proposals or responses to positions previously advanced by the Commission. Whichever is the case, the Commission is committed, as always, to free and open discussion aimed at making as much progress as is possible in the very short time—two weeks—which we have available for this session. Where specific agreements are possible, the Commission is prepared to try to arrive at them. Where complicated subjects are involved and the necessary staff work has not been done, it may be wise to settle for more general agreements and a joint determination to work together during the recess so that we can make further progress at our next session of negotiations.

Whatever the outcome of our discussions of specific issues, you can rest assured that the members of the Commission remain firm in their conviction that we are engaged in an historic joint venture. Let there be no doubt in your minds regarding the enthusiasm with which the people of the Marianas face their future relationship with the United States. And it is with that spirit - Mr. Ambassador - that we welcome you here today and look forward to these negotiations.

*CLOSING PLENARY STATEMENT OF AMBASSADOR WILLIAMS
AT
MARIANAS POLITICAL STATUS NEGOTIATIONS*

December 19, 1973

Senator Pangelinan and Members of the Marianas Political Status Commission:

In bringing to a close the third session of the Marianas political status negotiations, we can take justifiable pride in the results of our past two weeks together. The members of the two delegations have worked hard and effectively together. You gentlemen on the Marianas Political Status Commission have my delegation's admiration for the concentrated effort you have been putting into the historic work in which you are both engaged. Your willingness to spend long hours away from your families and the other normal concerns of daily life in order to take up this work reflects your recognition of its importance to present and succeeding generations in the Marianas and your determination that it be well done.

Like previous negotiating sessions, this one has advanced us significantly nearer the attainment of our joint goal of a Status Agreement which will assure the people of the Marianas a secure place in the American political system under conditions affording them maximum responsibility for their own self-government and the fullest expression of their unique cultural heritage, a heritage which has enriched and will continue to enrich the larger American family.

The detailed Joint Communique which Senator Pangelinan and I are signing here this afternoon accurately reflects the extensive ground our delegations have covered in this session and the further preliminary agreements we have reached. This session brought an essential expansion of some of our understandings of last spring and has paved the way for further detailed discussions of specific issues to be undertaken by working groups from the delegations during the recess in the talks and by the full delegations at their next session.

The major accomplishments of this third session have been (1) a number of important understandings on complex constitutional, legal and fiscal matters—including citizenship and nationality, the applicability of federal law, the protection of the right of local self-government, and customs and internal revenue; (2) agreement to establish forthwith an Ad Hoc Preparatory Committee to prepare a detailed work plan, timetable, organizational structure, and budget for transition planning, in recognition of the critical importance of such advance planning to ensure the orderly assumption of responsibility by a new government of the Marianas following the adoption of a local constitution; (3) an examination of the pace and direction in which the economy of the Marianas is likely to develop and the opportunity this presented for the U.S. to present a specific proposal of U.S. financial assistance during the first five years following the installation of your new government—a proposal which is, I believe, commensurate with your requirements and relevant to your principal economic goals of a steadily rising standard of living for your people and ultimate self-sufficiency; and (4) an exploration of such questions relating to land in the Marianas as the recent U.S. policy decision to return public land to local control and the related intensified land cadaster program; and U.S. land needs in these islands.

On the latter point, the U.S. appreciates your understanding of its minimal military land requirements and your general agreement to accommodate them. This is a reflection of your previously stated belief that the Marianas should contribute appropriately to the common responsibility to ensure the maintenance of peace and security in the Pacific. During the present session we have reached a fairly extensive understanding on how the land needs in question can be satisfied. I have no doubt that through further discussion in the months to come we can readily reach final agreement on this matter of importance to us both.

Before leaving the topic of land, I welcome this opportunity to reaffirm publicly the position which the U.S. stated to you during this session regarding private land rights on Tinian. Under the U.S. proposal the southern one-third of the island, outside the safety arc around San Jose Village, would be privately owned or in the public domain.

Although the present session has accomplished a great deal—perhaps even more than our delegations had hoped—we still have a considerable amount of work ahead of us, much of it of a technical nature. The legal and economic working groups from the delegations to which I referred will resume their

discussions early in the new year. Most important, the Ad Hoc Preparatory Committee which we have agreed to set up to study transition will immediately undertake an intensive, detailed examination of ways in which the transition to a new government can best be expedited and facilitated so that it can make recommendations to the Chairmen of the two delegations by March 1.

Thus, while the next session of negotiations will require extensive preparation, we have well-established mechanisms for accomplishing it. In any case, our delegation looks forward to sitting across the table from you once again in a few months, when both sides feel that the way has been prepared adequately for further substantial forward movement.

As the members of the U.S. Delegation rejoin their families in the United States in this holy season, you and your loved ones and all the people of these islands will remain in our thoughts; we very much hope that you will experience again the joy and peace of Christmas and the renewal of strength and spirit which it brings.

My delegation has been truly grateful for the warmth of your hospitality and the continued signs of your friendship as we have labored together these past two weeks. We shall take away with us your greetings to the Marianas' many friends located in the U.S. Government and elsewhere in the United States. I shall, of course, be reporting to my principal and key members of the U.S. Congress on the continuing progress of our negotiations. I have no doubt that they will be gratified at the very hopeful outlook for our endeavors.

*CLOSING PLENARY STATEMENT OF SENATOR EDWARD DLG. PANGELINAN,
CHAIRMAN OF THE
MARIANAS POLITICAL STATUS COMMISSION*

DECEMBER 19, 1973

Mr. Ambassador, Members of the U.S. Delegation, Honored Guests, and Ladies and Gentlemen:

On behalf of the Marianas Political Status Commission, it is my pleasant responsibility to say a few words at this closing session of the Third Session of these status negotiations.

When I review the Joint Communique that we are issuing here today—and reflect upon the progress that we have made in two short weeks—I feel very satisfied with our accomplishments. The members of the Commission have been at work for nearly four weeks preparing for and conducting these negotiations. They have worked with diligence and dedication—and I am proud to be their Chairman.

Now that this session is concluded, the members have pledged themselves to take the fruits of our labors to the people. We know that it may be difficult to explain the significance of these negotiations to the everyday life of the people of the Marianas. But we are determined to undertake this task. This is, after all, our responsibility, since we participate in these negotiations only as representatives of the people.

We appreciate the willingness of the United States to understand the political complexities involved in these negotiations. Consultation with the people of the Marianas takes time and effort, particularly when the issues involved are as sensitive and significant as those which we have been discussing in these negotiations.

We look forward to our next session of negotiations. We leave this session knowing each other better and learning to deal with our differences as friends rather than adversaries. As you return home for the holiday season, I want you to know that your friends on the Commission and throughout the Marianas wish you a safe trip and a Happy New Year.

JOINT COMMUNIQUE

December 19, 1973

From December 6 to December 19, 1973, the Marianas Political Status Commission and the President's Personal Representative met in Saipan for the third session of negotiations aimed at achieving political union between the present Mariana Islands District of the Trust Territory of the Pacific Islands (hereinafter called the Marianas) and the United States.

The session consisted of public plenary opening and closing meetings, many working meetings of the full delegations and discussions between sub-panels of advisers on technical matters. The discussions dealt initially with constitutional, legal and fiscal aspects of the future political relationship within the framework of a Commonwealth of the Marianas under the sovereignty of the United States. The discussion then moved to economic and financial assistance, land matters including United States land requirements, and methods of assuring an orderly transition to the new political status, including U.S. assistance for the planning and implementation of necessary transition measures.

During this session of the negotiations the parties arrived at several specific agreements within the broad areas of understanding reached last May and June. While a variety of specific formulations were discussed, there was no attempt to agree on language for a final agreement. The two sides reaffirmed that any such final agreement must be approved by the Marianas District Legislature, the people of the Marianas in a plebiscite, and the United States Congress.

Both delegations agree that this session has resulted in substantial progress toward the mutual goal of a secure and enduring place in the American political family for the people of the Marianas. Much work, however, remains to be done on a range of complex issues before the signing of a final agreement. To this end, a number of technical questions have been referred to panels of experts for further study between negotiating sessions.

The tentative agreements are set forth below:

I. The Nature of the Political Relationship:

A. Local Self-Government

1. It was agreed that specified fundamental provisions of the Status Agreement, including certain provisions designed to assure maximum self-government to the future Commonwealth of the Marianas may not be amended or repealed except by mutual consent of the parties. To this extent United States authority in the Marianas would not be plenary. The Status Agreement would be drafted so as to reflect clearly the intention of the United States and the Marianas Political Status Commission that this undertaking be enforceable in the federal courts. Specific recognition would also be made of the fact that approval of the Status Agreement by the people of the Marianas would constitute a sovereign act of self-determination.

2. Following this session of the negotiations, the joint legal working group will begin to draft those provisions of the Status Agreement most directly relating to local self-government to which the mutual consent provision will apply. The result of these efforts will be referred to the Marianas Political Status Commission and the President's Personal Representative to determine whether the respective interests of the parties would be adequately protected.

B. Citizenship and Nationality

1. With certain exceptions, persons born in the Marianas prior to the establishment of the Commonwealth, and certain classes of persons residing but not born in the Marianas would become United States citizens.

2. Any such person not wishing to be a United States citizen would have the right to become a "national but not a citizen" of the United States by making a declaration to that effect in court.

3. Persons born in the Marianas after the establishment of the Commonwealth would become citizens of the United States at birth. With very limited exceptions persons born overseas of parents who became United States citizens as a result of these provisions would also become citizens at birth.

4. The parties will explore further, through the joint legal working group, questions relating to the right of nationals and aliens residing in the Marianas after the establishment of the Commonwealth to become naturalized citizens of the United States.

C. Applicability of Federal Laws

1. The parties will explore, through the joint legal working group a general formula to govern the interim applicability of existing federal laws in the future Commonwealth of the Marianas.

2. Such a formula should be consistent with other provisions of the Status Agreement now being negotiated and should take into account the body of federal legislation presently applicable to the Trust Territory. Each side will be free to propose any specific exceptions which appear necessary.

3. At an appropriate time after the Status Agreement is signed, a Joint Commission on federal laws will undertake a detailed study of relevant federal legislation and will make appropriate specific recommendations to the United States Congress regarding the future applicability of such legislation in the Marianas.

D. United States Federal Income, Estate and Gift Taxation

1. Those persons who reside in the Marianas and not in any other part of the United States, and who become United States citizens or nationals pursuant to the Status Agreement would be subject to federal income tax only on United States source income, not on income earned in the Marianas. Such persons would also not be subject to United States gift and estate taxation except with respect to property situated in the United States outside the Marianas.

2. It was agreed that the tax treatment provided for in Section 931 of the Internal Revenue Code would be extended to other United States citizens and to United States corporations doing business in the Marianas so that, in substance, they would not be subject to United States federal income tax on any foreign source income (including income earned in the Marianas) if they derive a certain percentage of their gross income from sources within the Marianas and other United States possessions derive a certain portion of such income from the active conduct of a trade or business in the Marianas and other United States possessions.

3. Section 872(b)(4) of the Internal Revenue Code, which provides that income derived from a series E or H United States savings bond is exempt from tax if an individual acquired the bond while a resident of the Trust Territory, would be amended to continue its application in the Marianas under the new political status—at least with respect to bonds acquired prior to the establishment of the Commonwealth.

4. The future Government of the Marianas would have exclusive power to enact, amend or repeal its internal revenue laws. The people of the Marianas are committed to shouldering an increasing local tax burden, consistent with their stage of economic development, as part of their effort to achieve economic self-sufficiency. The provisions of the Status Agreement regarding United States financial assistance to the Marianas will reflect this commitment.

5. Alternative local tax laws, including forms of a progressive income tax and other taxes will be intensively studied during the transitional planning period. Both parties recognize, however, that a local income tax law based on the Federal Internal Revenue Code, such as that currently enforced on Guam, may not be appropriate at the present stage of economic development in the Marianas.

E. Customs Duties and Excise Taxes

1. The Marianas would not be included in the customs territory of the United States.

2. The Government of the Marianas would have the authority to establish a "duty-free port" and to enact local customs laws relating to imports from foreign countries, provided that this authority would be exercised in a manner consistent with the international obligations of the United States—including the General Agreement on Tariffs and Trade (GATT).

3. Exports from the Marianas entering the customs territory of the United States would be free of any import duty subject to the same conditions now applicable to the Territory of Guam. The agreement of the United States to allow duty free entry of exports from the Marianas is subject to the condition that such treatment not be inconsistent with United States international obligations. The United States will, if necessary in order to carry out this agreement, endeavor to obtain a special exemption to the GATT. Exports from the Marianas would not be entitled to enter the United States free of import duty if more than 50% of the value of the product derived from foreign materials. The parties will explore further whether the economic circumstances of the Marianas would warrant a higher percentage limitation on foreign material with regard to certain products.

4. The United States would seek to obtain from foreign countries favorable treatment of exports from the Marianas. The United States would consult fully with the Government of the Marianas in this regard. In particular, the United States would encourage other countries to consider the Marianas a "developing territory" within the meaning of the June 25, 1971 GATT waiver regarding preferential tariff treatment for goods from developing countries and territories.

5. The Government of the Marianas would have the authority to impose duties on exports from its territory.

6. The authority of the Government of the Marianas to enact local internal revenue laws would include the authority to impose excise taxes on the manufacture or sale of goods. The Government of the Marianas would also be authorized to impose excise taxes on goods imported into its territory provided such taxes were consistent with the international obligations of the United States.

II. *Transition Planning and Programs*

1. The Marianas Political Status Commission and the United States agreed on the general nature and range of planning, programs, and activities which would take place during the period between the signing of the Status Agreement and the installation of the new government, referred to as the transition period. These activities are necessary to enable the new government to assume responsibility for local self-government in an orderly way and to move purposefully toward the realization of the Marianas' economic goals of a higher standard of living and ultimate self-sufficiency.

2. The scope of activities during the transition period would include:

(a) careful advance planning for and implementation of a political education program; (b) a plebiscite on future status; (c) a constitutional convention and referendum; (d) advance planning, including legal studies, relating to the organizational structure and initial legislative program of the new commonwealth government; (e) extensive planning to identify specific economic, social, and physical infrastructure needs; (f) studies to develop an appropriate government fiscal and revenue system; and (g) an examination of the economic and social impact on the Marianas of a relocation of the Capital of Micronesia.

3. The United States has agreed to fund these activities during the transition period. This negotiating session did not set a precise timetable or establish specific funding levels for these activities. However, a joint ad hoc preparatory committee will be established to prepare a detailed work plan, timetable, organization structure, and budget. The United States will seek funds immediately to underwrite the work of this interim committee.

4. The Ad Hoc Preparatory Committee will report to the Chairmen of the two delegations no later than March 1, 1974 on the results of its deliberations. The Chairmen will meet informally shortly thereafter, and before the next sessions of negotiations, to discuss how to proceed regarding implementation of the recommendations of the Ad Hoc Preparatory Committee.

III. *Economics and Finance*

1. The Marianas Political Status Commission and the United States exchanged views on the likely direction and pace of economic development in the Marianas following the change in political status. They examined approaches to realizing the mutually agreed economic goals of a steadily rising standard of living and the islands' progressive movement toward self-sufficiency. Between negotiating sessions experts representing the delegations will discuss further the manner in which a balanced program of economic development might be designed which would reflect and be consistent with both the Marianas' demonstrable needs and the economic resources likely to be available to the new government.

2. Under the arrangements proposed by the United States, direct and indirect financial support would be provided the new Government of the Marianas, once it was established.

a. The United States has proposed the following guaranteed levels of direct assistance for the first five years, which would be reviewed before the end of that period to determine future levels of U.S. financial support:

- (1) \$7.5 million annually for budgetary support for government operations;
- (2) \$3 million annually for Capital Improvement Projects; and
- (3) \$1 million annual grant to a Marianas Development Loan Fund, replacing the Trust Territory Economic Development Loan Fund.

In addition, an estimated \$3 million would be made available annually to the Marianas in the form of Federal Government programs and services of the type available to other territories.

Taken together these would represent approximately \$14.5 million of direct assistance annually.

To be added to this offer of various types of direct assistance would be the substantial annual returns to the Marianas from payment made by the United States for the use of land for public purposes, including military uses, in an amount still to be worked out.

b. Under the heading of indirect assistance that would accrue to the new government, the United States agreed to rebate to the Commonwealth all customs duties, excise taxes and federal income taxes collected by the United States Government and derived from the Marianas. These rebates are expected

to build up at the end of five years to a level of \$4-5 million annually as added revenue for the Marianas and could be expended for such constructive purposes as the Marianas might decide.

3. Not included in any of the foregoing would be the indirect economic benefits to the economy as a whole, resulting from the establishment and maintenance of a U.S. military base complex in the Marianas. Though the exact amount is difficult to determine, the benefits both to the Marianas' Treasury and the people are likely to be very substantial in the United States' view.

4. Additionally, the United States anticipates that the Marianas economy would be growing as a result of the added financial resources provided through United States grants and expenditures as well as private investment, and that consequently the domestic tax base would be expanding sharply. To this would be added income from the disposal and lease of public lands.

5. At this session, no attempt was made to reach definitive agreements on United States financial assistance to the future commonwealth government. The Marianas Political Status Commission noted that its own detailed studies to date indicate that a higher level of external assistance than that provided by the U.S. proposals would be required during the first five years under the commonwealth arrangement. However, the Commission has agreed to give the U.S. proposals careful consideration and to reevaluate its own studies during the period before the next session of the negotiations.

IV. Land

Discussions of land involved two central topics: (1) the application of the new U.S. public land policy to the Marianas, including the implications of the cadastral survey program and Marianas plans for handling public lands when they are transferred to the District, and (2) the satisfaction of U.S. Government requirements for land in the Marianas.

A. U.S. Policy on Public Land

1. With regard to public land the Marianas Political Status Commission expressed its satisfaction with the U.S. policy statement of November 2, 1973, noting that it meets the desires and aspirations of the people for the return of public land to the district. It was recognized that responsibility for implementation of this policy in the Marianas rests with the Marianas District Legislature, the Trust Territory Administration and the United States Department of the Interior. However, the United States delegation will assist the Marianas Political Status Commission in its efforts to assure the prompt implementation of the policy in the Marianas. Implementation will include completion of the land cadaster program for public land and a concomitant acceleration of private land surveys, leading to a final settlement of outstanding claims and early completion of the land adjudication process.

2. The Marianas Political Status Commission indicated its intention to recommend the establishment of a non-profit corporation controlled by the people to receive and administer public lands once they are transferred to the Marianas District, which will continue in operation until public lands can be turned over to a new Government of the Marianas. The corporation would also be responsible for making the necessary public lands available to the United States Government under terms set forth in the final Status Agreement.

3. There was general agreement that military retention land not needed for military purposes would be returned to the public domain. The future use of the remaining military retention lands is a matter for negotiation by the two delegations in these status talks.

B. United States Land Requirements

The satisfaction of U.S. military needs in the Marianas was the subject of several discussions between the Marianas Political Status Commission and the United States delegation. The Marianas Political Status Commission proposed that United States requirements be met through a combination of long term leases for fifty years renewable at the end of that period and restrictive covenants made

applicable to other areas limiting civilian uses to those compatible with future U.S. military needs. Specifically, the Marianas Political Status Commission proposed the following:

1. *Farallon de Medinilla* - The United States would be able to lease all of this small, uninhabited island for continued use as a target area, subject to the filing by the United States military forces of an environmental impact statement.

2. *Tanapag Harbor, Saipan* - The United States would be able to use the harbor jointly under civilian control. With respect to the United States request for 320 acres adjacent to the harbor and south of Charlie Dock, the Marianas Political Status Commission proposed that all military retention land in this area be returned to the public domain. The Marianas Political Status Commission would, however, enter into appropriate agreements to restrict the civilian use of the 320 acres requested by the United States so as to be consistent with its possible future military uses and would make that land available to the United States later if needed.

3. *Isley Field, Saipan* - The field will be under civilian control and will continue to be available to the U.S. military forces on a joint use basis. 250 acres of land located near the south end of the field would be leased by the United States and an adjoining 250 acres would be made subject to restrictive covenants like those proposed for Tanapag.

4. *Tinian Island* - Negotiations would continue for a lease meeting United States needs for a joint service military base complex including harbor facilities to be used on a joint basis, an operational airfield with related facilities, the airfield to be open for civilian use, an ammunition and logistics support facility, an air, sea and land maneuver and training area.

The United States indicated that it continued to prefer purchase of needed land areas following termination of the Trusteeship. On Farallon de Medinilla it proposed to go forward with the negotiations to acquire the island and said it would submit an environmental impact statement.

On Saipan the United States offered to return 320 acres in military retention land at Tanapag for harbor development purposes but wished to retain the bulk of the remaining 320 acres to be developed as an American memorial park for the war dead of World War II, retaining the small remainder of the area for contingent military use. At Isley Field the United States continued to need 500 acres, but was willing to consider the Marianas Political Status Commission proposal further including a review of the proposed restricted covenants for Tanapag and Isley.

On Tinian the United States indicated it still required approximately two-thirds of the land area for military purposes including the harbor and an adjacent safety zone. The remaining one-third of the island, however, would stay under civilian control and ownership with landowners retaining title or, in the event of relocation, receiving monetary compensation or title to comparable new land. Where relocation might be necessary earlier offers of new private housing and community facilities remained in effect including roads and utilities.

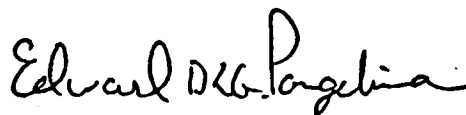
The United States noted that on the basis of the foregoing any change in current policies regarding the disposition of public land in Tinian would be the subject of discussion between the two chairmen, appropriate representatives of Tinian, and the authorities of the Trust Territory.

It was agreed that the whole matter of United States military needs would be discussed further at the next negotiating session to be held in the spring. Meanwhile related technical questions would be discussed at a technical level and a working-group would be established to look further into questions which might be involved in future military-civilian relationships in the Marianas.

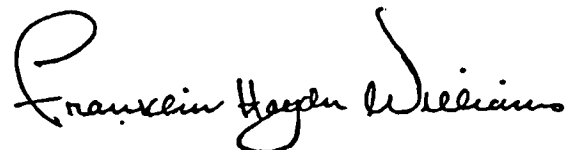
Date: December 19, 1973

For the Marianas:

For the United States:



Edward DLG. Pangelinan
Chairman, Marianas Political
Status Commission



Franklin Haydn Williams
The President's Personal Representative
for Marianas Status Negotiations

December 12, 1973

JOINT STATEMENT FROM SENATOR PANGELINAN AND AMBASSADOR WILLIAMS

The Chairman of the Marianas Political Status Commission and the head of the U.S. Delegation noted with satisfaction today that since the Marianas Political Status Negotiations resumed last Thursday steady and substantial progress has been made. The goal of the present talks is to explore in more detail specific issues arising under each of the major agenda headings on which preliminary understandings were reached last May-June—namely, constitutional and legal arrangements, economics and finance, land, and transition—and to reach further tentative agreements on as many of these issues as time permits.

Since last Thursday there have been several working sessions of the full delegations and of subcommittees representing them to explore some of the more technical aspects of the issues being considered. The two sides have arrived at agreements in principle on questions relating to the right of local self-government, a generalized approach to the application of U.S. laws in the Marianas, as well as customs, excise and income taxation. Also, the U.S. and the Marianas Political Status Commission have reached general agreement on the wording of a clause in the ultimate status instrument providing that the people of the Marianas will become U.S. citizens or U.S. nationals as they may desire. The specific agreements reached on these and the other topics to be discussed in the negotiations will be set forth in a Joint Communique to be released at the close of this session of the talks.

The delegations are presently discussing the funding and initiation of a series of transitional studies and steps by which the Northern Marianas will, following the signing of a status agreement, prepare for a new government's smooth, orderly assumption of responsibility for local affairs pursuant to a constitution to be framed and adopted locally.

The Chairmen of the two delegations anticipate that later this week their delegations will consider in more specific terms than they have previously attempted the future economic and financial relationship between the Northern Marianas and the United States and a number of remaining questions relating to land.

The Chairmen emphasized that the pace and momentum of the talks to date have met their expectations. They noted that while the delegations are exchanging a great deal of information on complicated matters requiring much study, reflection, and discussion, the negotiations are proceeding efficiently and harmoniously.

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