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TALKING POINTS FOR MPSC LAND PRESENTATION

PURCHASE VS. LEASE

I. Introduction

- U.S. has said many times and means it sincerely that it appreciates high degree of sensitivity Marianas people place on land and their feelings against its permanent alienation.

- Appreciate what this means in an island society.

- Appreciate quest of people throughout recent history to acquire land.

- We can also understand on this basis reasons why Marianas Commission has taken stand that while it is willing to make land available to federal government it does not want to do this in a manner which will constitute a permanent alienation of that land.

- This essentially provides what seems to be the principal rationale from MPSC position that it will lease but not sell land.

II. Rationale for U.S. position

- U.S. also recognizes that other island societies have gotten over their concern on this score so far as their own local governments are concerned and we assume the Government of the Northern Marianas will have right to purchase and own land for public purposes. In the case of other U.S. states and territories these governments (including islands like Hawaii and Puerto Rico) have no conceptual problem with federal government ownership of land.

- U.S. can understand why island people do not want land alienated to

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foreigners and has especially recognized this in the case of Hawaii and Samoa.

- But U.S. has great difficulty in equating this with making land available to one's own government, which is the center of the political family the Marianas has asked to join and not a foreigner, since the Marianas will be a part of it.

- This is particularly true when the federal government is committed to return land to local inhabitants when that land is no longer needed for public purposes.

- Appreciate argument that federal government may sometimes seem slow in other cases in returning unused public land, but this is almost always a short run impression.

- In many cases federal government is asked to hold unused areas longer to guard against undue speculation and those who would alienate land to foreigners for their own personal profit.

- In the San Francisco Bay area for example, people appreciate the fact that the U.S. Government holding of large amounts of public land has kept them out of the hands of speculators.

- As indicated in Marianas III U.S. will guarantee that land will be returned to Marianas when it is no longer needed for public purposes.

- This is required under executive order.

- No desire to hold on to land needlessly.

- Has in fact returned great amounts of federal land in the past.  
(Cite Ramey AFB example)

- Contingencies are considered valid public purposes but in this case, as at Tanapag and Isely, U.S. willing to lease to Government of Northern Marianas

for nominal sums.

- Government of the Northern Marianas free to lease in turn for whatever going rate might be.

- Government of the Northern Marianas lease however must limit use to purposes compatible with possible military use (no high rise hotels for example) and lease must be automatically terminable if terms are violated.

- This constitutes "double payment" from Government of the Northern Marianas point of view.

### III. Cost Factors

- Principal reason for our wish to purchase rather than lease land is that it is a clean transaction in which a single sum is paid for the current fair value of the land and that ends the matter until such time as the land is not needed for everyone's benefit and then reverts to local use.

- Experience has shown that this is the best way to handle such situations.

- It is the way land transactions involving the central government are handled in every major country in the world - even the communist states, where everything belongs in theory to the state anyway, though there is no suggestion of reversion there.

- The dedication of certain amounts of land to public purposes - including the national defense - is recognized throughout the world as a public responsibility.

- The federal government operates this way in every state of the union, the District of Columbia, the Commonwealth of Puerto Rico and all the other

territories and possessions of the United States.

- Experience has shown that with a lease, even a long lease, pressures can arise locally for renegotiation for many reasons.

- Political pressures rise as pressure groups are formed and special interests take over.

- The result is a continuing series of friction points which are unhealthy at best and can give rise to situations in which the public in general suffers from the special interests of a few who seek to gain profit from the rest.

- With a single purchase price the seller is able to take his money, invest it as he chooses (if he is smart he will invest it wisely in a way that will protect him against inflationary influences) and come out well ahead financially in the long run.

- From the standpoint of the central government when public funds are to be used in large amounts (over \$300 million in this instance) the exercise of common prudence demands that there be solid assurances of unfettered use of the real estate before such sums are committed for investment in costly construction. That investment should be protected not threatened by future uncertainties in the method of land acquisition.

#### IV. Attitudes of U.S. Congress

- Congressional practice is to insist on federal ownership of land before large expenditures are made. Congress in the past has simply refused to appropriate funds unless this is done.

- In present case we have consulted carefully with key members of Congress and influential staff members. Strength of views differ, but

all hold to view that purchase is far and away best means of handling land here. Some are adamant on the subject.

- Congress is sensitive to desire of its citizens and local governments to retain land for local uses and will not needlessly appropriate money for any more land than is absolutely needed for federal purposes.

- It has also been generous in turning back large amounts of federal land when no longer needed.

- Best example is return of thousands of acres of military land after World War II, a process still continuing.

- There is no reason to believe it will not continue to be so in the future.

- Everyone in the family after all has the same problems and responsibilities and Congress is most sensitive to peoples' desires in this regard.

#### V. Conclusion

- For all these reasons U.S. wishes to purchase land needed for public purposes with reversionary provisions in event of non-use.

- Purchase is less costly to the U.S. and benefits the Marianas.

- Purchase provides a generous, large sum for intelligent use and investment by the seller.

- Purchase minimizes future misunderstandings and arguments.

- Purchase is the way all other governments handle this and the way our government handles it everywhere else under the U.S. flag.

- Purchase is the policy of the U.S. Congress.