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ISLAND RESOURCES FOUNDATION, INC.

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7 September 1974

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Mr. Howard P. Willens
Wilmer, Cutler & Pickering
1666 K Street, N.W.
Washington, D.C. 20006

Dear Mr. Willens:

Not having had a reply to my previous letter enclosing a detailed critique of the status report summarizing the negotiations concerning the Marianas political status and other matters, I am wondering by chance if it went astray. We had hoped to be of real assistance as the whole question of the development of the proper resource management and rational development plan for the Marianas is of extreme interest to us, given our experience with other oceanic insular systems. Most of the comments made earlier have probably long since ceased to be relevant as considerable time has elapsed since they were written and I am wondering if you have more recent documents or more recent questions to which we could address ourselves.

I am enclosing some information concerning the Foundation and its work and I hope to hear from you in the near future. Virtually, all of the questions cited on page 2 of your letter of 18 March bear upon areas in which we have done extensive work. I am looking forward to your reply and with kindest regards, I remain,

Sincerely yours,



Edward L. Towle, Ph.D.
PRESIDENT
Island Resources Foundation, Inc.

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TALKING POINTS - CONGRESSIONAL PRESENTATION

I. INTRODUCTION

- The TTPI, known as Micronesia, embraces 3,000,000 square miles of the Western Pacific Ocean
- There are more than 2,100 islands in the three island groups of Micronesia - the Marianas, the Carolines, and the Marshalls
- The population of 115,000 is characterized by extremely diverse cultures, languages and history
- Micronesia has been governed over the past 400 years by the Spanish, Germans, Japanese and the U.S. respectively

ORIGINS OF THE TRUSTEESHIP

- The area was administered and fortified by Japan between world wars and subsequently taken by the United States in the bitter Pacific fighting of 1944-45
- In 1947 the U.S. was given administering authority over the TTPI under a United Nations Trusteeship agreement
- The Territory was designated a strategic trust by the Security Council in recognition of its strategic location in the Pacific and importance in the Pacific fighting of World War II
- Under the agreement, the U.S. was vested with the right to establish military facilities in the Territory.
- When the Trusteeship Agreement was submitted to Congress for approval, then General of the Army Dwight Eisenhower made the comment in support:

"It seems to me there are only two questions to be considered. First, is this area necessary to the security of the U.S.? Secondly, does the agreement under which we obtain it from the U.N. give us all the national security rights and, you might say, permissive functions that we need? In both cases I think the answer is 'Yes'."

- After positive recommendation by the Senate Foreign Relations Committee, Congress approved the agreement with a Joint Resolution

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U.S. OBLIGATIONS UNDER THE TRUSTEESHIP AGREEMENT

- U.S. promised to foster development of political institutions suited to the Territory
- and, prepare Micronesia for self-government or independence as appropriate to the particular circumstances of the Territory and its peoples and the freely expressed wishes of the peoples concerned
- In the years since 1947, a great deal of progress has been made toward satisfying these obligations, as well as the goals of social and economic development
- An elected legislative branch was established in 1965
- District government is virtually totally in the hands of Micronesians
- U.S. has sponsored associate membership for Micronesia in regional organizations such as ECAFE and the Asian Development Bank
- The U.S. has promoted and is funding a constitutional convention in the Territory which will draw up the blueprint for Micronesia's post-trusteeship government.
- The U.S. has launched a program of education for self-government to explain to the citizens of the Territory the privileges and responsibilities that accompany self-government
- Micronesians have been given greater control over their own economic affairs with the lifting of restrictions on foreign investment in the Trust Territory
- In the area of economic development, Secretary of the Interior Morton has ordered a five-year plan drawn up to hasten the completion of the Territory's infrastructure and move it closer toward self-sufficiency.
- Under this capital improvements programming emphasis will be on construction of additional power plants, water and sewage systems, hospitals, schools, improved roads and airport and dock facilities

TWO SEPARATE NEGOTIATIONS TO END IT

- The USG began discussion of the future status of the Territory in 1969 with the Joint Committee for Future Status of the Congress of Micronesia

- In this period, seven formal sessions of negotiations and two substantive informal meetings between the heads of delegations have produced agreement on a free association arrangement between the United States and Micronesia
- The latest meeting between delegation heads in July, 1974, brought agreement on a draft compact of free association which spells out the terms of the future relationship
- Separate negotiations were opened with the Marianas Political Status Commission in December, 1972, after more than ten years of petitioning and referenda by the Marianas District strongly indicating a desire for a close, permanent tie with the United States
- The free association relationship sought by the five other districts was not acceptable to the of the Marianas
- A commonwealth status for the district similar to that of Guam has been the common goal of both parties in the four rounds of negotiations that have taken place to date

II. Review of Basic U.S. Objectives and Interests

A. Political aspects

1. The U.S. has certain fundamental and relatively important political interests in and obligations to the peoples under the Trusteeship Agreement with the U.N. Security Council.

2. The U.S. also has a strong vested interest in a stable, friendly and peaceful Micronesia. Hence, we hope to reinforce the close and amicable relationship established over the past thirty years with the peoples of Micronesia.

3. Over and above special interests, the U.S. has a general concern for the long-term welfare of the peoples of Micronesia and intends to do whatever is possible to assist them in attaining not only a greater measure of self-government but the economic and social goals they judge to be necessary or desirable.

4. While we have not felt it possible to grant a full measure of self-government to the Micronesians in the past, primarily because of the strategic importance of the area and the lack of internal political cohesion and development, since 1969 we have been dedicated to a rapid transition to full internal self-government and to the termination of the Trusteeship as soon as the Micronesians feel they are prepared to assume full powers under the terms of the status agreements.

5. With respect to the Marianas, we are hopeful that the peoples of Guam and the Northern Marianas will eventually form a political union, as part of the American political family.

6. Finally, the U.S. is desirous of gaining international acceptance of ~~and support for~~ the agreed status arrangements. In this respect, we ^{one of} have

the objectives we have in mind is the approval of the status agreements by appropriate elements of the U.N., although we are not prepared to allow others to veto or delay the implementation of the agreements once they are approved by the peoples of Micronesia and the U.S. Congress.

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II. B

STRATEGIC

1. General

A. U.S. Policy (Nixon Doctrine)

- U.S. will honor its treaty commitments
- U.S. will provide a nuclear "umbrella" and protection against intervention of another major power, for allies and countries whose survival is deemed in our national interest
- Look to nations directly threatened to assume primary responsibility for our defense

2. Pacific Area - General

- Need for a super power standoff in area
 - Emphasis on peace time measures to be taken by U.S. to carry out responsibilities as far as international peace and security are concerned
- Reasons for creation of strategic trust still exist
 - Forward basing of U.S. forces
 - Denial of area to foreign powers for military purposes
 - missile, air, naval bases
 - threat to control of air and sea lines of communication in central *PACIFIC*
 - Creation of a stable environment for trade and development
 - Reassurance to our allies of our continuing interest and ability to play a stabilizing role.

- Basing

- Present U.S. basing structure in Western Pacific could (and has already to some extent) become subject to unforeseen political and other

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pressures which might deprive U.S. of operating flexibility and therefore produce need for alternate basing sites in area.

3. Tinian

- As basing agreements in Western Pacific have become more tenuous, Tinian has become a realistic location for forward basing.

- In June 1972, Sec Def authorized Services to proceed with programming actions for development of a multi-Service military base on Tinian to satisfy near-term operational requirements.

- Assumption that Marianas Island District, TTPI will have taken steps to join U.S. in a commonwealth status and that U.S. Congress will appropriate funds necessary to acquire land and build facilities on Tinian.

NOTE: MAHON Committee report No. 93-1255 contains following: "The Department of Defense, with the Air Force as Executive agency, is currently contemplating the construction of a multimillion dollar base complex in the Marianas, certain islands of which are approaching possible incorporation into the U.S. political system (Guam is already a U.S. possession). The Committee wishes to advise the Department of Defense that its actions in this connection are being closely watched and that the Committee doubts that construction of a new base complex can be justified so long as the U.S. retains access to Japanese and Korean Bases."

- (U) - Tinian will be developed into a military base complex by the Services to satisfy near term operational requirements.

- (S) - Requirements

- Provide alternate location for strategic missions denied by reversion of Okinawa

- Support the surveillance and defense of Micronesia and LOC in Pacific

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-- Provide for USMC combined air and ground training - a current requirement.

-- Preserves alternative location in Western Pacific for U.S. forces in event of base denial in more forward areas (e.g. Korea, Philippines, Japan, Thailand).

-- Alternate airfield for aircraft on trans Pacific flights diverted from Guam and aircraft carriers operating off shore.

(S) - Provides complex in Mariana Islands chain not subject to increasing political pressures and urban encroachment of Guam

-- Pressures on Navy to relocate NAS Agana

-- Overcrowded conditions on Andersen AFB

-- No land for expansion on Guam to accommodate activities planned for Tinian.

- Reduces balance of payments problems.

4. Marshall Islands - Kwajalein

- Research and Development requirement in foreseeable future

-- Location for both operational and development missile tests

-- No suitable alternative site

-- Considerable U.S. investment in extensive facilities.

5. Palau (Koror and Babelthaupt)

(U) - Great potential for future development of a logistic, cantonment, airfield maneuver area and harbor facility.

-- No current plans to construct any facilities or station forces in Palau.

-- Use of maneuver area is a near term requirement

-- U.S. is negotiating for options

- 800 miles closer to South China Sea than Guam

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-- Desirable fallback position for U.S. base in event of loss of base rights in Philippines.

6. Denial

- Location and expanse of TTPI make it imperative that U.S. continues to deny these islands to possible enemies.

-- TTPI in hands of unfriendly power would present a formidable threat to security of U.S.

-- DOD has expressed view to President and Congress many times in past that TTPI is essential to our security interests.

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III. Progress in the Marianas Negotiations

- We just completed the fourth session of talks with the Marianas Political Status Commission May 15-31 in Saipan.
- The talks were very successful and agreement was reached on all major issues.
- A final draft of the agreement is presently being written and is expected to be ready by mid-October.
- The basic elements of the agreement are commonwealth status for the Northern Marianas under U.S. sovereignty, U.S. financial assistance, and the satisfaction of U.S. military land requirements.
- The agreement also leaves open the potential for a future union with Guam.
- As a commonwealth, the citizens of the Northern Marianas would be U.S. citizens or nationals.
- They would be self-governing, and will have the right to draft and adopt their own constitution and to establish local courts to administer local law.
- The United States will provide financial support to the new commonwealth in the form of assistance for budgetary support and economic development so as to facilitate the achievement of economic self-sufficiency and higher standards of living for the people of the Marianas.
- With the approval of Congress, \$1.2 million will be made available to the Marianas District Legislature to conduct basic economic studies, develop transition plans and to arrange for the employment of experts.

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- With the approval of Congress, the United States will provide annually in constant dollars for the first seven years \$13.5 million in direct grants after the installation of a new government in accordance with a popularly approved constitution.

- In addition, the people of the Northern Marianas would be eligible for a wide range of federal programs ^{at a value} estimated at some \$3 million a year.

- The United States will also, with the approval of Congress, rebate to the treasury of the Northern Marianas all customs duties and federal income taxes derived from the commonwealth of the Northern Marianas; the proceeds of all taxes collected under the internal revenue laws of the United States on articles produced in the Marianas and transported to the United States, its territories or possessions, or consumed in the Marianas; the proceeds of any other taxes which may be levied by the Congress of the United States on the inhabitants of the Marianas; and all quarantine, passport, immigration and naturalization fees collected in the Marianas Commonwealth. (nothing in this subsection will apply to any tax imposed by Chapter 2 and 21 of Title 26 U.S. Code).

- The Marianas will make available to the United States for military use Farallon de Medinilla, an island consisting of 229 acres to be used as a live ammunition target area.

- The government of the commonwealth of the Northern Marianas will also make available 197 acres in the southern portion of Tanapag Harbor on Saipan to be developed into an American Memorial Park and used for both public recreation and future contingency military purposes.

- Approximately 482 acres south and adjacent to the southern runway of Isley Field on Saipan will be made available for future contingency use by U.S. forces.

- Approximately 17,475 acres will be made available on the northern two-thirds of the island of Tinian for the development of a joint services military base.

- The United States will relinquish its use rights to all remaining military retention lands in the Northern Marianas, approximately 4,691 acres and return them to the public domain.

- Issues remaining to be settled concern the definition of the plenary powers of the federal government within the commonwealth, the exceptions of the new commonwealth from some federal laws applying to other territories and land negotiations including terms of acquisition of the land, including lease vs. purchase, lump sum vs. annual installment and negotiation of price of the land to be made available to the military.

- The new commonwealth would like to be excepted from such laws as the Jones Act, the minimum wage law and others to be discussed, which they contend create a hardship on an outlying territory.

- These issues are presently being discussed by technical drafting committees and will be negotiated at the next session.

- For the future, it is planned to have a meeting at the end of October where final agreement will be reached on language of a commonwealth agreement.

- The next step will be agreement on land related issues, especially price and terms of acquisition of the land needed

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for military use.

- If all goes well, approval of the agreement by the Marianas District Legislature could take place in December and preparations for a plebiscite begun.

- At this time preparations for a constitutional convention should also begin.

- In March of 1975, a plebiscite on the commonwealth agreement will be held.

- If accepted by the people, the Secretary of the Interior will order the separation of the Marianas administratively from the rest of the Trust Territory.

- The approved status agreement would then be submitted to the Congress for its approval.

- In June of 1975, a constitution being written, it will be presented to the people for their approval and if approved will be given to the Congress of the United States for its approval.

- In July 1975, the new commonwealth government will take office subject to the eventual approval of the constitution by the Congress of the United States.

- 1980, the Trusteeship Agreement will end simultaneously for all parts of Micronesia.

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V. Anticipated Role of the U.S. Congress

Throughout the course of negotiations ~~Franklin Haydn~~ Williams and staff have endeavored to keep key members of Congress and staffs informed of progress of negotiations and solicit advice. Informal contacts primarily but occasional formal presentations as well. Last formal session in Senate before Johnson sub-committee in spring of last year, but many fill-ins for members and staff since. Also updates in connection with annual authorization and appropriation hearings. (Will appear two weeks from now along with Interior witnesses on supplemental authorization bill.)

Advice and views of Senate actively solicited. Need benefit of Congressional thinking and experience. Need to anticipate problems which face individual members and issues likely to surface when agreements put to U.S. Congress officially. Recognize Congress cannot be committed in advance, but desire to avoid as much as possible taking any action contrary to ^{presently known} Congressional views. Desire as well to avoid any suggestion to other side in negotiation that it would be in their interest to attempt to drive wedge between Congress and Executive Branch.

In view fact that both houses approved trusteeship back in 1947, Administration has been operating from beginning ^{on assumption} that both houses would wish to approve arrangements which will end it. Assumption thus far affirmed informally by Congressional leaders contacted on subject. How Congress will do this of course matter for Congress to decide. Suggestion made that since Trusteeship Agreement approved by Joint Resolution it would be appropriate

022491

to have new agreements designed to replace Trusteeship approved in same manner. Result in legal terms, as we understand it, would be to give agreements ~~same~~ ^{of} effect ~~as~~ law. If committee ^{Contrary} has other views, however, would much appreciate being advised.

Also have assumed after informal consultations that Congress would not wish to have any more elaborate structure of enabling legislation than absolutely necessary. Some amendments to specific laws may be necessary, especially in case of Marianas, but we're still studying this and will stay in close contact with committee staffs on the point. Have not assumed that Organic Act either necessary or appropriate under circumstance in view unique nature of present trusteeship anymore than it would have been appropriate to have negotiated treaty or executive agreement in view of TTPI's less than sovereign status.

Recognize that there may well be varied and different views in U.S. Congress about many specific points covered in Commonwealth Agreement and Compact of Free Association. Complex issues and many details necessarily involved. Several of these touched on earlier. Would be most grateful to know ^{we are} / not off base in major respects, such as proposals for voluntary limitation of certain otherwise plenary ^{federal} powers in case of Marianas arrangements. Also would appreciate views regarding such basic questions as Congressional desire to approve new Marianas Constitution and timing of its presentation in relation to submission of agreement for Congressional approval.

Would also like Congressional views informally on proposed timetable. Thinking now that Marianas package could be ready for presentation to Congress as early as next spring or summer, if it

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is to come to Congress after plebiscite is held. Could be earlier if Commonwealth Agreement to be presented before plebiscite, but this could delay plebiscite contrary to expressed wishes of Marianas Commission which would like to see this accomplished as early as possible. Need ^{committee's thoughts} ~~Congress views~~ on this.

on Future Status
Joint Committee ^{of Free Association} has expressed somewhat different views about presentation of Compact once it has been signed and approved by COM. Have suggested status plebiscite and referendum on new *Micro* constitution at same time, possibly as late as summer of 1976. U.S. has reserved judgment, one consideration being question of whether U.S. Congress would like to have Compact for approval before or after plebiscite. There are other considerations as well which argue both for and against this.

In summary, we are in many ways blazing new territory in procedural as well as substantive terms with these negotiations and have adopted from the beginning the principle that we must work just as closely as possible with the Congress in putting this complex package together. We need your views and your advice. We will continue to work in spirit of cooperation until the job is done *with a view to seeing US destinies served thereby & obligations are faithfully carried out.*