

DEPARTMENT OF DEFENSE

NATIONAL MILITARY COMMAND CENTER

MESSAGE CENTER

DEC 19 1973 10
R4, 2

VZCZCMAY594ILN994

UNCLASSIFIED

MULT

71319

SECT 03 OF 71312

ACTION J5(02) ASD:ISA(10)
DISTR CJCS DJS SJCS(03) J3:(04) J4(08) SECDEF(04) SECDEF: ASD:IL(02)
ASD:PA(01) GC(01) DIA:
CIA
DIA(10) NSA MCCC CMC CSAF
CSA WASH DC
FILE(1)

(046)

TRANSIT/190920Z/191750Z/008:30TOR3531745
DE RUMGSA #1971 3530920
ZNR UUUUU
R 190920Z DEC 73
FM HICUMTERPACIS SAIPAN MARIANAS ISLANDS
TO RUEHC /SECSTATE WASHINGTON DC
RUMJAJA/COMTWELVE SAN FRANCISCO CA
RUEADWW/WHITE HOUSE COMM AGENCY WASHINGTON DC
RUEKJCS/JCS WASHINGTON DC
RUEKJCS/SECDEF WASHINGTON DC
INFO RUHQHQA/CINCPAC HONOLULU HI
RUHNSAA/CINCPACREP GUAM/TIPI GUAM MARIANAS ISLANDS
RUEHDT /US MISSION TO UN NEW YORK NY
RUEHBAC/AMEMB CANBERRA AS
RUMVC /AMEMB MANILA RP
RUEHKO /AMEMB TOKYO JA
RUEHBAZ/AMEMB WELLINGTON NZ

It Marianas

For
Mel

BT

UNCLAS

SECTION 03 OF 04

AFTER, 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

PAGE 1

UNCLASSIFIED

00101110

03-413418

DEPARTMENT OF DEFENSE

NATIONAL MILITARY COMMAND CENTER

MESSAGE CENTER

UNCLASSIFIED

71319

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 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 ASSISTANCES 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

PAGE 2

UNCLASSIFIED

00101110

03- 413419

DEPARTMENT OF DEFENSE

NATIONAL MILITARY COMMAND CENTER

MESSAGE CENTER

UNCLASSIFIED

71319

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 RE-EVALUATE 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.

DEPARTMENT OF DEFENSE

NATIONAL MILITARY COMMAND CENTER

MESSAGE CENTER

UNCLASSIFIED

71319

THE FUTURE USE OF THE REMAINING MILITARY RETENTION LANDS IN 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

BT

#1971

ANNOTES

CAC 470

PAGE 4

UNCLASSIFIED

00101110

NNNN

191751Z

03-413421

DEPARTMENT OF DEFENSE

NATIONAL MILITARY COMMAND CENTER
MESSAGE CENTER

VZCZCMAY597ILN995
MULT

UNCLASSIFIED

71320
SECT 04 OF 71312

ACTION J5(02) ASU:ISA(10)
DISTR CJCS DJS SJCS(03) J3:(04) J4(08) SECDEF(04) SECDEF: ASD:IL(02)
ASD:PA(01) GC(01) DIA:
CIA
DIA(10) NSA MCCC CMC CSAF
CSA WASH DC
FILE(1)
(046)

TRANSIT/190920Z/191751Z/008:31TOR3531745
DE RUMGSAA #1972 3530920
ZNR UUUUU
R 190920Z DEC 73
FM HICUMTERPACIS SAIPAN MARIANAS ISLANDS
TO RUEHC /SECSTATE WASHINGTON DC
RUWJAJA/COMTWELVE SAN FRANCISCO CA
RUEADWW/WHITE HOUSE COMM AGENCY WASHINGTON DC
RUEKJCS/JCS WASHINGTON DC
RUEKJCS/SECDEF WASHINGTON DC
INFO RUHQHQA/CINCPAC HONOLULU HI
RUHNSAA/CINCPACREP GUAM/TIPI GUAM MARIANAS ISLANDS
RUEHDT /US MISSION TO UN NEW YORK NY
RUEHBAC/AMEMB CANBERRA AS
RUMVC /AMEMB MANILA RP
RUEHKO /AMEMB TOKYO JA
RUEHBAZ/AMEMB WELLINGTON NZ
BT

UNCLAS

FINAL SECTION OF 04

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

PAGE 1

UNCLASSIFIED

00101110

03-413422

DEPARTMENT OF DEFENSE

NATIONAL MILITARY COMMAND CENTER

MESSAGE CENTER

UNCLASSIFIED

71320

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 HULK 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

DEPARTMENT OF DEFENSE

NATIONAL MILITARY COMMAND CENTER
MESSAGE CENTER

UNCLASSIFIED

71320

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:
EDWARD DLG. PANGELINAN
CHAIRMAN, MARIANAS POLITICAL
STATUS COMMISSION

FOR THE UNITED STATES:
FRANKLIN HAYDN WILLIAMS
THE PRESIDENT'S PERSONAL
REPRESENTATIVE FOR MARIANAS
STATUS NEGOTIATIONS

END TEXT. TRENT SENDS

BT

#1972

ANNOTES

CAC 470

PAGE 3

UNCLASSIFIED

00101110

NNNN

191752Z

03-413424