



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

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Memorandum

To: James M. Wilson, Jr., Office for Micronesian
Status Negotiations

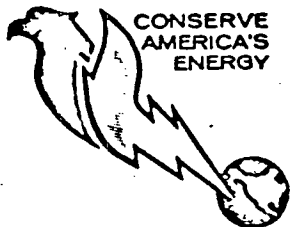
From: Director of Territorial Affairs

Subject: Question of separate administration for the Marianas
Islands District

Certain political developments in the Trust Territory have made increasingly difficult the position of the Marianas leadership in regards to their separate political status negotiations with the United States. Specifically, these developments include the contention of the Congress of Micronesia's Joint Committee on Future Status that it has the sole negotiating authority for any and all elements of the Trust Territory, the possibility of unacceptable Congress of Micronesia action on the transfer of public lands legislation (especially as it concerns military retention lands in the Marianas), the ceding to the territorial legislature by the Marianas of locally generated revenues and a possible question of divided loyalties among HQ administration personnel as concerns the separate status negotiations.

The following represents our current thoughts on the question of a separate administration for the Marianas prior to the termination of the Trusteeship or a political status plebiscite in that district. In my view, it is apparent that the complexity of administrative problems we will encounter will probably increase proportionately with the degree of separation of the Marianas from the remainder of the territory. This would be offset, however, by the fact that the greater the degree of separation, the greater of course will be the degree of our flexibility in putting into place the new Marianas government with a minimum of disruption to the High Commissioner's continuing operation in the other five districts. With this in mind, I would set out the following two options, along with their respective advantages and disadvantages, which seem to embody the feasible alternative courses the United States could follow. Given this Department's continuing responsibilities for the

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administration of the area, I cannot overstate the importance of a smooth implementation of any transition plan.

OPTION I -- Complete administrative and legislative separation

This option would call for amendment of Department of the Interior Order No. 2918 to achieve the following:

- A. Remove any and all jurisdiction of the Congress of Micronesia over the Marianas Islands District and establish the Marianas District Legislature as the paramount local legislative authority for the Marianas.
- B. Retain as operative in the Marianas as much of the Trust Territory Code and uncodified public laws as possible subject to later review, amendment and/or deletion of same by the Marianas District Legislature.
- C. Establish a new civil service position of "governor general" (or title as appropriate) for the Marianas to be appointed by the Secretary of the Interior and to perform the same functions for that district as the High Commissioner now performs. A companion action would be the reorganization of the district administration to eliminate the position of Distad. The staff organization of the district could remain unchanged under the "governor general" until such a time as a new executive organization is put into place under terms of the status agreement, the Marianas Constitution and the initial legislative program of the District legislature. The "governor general" would remain in place until the termination of the Trusteeship even though the Marianas would have already elected a governor by popular vote.
- D. Preserve as presently exists the ability of Marianas residents to be serviced by both the Marianas District Court and both divisions of the Trust Territory High Court.
- E. Preserve as presently exists the paramount authority of the Secretary of the Interior over all matters of government (executive, legislative and judicial) for the Trust Territory of the Pacific Islands (of which the Marianas would still be a part) as specified in Executive Order No. 11021. Practically, this would set out the relationship between the "governor general" and the Marianas Legislature to be similar to the relationship between the High Commissioner and the Congress of Micronesia.

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- F. Establish a channel for Federal funds for the Marianas through the Interior Department directly to the "governor general". Funds would be earmarked for the Marianas at the U. S. Congress level and would be sought through regular Interior channels.
- G. Provide that all locally generated revenues remain in the Marianas except for those taxes collected from employees of the TTPI headquarters, of which a suitable portion would be reserved for allocation to the Marianas legislature.

ADVANTAGES

The advantages of Option I seem to be several. Primarily, the Presidentially approved policy of a separate political status for the Marianas would be reflected in every aspect of official U.S. presence in the Trust Territory. The status negotiating delegations and the Phase I Transition Commission and Secretariat would have a single source government with which to deal. Accountability for administration actions bearing directly on the political status issue would rest in a single executive who would not be concerned in a line fashion with the administration of the other districts.

Secondly, since there would be no major reorganization of the district government below the executive, Option I would not be costly and a minimum of personnel would be displaced. The U. S. Congressional grant budget levels for the Trust Territory which have now been set through FY 1976 would conceivably remain the same save for the fact that Marianas grants would be specified.

The Marianas legislature would have first instance legislative authority over such significant subjects as the transfer of public lands, the Marianas Constitutional Convention and other status related issues subject only to approval by the "governor general" who would report to Interior. Both the funding and unilateral Marianas activities in Phase I Transition could proceed unencumbered by the budget process of the Trust Territory headquarters. The local revenue situation in the Marianas would improve in that the entire amount would remain in the district for appropriation by the legislature. The legislature would also be free to establish a more relevant and adequate system of taxation, and personnel compensation plan for government workers. The Marianas government could hopefully move also into the area of user-financed infrastructure.

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DISADVANTAGES

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At this time, the major disadvantage to Option I appears to be that implementation of complete separate administration would seemingly irrevocably commit the United States and the Marianas to the course of Commonwealth and, more importantly, separatism. Given the wavering political mood in Micronesia presently as regards the question of national unity and the exacerbation of the situation by recent action of the Marshalls Nitijela, a decisive move on the part of the United States to completely separate the Marianas (and therefore significantly increase the prestige of the district legislature) could have a shattering effect on the bonds which hold the other districts together. Additionally, should, for some combination of reasons, the negotiations with the Marianas falter after separation (Option I), that district would presumably have to be remelded into Micronesia and the United States would have to reverse a dramatic policy.

Complete separation of the Marianas would serve to highlight the fact that the capital of Micronesia still exists physically on Saipan and that certain territorial functions of a political nature, e.g. Congress of Micronesia sessions, the Constitutional Convention, etc., are scheduled to take place on Saipan.

Finally, because the Marianas would, under Option I, remain part of the Trust Territory of the Pacific Islands, territorial ownership of government property (such as field trip ships and communications materiel) would theoretically not present a problem. Practically however, complete separation of the Marianas could cause a constant administrative wrangling for priority use of territorial government property between the headquarters and Marianas government.

OPTION II -- Legislative separation only

This option would also call for amendment of Department of the Interior Order No. 2918 but to effect only the following:

- A. Remove any and all jurisdiction of the Congress of Micronesia over the Marianas Islands District and establish the Marianas District Legislature as the paramount local legislative authority for the Marianas
- B. Retain as operative in the Marianas as much of the Trust Territory Code and uncodified public laws as possible subject to later review, amendment and/or deletion of same by the Marianas legislature.
- C. Establish appropriate procedures for the referral of all Marianas legislature approved acts to the High **425922**


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Commissioner whose approval will enact same as public law in the Marianas. The role of the High Commissioner vis-a-vis the Marianas legislature would parallel his role with the Congress of Micronesia.

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- D. Preserve as presently exist the executive and judicial functions of the Marianas district administration. The power of the District Administrator over Marianas legislature action would be limited to submission of legislation and advice to the High Commissioner for the latter's final action.
- E. Provide that all locally generated revenues remain in the Marianas except for those taxes collected from employees of the TTPI headquarters, of which a suitable portion would be reserved for allocation to the Marianas legislature.

ADVANTAGES

The advantages of Option II actually center only in the removal of the Marianas District from the legislative purview of the Congress of Micronesia. As in Option I, the Marianas legislature would have complete legislative authority for important future status related issues as well as general government operations. Option II also has what could be considered the additional advantage of not "cementing" the separatism of the Marianas should unforeseen circumstances in the status negotiations cause a reunification of that district's political desires with the remainder of Micronesia. In other words, Option II would be easier to reverse than Option I.

DISADVANTAGES

Option II does not present the United States with a direct and "clean" alternative for the separation of the Marianas and, in this regard, would not fully tailor the administration of the area to support the President's political status policy. While the paramount legislative authority would be indigenous, the executive power would remain vested in a territorial government concerned more heavily with the administration of the other districts.

Efforts to effect a smooth transition to commonwealth status in the Marianas would of necessity proceed more slowly under Option II due to the fact that two governmental operations (headquarters and the district administration) would have to be coordinated and consulted by the Transition Commission and the Secretariat.

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The annual grant from the United States Congress would, under Option II, continue to be channeled through the Headquarters function. Government employees from other districts would thus be directly involved in the operation of prevalidation of funds from headquarters to the Marianas district administration thus continuing a procedure which has caused much criticism up to this point.

Finally, the authority of the District Administrator of the Marianas under Option II would be reduced but not eliminated completely. This could cause additional difficulty for the transition organizations in their attempts to coordinate with the appropriate government institutions and might definitely cause ill feeling at certain levels of the district government.

CONCLUSIONS:

If either of the above options or any other action which effectively and to any degree separates the Marianas from the other districts of Micronesia is taken by the United States, Interior believes that there must be certain precedent occurrences.

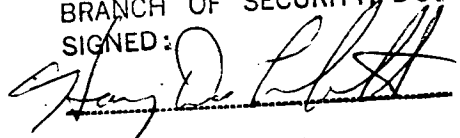
The first of these is appropriate consultation with the U. S. Congress. Since separate administration of a district of the Trust Territory will have major political ramifications on the other districts and could substantially affect the channel through which Congressional grants are routed, Interior strongly believes that a full and complete effort in briefing and consultation with appropriate members of the U. S. Congress is required before action is taken. This will carry the additional advantage of apprising the Congress of Executive Branch commitment to and progress in the separate status negotiations for the Marianas.

Secondly, Interior believes, and understands Ambassador Williams concurs, that any action to separate the Marianas to any degree from the remainder of Micronesia should be preceded by a formal request for such action from the Marianas. In this connection, a resolution from the Marianas District Legislature requesting separate administration should suffice for U. S. Congress and United Nations purposes. We would not oppose, however, a public referendum on the issue of separate administration but do not feel such event should coincide with the political status plebiscite in that district.

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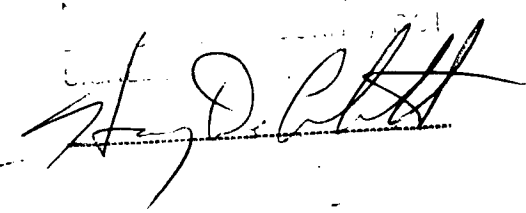
RECOMMENDATION:

Interior recommends that, assuming a successful Fourth Session which will indicate an early completion of a satisfactory agreement with the Marianas, Option I be implemented by the United States as quickly as possible after the necessary preparatory steps outlined in the conclusions section of this memorandum are realized.

We would further recommend against any separation action by the United States less complete than Option II as outlined in this memorandum. If only a partial legislative separation of the Marianas (for instance, only for political status and/or public land issues) were to be implemented, the United States would be in the uncomfortable position of having to issue official interpretations on every act by the Congress of Micronesia even vaguely relating to whatever issues might be exempted.


Stanley S. Carpenter

4/29/84



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