

1974

15
2,541
6

INDEX

PRESIDENTIAL INSTRUCTIONS ON MARIANAS NEGOTIATIONS

<u>TAB</u>	<u>SUBJECT</u>
A	DOD LETTER OF 6 MAY 74 RE: ALTERNATIVE SITE FOR AMMUNITION HANDLING FACILITY
B	TERMS OF REFERENCE JOINT CIVIL-MILITARY ADVISORY COMMITTEE
C	
D	PUBLIC LAND TRANSFER BILL, PROPOSED U.S. POSITION
E	
F	DRAFT COVENANT
G	TREATMENT OF COMMONWEALTH AS U.S. POSSESSION FOR PURPOSES OF EXISTING FEDERAL INTERNAL REVENUE LAWS
H	SERIES E/H BONDS
I	TALKING POINTS - EMINENT DOMAIN AND A.DeGRAFFENRIED'S LETTER OF 1 MAY 74 COMPARING OFFERS MADE IN 1970 COMMONWEALTH OFFER - 1970 UNINCORPORATED TERRITORY OFFER - 1974 MSC LAND PAPER.
J	BRIEFING PAPER - ECONOMICS & FINANCE
K	DOTA LETTER OF 7 MAY 74 RE: QUESTION OF SEPARATE ADMINISTRATION FOR THE MARIANAS ISLANDS DISTRICT & A.DeGRAFFENRIED'S LETTER OF 11 MAR 74 RE: LEGAL BASIS FOR AND POLITICAL IMPLICATIONS OF A SEPARATE ADMINISTRATION OF THE MARIANA ISLANDS DISTRICT
L	
M	BRIEFING MEMORANDUM - MARIANAS IV: WHAT TO DO IF THE TALKS DEADLOCK
Mc	A.DeGRAFFENRIED MEMO OF 11 APR 74 RE: U.S. POSITIONS RE: MARIANAS/GUAM, POTENTIAL CONFLICTS
N	SOME THOUGHTS ON THE SELECTION OF THE DIRECTOR OF THE TRANSITION SECRETARIAT
O	MARIANAS POLITICAL EDUCATION PROGRAMMING - ALSO PAPER OF 5-3-74 RE: FUNDING FOR POLITICAL EDUCATION PROGRAMMING: A PRELIMINARY PROPOSAL
P	DRAFT OPENING PLENARY STATEMENT
Q	PRESS RELEASE

03 - 023858



THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

01
2

6 MAY 1974

Honorable Franklin Haydn Williams
The President's Personal Representative
for Micronesian Status Negotiations
Office of Micronesian Status Negotiations
Washington, DC 20240

Dear Ambassador Williams:

(S) The Joint Chiefs of Staff and I have determined that the developments outlined below dictate a change in the United States position regarding development of a coastal ammunition handling facility on Tinian and the attendant requirement to relocate the village of San Jose.

(C) As you recall, research of existing data conducted one to two years ago resulted in the early decision to use existing port facilities for an ammunition snipping facility which in turn required relocation of the village of San Jose outside the radius of a potential danger zone. Subsequently, a means of providing an alternate ammunition handling facility was deemed feasible as a fall back, should the people object to the relocation of their village.

(S) The on-site surveys and detailed planning conducted since last August, coupled with other developments, reveal that the US defense requirements, the desires of the Marianans and the safety of all concerned can be met best by constructing an ammunition handling facility within the base area at the outset. Thus, the safety arc would be eliminated from the existing port area, and superimposed only on land within the boundaries of the base, thereby releasing areas of prime importance to the civilian populace, such as: beaches, small boat moorings and sites of traditional significance. Additionally, the village as a whole would not be relocated, joint development of the harbor would be possible, and perhaps most important, the land area available for civilian use would be much larger.

(S) Some of the principal factors which make this change mandatory are:

- Recognition of the fact that safety considerations sooner or later will require a separate ammunition handling facility.
- Planning has progressed sufficiently to determine that far more efficient land use and base arrangement can be accomplished

Classified by _____ DASD/EAPA _____

16-400206

EXEMPT TO GENERAL DECLASSIFICATION SCHEDULE OF
EXECUTIVE ORDER 11652. AUTOMATICALLY DECLASSIFIED
ON 31 DEC 82

SECRET

SEC DEF CONTR No. X-1309

SECRET

in this manner.

- The accomplishment of on-site surveys, full, detailed planning and a better appreciation of inflation in the Trust Territory indicate that costs of the previous position may be substantially higher than originally estimated.
- The determination that Tinian has a total acreage of 24,937 vice 26,210 acres as indicated in past records.
- The significant reduction in required acreage by the safety arc being entirely within the base area.
- The concern reflected by some members of the US Congress over any relocation scheme that did not have the full and enthusiastic support of the people.

(C) We understand that resistance to relocation may be growing among the Marianans. Hopefully this change in position will work to moderate that opposition. On the other hand, it is also recognized that this shift in our stated requirements at this time may engender some resentment among those who are in favor of relocation. On balance, however, we believe that the circumstances justify changing our negotiating position.

(S) We regret to notify you of this major change after you are well into the negotiations; however, as current factual data were accumulated concerning Tinian it became clear that a change in the initial position had to be made at this time. Obviously, this sort of development is a hazard of conducting base planning concurrent with the negotiations, but we are confident of your ability to turn it to the advantage of the United States.

(C) Estimated costs and maps depicting the exact boundaries and total acreages for the multi-service base on Tinian will be provided to you prior to the next round of negotiations. In addition, the Department of Defense Executive Agent is prepared to brief you in preparation for the next round of negotiations by explaining fully the base planning, justifying the amount of land required on Tinian, and presenting the conceptual plan for where various functional areas of the base will be located. One or more members of the same team also are prepared to present a similar presentation to the Marianas Political Status Commission during the next round of negotiations.

H. P. Clement

May 7, 1974

13
5, 21
4

JOINT CIVIL-MILITARY ADVISORY COMMITTEE

I. Establishment of Committee

A Joint Civil/Military Community Council was first suggested by the U.S. side during Marianas II, and the Joint Communique following that meeting noted agreement "to establish a consultative group". At Marianas III this concept was re-stated: "...a working group would be established to look further into questions which might be involved in future military-civilian relationships in the Marianas".

A March 28, 1974, letter (copy attached) to District Administrator Ada from Ambassador Williams and the Chairman and Vice Chairman of the MPSC recorded agreement to establish a U.S.-Marianas Civil-Military Advisory Committee. The letter sets forth the agreement on membership (which can also include the Mayors when matters affecting their municipalities are under discussion) and invites DISTAD Ada to establish the committee. The matter now rests with Ada for implementation.

II. Terms of Reference

The U.S.-Marianas Civil-Military Advisory Committee will be concerned with all issues connected with the establishment and functioning of U.S. military installations in the Mariana Islands. In particular, its meetings will provide a forum for suggestions and advice connected with actual or prospective problems involving interrelationships between U.S. military activities and the population of Tinian.

III. General Considerations

The Committee should meet regularly to insure a full exchange of current information so that its members are well informed.

The Committee is limited to an advisory role. Even though its members may have other, perhaps pertinent, substantive responsibilities, the Committee itself will need to be careful not to assume substantive or operational responsibilities which it lacks authority to discharge.

Although many of the prospective subjects for the Committee's consideration may not arise until there is an appreciable U.S. military presence in the Marianas, the discussion in advance of problems and difficulties, which might arise, and an accompanying effort to develop solutions to the differences before they become public issues, will be primary functions of the Committee.

03 - 023859

IV. Topics - Agenda

1. Uses of land on Tinian

Zoning, civil activities that may be permissible in military area (northern two thirds)

- grazing?
- agriculture?

Time phasing of arrival of contractors and personnel as well as community development.

2. Homesteading issues.

3. Scheduling of

- Land acquisitions and leases
- Construction
 - Numbers of contractor personnel
 - Sources of hire
 - Off duty control of personnel
 - Sub-contractor program
 - Local worker training.

4. Military personnel

- How many? When?
- Troop-community relations.

5. Economic issues

Procurement for U.S. contractors and forces

- for local (Marianas) consumption
- effect on purchases by Guam exchanges.

Employment on Tinian

- Tinianese
- Personnel from other islands of the Marianas
- Guamanians
- Filipinos and expatriates.

023860

6. Facilities for which joint use (American and Micronesian) may be a problem:

- Schools
- Beaches
- Medical facilities
- PX's
- Airfield
- Harbor.

NOTE: It is assumed that for the use of most of these facilities there are firm DOD guidelines, but the Committee would provide a forum where these guidelines and limitations could be explained.

AEB: rkc

023861

*Copy Ambassador
Williams*

March 28, 1974

Mr. Francisco C. Ada
District Administrator
Mariana Islands District
Saipan, Mariana Islands 96950

Dear Frank:

This letter will recall the recent conversations in which you joined us in Honolulu and will record the nature of our thinking as it unfolded, and finally our agreement as to the desirability of the early establishment of a U.S.-Marianas Civil-Military Advisory Committee.

Last May and again in December 1973 the MPSC and the U.S. delegation discussed the establishment of such a committee. We are now pleased that the concept of the Committee's work has been broadened and that you have expressed your willingness to call it into being. We feel that such an entity can serve many useful purposes. It can be a forum for the presentation of ideas and for the discussion of matters of a civil-military nature which are of interest to the people of the Marianas.

We are pleased that you have indicated that you will appoint Thomas Sheehan, District Planner, to the Committee and one other appropriate person from your Administration. We would also request that you invite the municipal councils of Saipan, Tinian and Rota to name two members each to the Committee. The Marianas District Legislature and the Marianas Political Status Commission will each name one member, and the United States will be represented by the Liaison Officer for Micronesian Status Negotiations, Miss Mary Vance Trent, and the COM-NAVMARIANAS Liaison Officer for the TTPI, Commander W. R. Westlake. It is expected that the representatives from the municipal councils would participate only when the Committee is taking up matters of local concern to them.

We would appreciate your taking the leadership in establishing this Committee at an early date. Your offer to provide the Committee with administrative support is welcomed. We do not anticipate that special funding will be needed since the scope of its activity lies within the normal duties and interests of its members. It is envisaged that the Committee will meet as often as may be necessary and shall conduct its affairs in accordance with rules which it may wish to adopt.

023862

The undersigned again wish to thank you for coming to Honolulu, for your substantive suggestions and other contributions to the discussions, and for your cooperation and continuing interest.

Sincerely yours

Franklin Haydn Williams
Franklin Haydn Williams
The President's Personal
Representative for Micro-
nesian Status Negotiations
by HVT

Edward Panglima
Edward DLG Panglima
Chairman, Marianas Political
Status Commission

Vicente M. Santos
Vicente Santos
Vice Chairman,
Marianas Political
Status Commission

24

RYS

TALKING PAPER FOR AMB WILLIAMS

Civil - Military Advisory & Planning Committee

I. Membership

Tom Sheehan	Dist Planner
M. V. Trent	Status LNO
CDR Westlake	TTPI LNO
*Rota	2
*Tinian Mun. Councils	2
*Saipan	2
Marianas Dist. Leg.	1
MPSC	1

Tinian movement - included in Guam

Recommend D. Maritita Distad's Office (Dist P.A.O.)

Recommend Al Pendleton Saipan TTPI/LNO Saipan

LCR

*To participate as needed

II. Statement of Purpose and Function

To create a forum for the dissemination of information and discussion of matter of a civil-military nature which are of interest to the people of the Marianas. In addition, the committee may make recommendations to the Office of the District Administrator, the Marianas Political Status Commission and to the ~~U. S. Delegation.~~ *OMSI*

Initial Areas of Concentration

- (1) Explanation as to details of U. S. land requirements
- (2) Joint-use of facilities - airport, schools, dock, gate & fences, exchanges, hospital, base access-Northern Areas, hunting, fishing, and beaches

beaches

? (3) Relocation benefits vs non-relocation benefits. This should be made clear in terms of new housing, harbor development, new schools, power, water and sewerage provision

(4) U. S. Military efforts in support of Tinian-Rota-Saipan Produce Program

? (5) Contacts with Guam Political Status Commission re: Military aspects

*submitted by Bob Ullrich
MVT*

023864

TAB A TO BE FURNISHED BY CAPTAIN WHELAN



DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND
200 STOVALL STREET
ALEXANDRIA, VA 22332

03
412

25 April 1974

MEMORANDUM FOR THE ASSISTANT SECRETARY OF DEFENSE (INTERNATIONAL
SECURITY AFFAIRS)

Subj: Data on Tinian Base Development Planning

Ref: (a) ASD(ISA) Memo to DUSAF(IA) of 18 Apr 1974, I-3531/74

Paragraph three of reference (a) requested the proposed Department of Defense views on five questions. This office was requested to respond with respect to questions one, two, three, and five of that memorandum. Our views are as follow:

Q. 1. Can Tinianese obtain low cost loans to expand or add to houses being built for them as a result of relocation?

A. At the present there are no available federally assisted or subsidized loan programs. A regular loan program may be available under Title I of the National Housing Act (Public Law 73-479), as amended provided HUD has available participating lending institutions in the Trust Territory. This program provides financing for additions, repairs, and improvements that add to the basic livability and usefulness of properties. Property improvement loans made by a private lending institution participating in this program are insured in bulk by the Federal Housing Administration (FHA). Loans for additions, repairs, and improvement to residential properties may be up to \$5,000. The loan term may not exceed seven years and 32 days. No down-payment is required, and in most cases the borrower's signature serves as security and there need be no co-signer. On loans of over \$5,000, the lender must obtain FHA approval. As to eligibility, the applicant must be a person who has owned and occupied the property for 90 days and he must have enough income to make the regular payments on the loan. The local HUD office handling this program is located at 1000 Bishop Street, Honolulu, Hawaii 96813.

Q. 2. Will the size of lots for relocated homes be restricted to the size of lot being vacated?

A. No exact requirements are stated in the Uniform Relocation Assistance and Acquisition Policy Act of 1970 (P. L. 91-646). In the subject case, the standard will be to provide a comparable size lot which would be a lot of approximately the same size.

03 - 023865

Subj: Data on Tinian Base Development Planning

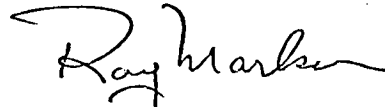
Q. 3. How do we put the relocation decision to the people of Tinian?

A. The recommended relocation sites as well as alternatives could be presented to the people at public hearings or by referendum. Relocation cannot be forced upon the people. To effect a relocation each individual landowner whose lands are being acquired must voluntarily accept the property that is offered.

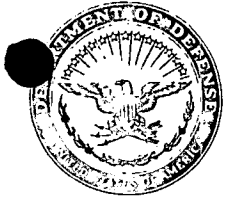
Q.5. What steps or improvements might the United States make to the harbor and village in the event there is no relocation?

A. Any contemplated improvements to the harbor would require authorization and funding for projects that are certified as urgent military requirements under a regular Military Construction Item. With regards to the village, there is no existing authorization or military requirement which would justify expenditure for improvements. Regardless of relocation of the village present plans call for harbor and entrance channel deepening and widening, repairs to quay wall and breakwater, and provisions for transit storage facilities at the harbor area.

Very respectfully,



ROY MARKON
Deputy Assistant Commander for
Real Estate



INTERNATIONAL
SECURITY AFFAIRS

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

Route Slip
28 APR 1974

In reply refer to:
I-3531/74

01
4.2
111)

Mr. James M. Wilson, Jr.
US Deputy Representative for
Micronesian Status Negotiations
Office for Micronesian Status Negotiations
Washington, DC 20240

Dear Jim:

In your letter of April 5, 1974 you requested an analysis of the costs to relocate San Jose village on Tinian and to construct an alternate ammunition handling facility. Further, you asked for this Department's views on five questions concerning the relocation issue on Tinian.

The basic and controversial issue of relocation versus alternate ammunition handling facility has been undergoing careful review within the Department of Defense since the first of this year. Factors such as the opportunity to conduct detailed on-site surveys, the uncertainty and lack of support on this issue by the Marianas people, and concern in the US Congress have all dictated a reexamination and refinement in our thinking on this matter. Moreover, as you will note in your copy of the Crested Isle plan, the complete cost estimates won't be complete until late summer or early autumn.

Our best estimate at this time of the requested cost data will be provided to your office, along with Defense views on the other questions, as early as possible; however, I regret that it may be late April before tentative estimates of the comparative costs can be completed.

Sincerely,

Dennis J. Puckin
Deputy Assistant Secretary

AdeG:kkc:5-8-74

03
271

MEMORANDUM

To: Director, Office of Territorial Affairs
From: U.S. Deputy Representative for Micronesian Status Negotiations
Subj: Micronesian Public Land Transfer Bill, Proposed U.S. Position

We have reviewed the Trust Territory Public Land Transfer Bill as amended by the Senate and House of Representative of the Congress of Micronesia against Secretary Morton's Public Land Policy Statement and against the original objectives forming the basis for the public land transfer policy.

In the interest of facilitating the early transfer of these lands we believe that those amendments which do not jeopardize U.S. interests in the Trust Territory or in the status negotiations can be accepted. As a general rule we believe the proposed land transfer legislation must not contravene the public land policy statement. To the extent the legislation conflicts with this established policy it will require a veto. Specifically, the legislation cannot contain provisions which:

1. abrogate existing land use agreements held by the United States Government;
2. impede current political status negotiations involving future land use required by the United States in Micronesia;
3. authorize adjudicatory bodies to rehear prior determinations of title to lands or otherwise reopen land title hearings or determinations which are res judicata;
4. restrict the executive authority of the High Commissioner over public lands beyond the terms set forth in the U.S. public land policy statement;

03 - 023866

5. impose restrictions on the ultimate authority of the Trust Territory Executive to exercise eminent domain powers;

6. attempt to make the Trust Territory or the United States liable for claims arising after the transfer of public lands other than for which the United States or Trust Territory Governments are directly responsible;

7. create multiple legal entities within a district to receive title to public lands to the extent that the general guidelines set forth in the public land policy statement might be exceeded; and

8. prevent or otherwise impede the United States from fulfilling its obligations under the Trusteeship Agreement.

The following Congressional amendments meet with our approval:

1. Amendments by the Committee on Judiciary and Governmental Operations of the Senate contained in Standing Committee Report No. 221, March 1, 1974, (pp. 9-15):

a. amendments 1 through 10;

b. amendments 11-12, with the proviso that it is understood that the transferred lands remain subject to all retention rights now held by the United States;

c. amendment 13;

d. amendment 14, with deletions so as to read: "among its purposes the return of public lands transferred to it under the authority of this act to the rightful owners thereof, and to that end shall have...";

e. amendment 15, with the proviso that it is understood that the amendment will not impede the political status agreements to satisfy U.S. land requirements and that the Compact of Free Association will supercede the public land legislation which is not consistent with it;

f. amendments 20-21;

g. amendments 23-39;

h. amendment 40, with the proviso that the words "providing for" are deleted and after the word "laws", the words "complying with the criteria of this section as follows" are inserted;

i. amendments 44-48;

j. amendments 52-54;

k. amendments 59-60;

l. amendments 63-71;

m. amendments 76-88.

2. Amendments by the Committee on Judiciary and Governmental Relations of the House of Representatives contained in Standing Committee Report No. 293, March 4, 1974 (pp. 2-3):

a. amendment 1;

b. amendments 5-7;

c. amendment 10.

The following provisions are in conflict with the policy statement and are not acceptable:

1. Amendments by the Committee on Judiciary and Governmental Operations of the Senate contained in Standing Committee Report No. 221, March 1, 1974 (pp 9-15):

- a. amendments 16-19;
- b. amendment 22;
- c. amendments 41-43;
- d. amendments 49-51;
- e. amendments 55-58;
- f. amendments 61-62;
- g. amendments 72-75.

2. Amendments by the Committee on Judiciary and Governmental Relations of the House of Representatives contained in Standing Committee Report No. 293, March 4, 1974, (pp 2-3):

- a. amendments 2-4;
- b. amendments 8-9.

It is our view that this U.S. approach to the transfer of Public Lands in the Trust Territory should be conveyed as a Trust Territory Policy Statement by the High Commissioner in his message to the Congress of Micronesia in calling a special session to consider this legislation. The High Commissioner should make clear that the administration has reviewed the COM proposals and rationale and is sympathetic to the suggestions raised by the Congress to facilitate the transfer in a manner more conforming to local desires; that the COM changes in certain specific respects, however, go beyond the official U.S. policy position in transferring public lands to Micronesian control as expressed by Secretary Morton; and, that if the new Trust Territory accommodations are not accepted, the bill will contain provisions which are inconsistent with the responsibilities of the United States in the administration of the Trust Territory and will

require that the measure be disapproved. He should be prepared to enumerate specifically those items which if retained in the legislation would subject it to a veto.

023870

OFFICE FOR MICRONESIAN STATUS NEGOTIATIONS
WASHINGTON, D.C. 20240

03
/5

6 May 1974

MEMORANDUM

To: Captain Richard Y. Scott, Director, Office
for Micronesian Status Negotiations

From: Adrian de Graffenried, Legal Advisor, Office
for Micronesian Status Negotiations

Subj: Treatment of the Commonwealth as a U.S. "possession"
for purposes of existing federal Internal Revenue laws

I have formally requested Brewster Chapman to undertake to provide our office with all relevant data on the subject. Brewster has contacted the Internal Revenue Office and has informed me and Mr. Wilson that the IRS would require information on: (1) what kind of precise preferential treatment the MPSC desired; and (2) the precise IRS provisions under which the MPSC desire preferential treatment. Brewster feels that no further U.S. study is appropriate until this data is received from the MPSC.

The IRS position was forwarded to Howard Willens prior to the Joint Legal Working Group meeting on 26 April. Willens did not wish to provide the data at this time, but noted his satisfaction with a general U.S. agreement in principle during MPSC III. Willens agreed that this issue required more precise and detailed study by both legal groups before concrete agreement could be reached. During the Joint Legal Working Group, however, Willens noted that the "Officials at the Department of Treasury" were in agreement that the Marianas should not follow the tax precedents set for Guam. Presumably this would apply to all U.S. internal revenue provisions; and, Willens has indicated that his group believes that the Marianas should follow no precedent at all and should not be bound by the federal territorial relationships set forth in the other territories.

Recommendation

The burden of furnishing more precise data for further U.S. consideration of whether to treat the Marianas as a U.S. "possession" for purposes of federal internal revenue laws is now with the MPSC. The United States should not make a further commitment on this matter until the MPSC responds in more precise detail to the IRS position.

AdeG:kkc

03 - 023871

OFFICE FOR MICRONESIAN STATUS NEGOTIATIONS

WASHINGTON, D.C. 20240

03
5

6 May 1974

MEMORANDUM

To: Richard Y. Scott, Director, Office for Micronesian Status Negotiations

From: Adrian de Graffenried, Legal Advisor, Office for Micronesian Status Negotiations

Subj: Series E/H Bonds

The issues surrounding the preliminary agreement by the United States during MPSC III to providing some protections to holders of Series E/H United States Savings Bonds have been effectively eliminated.

Congressmen Burton and Foley will interpose no objection to this agreement provided that a "cut-off" date is provided after which these bonds can no longer be purchased and still receive preferential tax treatment. This was the intent of the MPSC as expressed to the Congressmen during their briefing session last January with the MPSC.

The language of the Joint communique of 19 December 1973 (Section D-3, p-8) follows this approach, but could be made more clear.

During the Joint Legal Working Group meeting of 26 April 1974, Howard Willens agreed to incorporate more specific language to this effect during MPSC IV. Willens is, of course, interested in incorporating specific language into the Covenant on this "agreement in substance".

Recommendation

The United States should avoid incorporating specific language into the Covenant regarding preferential treatment to trust territory citizens who hold Series E/H Savings Bonds; to incorporate this language would (1) act as a precedent to incorporate other "agreements in substance"; and (2) make the "agreement" less political and more technical. Language should be incorporated into a Joint Communique to further clarify the U.S.-Marianas agreement on this matter.

The following language is proposed:

"It was agreed that residents of the Mariana Islands who purchased Series E and H United States Savings Bonds prior to 6 December 1973, would continue to receive an exemption from taxation of income derived from these bonds after the establishment of the Commonwealth."

03 - 023872

13
2

TALKING POINTS - - - - EMINENT DOMAIN AUTHORITY

1. The United States has studied carefully the eminent domain proposals forwarded by the Marianas Political Status Commission during the closing days of the third session of these Commonwealth status negotiations.

2. We note that the Marianas Political Status Commission recognizes the need for federal eminent domain authority and that the United States has a legitimate interest in being able to exercise this authority. At the same time several features of the proposal cause great difficulties. Specifically these are:

a. that after a change in status, the United States would not be authorized to acquire lands to fulfill its national security obligations except in time of war and then only to a limited extent.

b. that the United States would not be authorized to deal directly with private land owners for acquiring private lands.

c. that U.S. eminent domain authority could be exercised for non-military purposes only after a complex and lengthy process involving both the legislative and the judiciary branches of government.

d. that the judiciary be empowered to review basic executive branch policy determinations that form the basis for the land acquisition under eminent domain.

These are unacceptable because it would impose specific limitations on the federal authority not enjoyed by any other state or territory, to wit:

a. The United States cannot be impeded in any manner in protecting the national security interests.

b. The United States must be authorized to deal directly with the individual members of its political family, in this instance, private land owners, so as to avoid, to the greatest extent possible, protracted legal controversies which could otherwise be settled by negotiation.

c. Involving the Marianas Commonwealth legislative branch in a review of basic United States executive and legislative policy determinations controvenes the paramount authority of the United States in its exercise of inherent sovereign powers. (The MPSC proposal would be the equivalent of providing a local veto over basic policy determinations of the United States Government, which must not be impeded if it is to provide basic governmental support and social and economic development services to the Commonwealth government.)

d. The MPSC authorization of the judiciary to involve itself in eminent domain determinations established by executive policy such as the amount of land, the need to which the land is to be put, and the interest to be held exceeds the fundamental concepts of the doctrine of separation of powers established for the American political family and violates established judicial precedents.

3. We appreciate that the underlying purpose of the Commission's proposal is to protect against abuses of the exercise of eminent domain authority. We recognize that the Mariana Islands as an island area have special circumstances surrounding land acquisition and use. This recognition is evidenced by our earlier agreements to provide special protections for the Mariana Islands against land alienation.

4. The United States believes that the concerns of the MPSC as to the exercise of eminent domain authority can be met by the proposal contained in the United States draft Covenant for the Northern Mariana Islands Commonwealth.

5. The United States proposal was formulated on the long standing precedents in the federal-state and federal-territorial relationships regarding eminent domain and on the need to be consistent in those relationships. In the latter case those are territories which, like the Marianas, are island areas.

023874

6. Our proposal would obligate the United States to follow federal eminent domain procedures now established in the federal system in obtaining lands for use by the United States in the several states and in all the territories.

7. This procedure would extend the same safeguards to the Marianas against abuse of federal eminent domain power as all the members of the American political family now enjoy. Among these are:

a. that the United States Congress must authorize the land acquisition by authorizing and appropriating funds;

b. that the executive branch must justify its request to the Congress;

c. that local opponents to the acquisition may petition the United States Congress to disapprove the acquisition;

d. that if Congress authorizes the acquisition, then the executive branch must follow the procedures set forth in federal statutes. Specifically those statutes are: 20 USC §1358; 20 USC Appendix Rule 71a; and 40 USC § 257 and 258(a) - (f). Briefly, these provide:

- (1) that notice must be given locally;
- (2) that a complaint must be filed in a U.S. district court which has original jurisdiction;
- (3) that the federal rules of procedure must be followed in the judicial process;
- (4) that the U.S. must not act arbitrarily and capriciously but for the public interest; and
- (5) that just compensation must be paid for all interests acquired.

023875

8. The Marianas would be protected by the federal judicial system and the procedural elements set forth in federal legislation and in many legal precedents that have been established in the states and territories.

9. The Mariana Islands would likewise be no less obligated to share in the same kinds of sacrifices for the national security of the United States as all members of the American Political Family are required.

BRIEFING PAPER - ECONOMICS AND FINANCE

I. Background

A. Marianas Proposal - Round 2, May 14, 1974
7 year Phase II 1975-1981.

1. CIP \$47.7 million in constant 1975 dollars.
\$60.5 million in current dollars.
2. Development Grants \$40 million in constant 1973 dollars.
\$44 million (sic) in current dollars.
3. Operations \$72.5 million in current dollars
(no constant dollar figure given because of
other major adjustments made in pay scale etc.)
[\$45 million is our estimate of 1975 constant dollar
equivalent of \$72.5 million current dollars using
same deflator used by MPSC for converting constant
dollars to current dollars in CIP category.]
4. Total 7 year request - stated in approximately 1975 constant
dollars - \$133 million.

B. U.S. Proposal - Round 3, December 15, 1973.
5 year Phase II.

Per Annum:

\$3	CIP - \$15 million.
.1	Development Grants - \$5 million.
<u>7.5</u>	Operations - \$37.5 million
\$11.5	Total \$57.5 million (all stated <u>now in constant</u> 1975 dollars).

To convert 5 year program to 7 year period for comparison purposes
with MPSC request:

$57.5 + 2/5 (57.5) = \underline{\$80.5 \text{ million.}}$

II. Talking Points

- A. Constant Dollars insure maintaining real purchasing power of our
commitment for financial assistance.
- B. Comparison U.S. proposals Marianas vis-a-vis Micronesia on per
capita basis.

1. Marianas - population 14,000

Operations	- \$7.5 million	= \$535/capita
CIP	- 3.0 million	= 215/capita
Dev. Grants	- 1.0 million	= 70/capita
Fed. Programs	- 3.0 million (est)	= 215/capita
Total Grants		= 1035/capita

2. Micronesia (ex Marianas) - population 100,000

Operations	- \$35 million	= \$350/capita
CIP	- 12.5 million	= 125/capita
Dev. Loans	- 5 million	= 50/capita
Fed. Programs	- 2.5 million	= 25/capita
Total		= 550/capita

C. Other Financial benefits resulting from new status and general growth of economy.

1. Payments for land for military use likely have amortized value \$2-3 million a year.

2. Public lands returned to Marianas - sale and lease such lands for commercial and other private use could yield \$1 million a year.

3. Return of U.S. Federal income tax will yield some \$3 - \$4 million a year after base has been completed and fully operational.

4. From Marianas Government's income tax on local population, import duties, excise taxes, etc. - yield should be in order of \$6 million a year at the end of 10 years of self-government and growth in the economy. This will be rising with time.

5. Foreign investment - \$1 million a year.

6. Presence of U.S. military will stimulate local production, private job opportunities, improve local facilities. Over 10 year period this could have same effect as \$20 million additional investment in economic development projects and economic and social infrastructure or some \$2 million a year.

7. Increased levels local private investment as personal income levels increase and domestic savings rise - \$250 thousand annually.

023878

D. Total Economic Impact

- | | | |
|-------------------------------------|--------------|---------|
| 1. U.S. Grants and Federal Programs | \$14.5 | million |
| 2. Items listed under B above | <u>15-17</u> | million |
| 3. Total | approx \$30 | million |

E. Growth Potential

Projected Investment Capital available more than adequate to yield a 10% annual growth in the output of the economy provided there is a prudent use made of such availabilities.

This will require:

1. holding cost of bureaucracy in check;
2. rationalizing rate structure of utilities and other federal services;
3. raising taxes to finance social overhead;
4. government policies and programs facilitating private investment in productive enterprises as opposed to use of capital for speculative non-productive schemes.

5. Government investments keyed to economic growth with increases in social benefits limited to increased capacity of government to support from local taxes etc.

6. Special attention to questions of immigration policy; foreign investment; growth in tourism; composition of development program etc.

III. Transition

A. Carmel Program - Marianas included in projection of financial assistance and stepped up CIP

B. Marianas can have separate administration whenever it so requests. Until new constitution and self-government machinery established, Marianas will receive directly approximately 1/8 annual amounts discussed at Carmel for Transition.

023879

C. When new government established, Phase II financing would become operative. (See IV below for Comparative Advantage analysis.)

D. So long as Trusteeship remains, "Common Use" services and facilities (shipping, communications; equipment pool, CCM, etc.) will continue to be available to all districts as is the case now.

E. During the transition, Marianas will work out detailed agreement with COM for permanent arrangement:

1. continued access to selected common use facilities such as CCM;
2. breaking up and equitable disposition of other common assets TT headquarters, equipment pool, inter-island shipping fleet, inter-district communication facilities, etc.

IV. Comparison Marianas Phase II Commitment vis-a-vis Carmel Commitment for Transition.

	6 Districts			Marianas Share @ 1/8			Phase II Assistance		
	OPNS	CIP	TOTAL	OPNS	CIP	TOTAL	OPNS	CIP	TOTAL
1976	55	25	80						
1977	53	30	83	6	4	10			
1978	50	35	85	5+	5	10+			
1979	47	20	67	6-	2	8-	7.5	3.0	10.5
1980	45	15	60	6-	1	7-			
4 Year Total				23	12	35	30.	12	42

023880

1974

07
5,9,
2

ADDENDUM A

MICRONESIAN CONSTITUTIONAL CONVENTION

Legal Obligations to Include the Mariana Islands

The COM was legally obligated to include the Mariana Islands District in legislation calling a Micronesian Constitutional Convention. The COM holds legislative power extending to "all rightful subjects of legislation" (Part III, Section 2, Secretarial Order 2918, as amended) and is "... primarily responsible for problems of territory-wide concern", (Title 2, Trust Territory Code, Section 1). Clearly, a Constitutional Convention bill is such a concern. Furthermore, the COM is prohibited from enacting legislation inconsistent with the first twelve sections of the Trust Territory Code (The Micronesian Bill of Rights). Part III, Section 2(d), Secretarial Order 2918, as amended. The Micronesian Bill of Rights includes, inter alia, the right to equal protection of the laws. That right has been interpreted as a right that guarantees that all persons will be treated alike under like circumstances. This concept is a part of the law of the Trust Territory (Ichiro vs. Bismark (1953), 1 TTC 57, 60-61; Mesechol vs. Trust Territory (1959), 2 TTC 84, 87-90).

Residents of the Mariana Islands would be treated in a significantly different and unequal manner than the residents of those other districts participating in a constitutional convention if the Marianas would be excluded by legislation from participating in a constitutional convention particularly if any Marianas resident shared the political aspirations of the other Micronesian districts. This view is supported by legal opinions from the Attorney General of the Trust Territory and the Office of Legislative Council of the COM.

Constitutional Convention Bill

A. Background.

The Micronesian Constitutional Convention Bill (S.B. 231) was first introduced during the COM Special Session at Ponape, August, 1972, following the Fifth Round of JCFS Status Negotiations at Washington, D.C. in July, 1972, and following the USG's acceptance of the Marianas request for separate status negotiations in Koror, Palau, April, 1972. S.B. 231 was a companion bill to S.B. 233, a bill to establish a Commission on National Unity, both introduced by Chairman of the JCFS, Lazarus Salii. The U.S. status delegation had long advocated early resolution of the structure of the future Government of Micronesia and offered financial assistance toward a Micronesian Constitutional Convention at the Koror talks. The Micronesian COM, however, in the interim, reacted strongly to the separate Marianas - U.S. status negotiations and began open criticism of separatist moves during the Fourth Session of the COM (January, 1972) through today. The Ponape Special Session was especially tense due to final recognition by the JCFS that the U.S. would not include the Marianas in the free association formula after the U.S. specifically omitted U.S. land requirements in the Marianas from the free association negotiation process.

Prior to this move, the Marianas had experienced extended difficulty in dealing with the COM especially in a more equitable distribution of COM revenues and in review of U.S. Congressional CIP appropriations. In short, the Marianas delegation was being ignored in the COM policy making process and the COM was particularly emphatic in its rejection of the commonwealth status sought by the Marianas and in moves to deny the Marianas their right to pursue this separate status objective.

023882

Debate on the Constitutional Convention measure centered on whether to exclude the Marianas Islands - whether it was legally permissible or politically desirable. Inevitably, as the Journal of the COM shows, (pp 94-99 Senate Journal, 4th Special Session COM, August, 1972), the discussions focused on the political status issue but was resolved on legal grounds by opinions from the TTPI Attorney General and COM Legislative Counsel Office that the Marianas could not be legally excluded from the Micronesian Constitutional Convention without amendment to the Secretarial Order to this effect. The bill was passed by the Senate but held in committee in the House due to a shortage of funds.

The new COM constitutional bill, S.B. No. 38, was also authored by Chairman Salii. It embodies the major concepts in the former bill and more explicitly attempts to impede the separate Marianas status talks.

B. Outline of the Constitutional Convention Bill.

The major features of S.B. 38, as amended, include: (1) Saipan as the site of the convention; (2) a total of sixty (60) delegates; (3) the election of delegates-at-large (42) on June 4, 1974 - Marianas 4 - Marshalls 9 - Palau 5 - Ponape 9 - Truk 12 - Yap 3; each COM delegations to select one members as a delegate; traditional leaders in each district will send two additional delegates (if no traditional leaders, the district administration will choose one and the district legislature will choose one delegate); (4) a pre-convention committee (one delegate from each district with the President of the COM Senate as Chairman) will select the timing of the constitutional convention; (5) the convention will last ninety days; (6) convention questions will be decided affirmatively by three-fourths

(3/4) of all delegates entitled to cast votes (or 36 affirmative votes); (7) a total of \$550,000 is available for staff, per diem, and travel expenses (\$450,000 from U.S. sources); and (8) the convention shall draft constitution for the future Government of Micronesia, provide for an effective date of the constitution, and shall require approval by a referendum.

C. Implications for the Commonwealth Talks.

The COM noted that in moving the convention site from Palau to Saipan, the primary considerations were costs, accommodations, materials, and supplies, staff support and legal assistance. The COM did not, however, mention that in choosing Saipan, the Marianas District would be more formally committed to participating in the convention and that the attention of local residents would be focused away from the Commonwealth negotiations and their own separate government towards the JCFS free association concepts of self-government.

Timing the election of delegates in June, 1974, would coincide with the UNTC hearings and would emphasize that the Marianas are yet within the free association objectives by their inclusion and election of delegates to the convention.

Taken together, these views support the contention that the Micronesian Constitutional Convention bill is an overt attempt to undermine the separate Commonwealth status negotiations and to commit the Marianas to the free association status objectives.

ADDENDUM B

PUBLIC LANDS IN THE MARIANA ISLANDS

The Marianas District has long opposed the COM's legislative activities relating to public lands in the district. Homesteading and leasing of and revenues from these lands all fall within the jurisdiction of the COM. The COM and JCFS have used this jurisdictional authority to interject themselves into the U.S. military land requirements in the Marianas, especially as relates to use of public lands and the revenues that would legally accrue to the COM from their use.

Consequently, the Marianas was supportive of the U.S. public land policy to transfer public lands to local control, except as to powers of eminent domain and the exclusion of military retention areas from the lands to be transferred. The U.S. had agreed during the third round that the public land policy would be implemented by the TTPI and Marianas District legislature acting in conjunction with the COM, which was to adopt legislation to effect the basic U.S. policy guidelines.

The MPSC had entered into extensive discussions with the U.S. status delegation on how public lands would be held by a local entity and made available for later use by the U.S. military. However, this tentative approval requires action to transfer the public lands. The COM by failing to adopt the requisite legislation has impeded early satisfaction of U.S. land requirements in the Marianas in that the MPSC does not yet have jurisdiction to effect its agreements to satisfy U.S. land requirements. Furthermore, the MPSC has stated it will not act to finalize U.S. land

023885

requirements in the Marianas until public lands are returned to its control. The COM can continue to disrupt the Commonwealth talks as long as it retains jurisdiction over public lands in the Marianas and fails to return public lands to Marianas control.

The U.S. can unilaterally effect the public land policy by promulgation of a new Secretarial Order that effects the transfer or amendment of Secretarial Order 2918 to remove COM jurisdiction over Marianas public lands. Such action may enable the U.S. to effect a transfer of public lands to those districts that would prefer local control over control by the central government and also to satisfy U.S. military land requirements in other districts (Palau and the Marshalls).

ADDENDUM C

STRUCTURING THE SEPARATE ADMINISTRATION

An order of the Secretary of the Interior to effect a separate administration for the Mariana Islands should amend Secretarial Order 2918 to:

- (1) Remove the jurisdiction of the COM from matters affecting the Commonwealth status negotiations;
- (2) Establish a chartered district government for the Mariana Islands; and
- (3) Direct the High Commissioner to effect this policy by Executive Order.

Limiting the Jurisdiction of the COM

(More study is required.)

023887

EEArcher:5-6-74

03
5,32
4

BRIEFING MEMORANDUM

Subject: Marianas IV: What to do if the talks deadlock

The Joint Communique published after the third round of Marianas Political Status Negotiations pointed to some unresolved issues between the U.S. and Mariana Islands which could possibly prevent an early agreement on the shape of a future arrangement between the United States and the Marianas. These and other possible issues are:

1. language of a final agreement especially those powers included in the "mutual consent provisions";
2. immigration and rights of aliens in the Marianas;
3. applicability of federal laws in the Marianas especially those concerned with taxation, customs and environment;
4. purchase of lands by the United States for military use with special emphasis to the right of the United States to eminent domain;
5. moratorium on Tinian.

Assuming that the Marianas do not remain committed to the Commonwealth option, deadlock on one or several of these problems means that we have no choice but to report to the President and seek instructions. What we recommend to the President depends largely on which issue causes the talks to collapse. If it is land, then we may have to continue the Trusteeship in spite of the political flak as we cannot compromise on land to the point where DOD requirements are not met. If it is not land and they would be willing to make land available, then we could recommend a solution that rejoins the Marianas to the other districts in a compact of free association. If the Marianas remain committed to the commonwealth option then we may wish to exercise some of the contingencies listed below.

03 - 023888

1. DEADLOCK is most likely on the need to purchase rather than lease military land.

Possible Action

(a) Ambassador Williams may wish to offer a "Fort Lewis" formula, suggesting that the military purchase ~~of~~ the land but with the proviso that it will revert to the former owners if not used. Perhaps, but not recommended, a formula which determined what constitutes minimum use could be established wherein procedures for the land reversion would begin when military use fell below an agreed level.

(b) The Ambassador could request that this issue be tabled and taken up after agreement has been reached on all other issues.

2. DEADLOCK is likely to occur on the extent of the mutual consent provision of the final agreement. Mutual consent provisions are double edged and limits both the powers of the U.S. and the Marianas. Issues such as eminent domain, right to suspend habeus corpus, and freedom of the seas defined in a mutual consent clause would be unacceptable.

Possible Action

Any proposal by the MPSC to use the mutual consent provision for issues other than the amendment of the agreement should be sidestepped or referred to a joint staff legal committee for their recommendations.

3. DEADLOCK may occur over the level of U.S. financial assistance to the Marianas.

Possible Action

(a) We should assure the Marianas that in joining the American family we will not abandon them. However, we could attempt to negotiate a downward sliding schedule for assistance which is weighted heavily in the first few years of commonwealth status, but which maintains the same gross assistance figures over the five year period.

(b) An alternate method of handling this question is to refer the matter to a committee of economic experts for their recommendation. This would not only delay the problem but also provide expert opinion to present to the U.S. Congress if the committee recommends an increase in the overall level of assistance.

4. DEADLOCK may occur over the question of which federal laws will be applicable to the Marianas including those involving tax and other revenue raising powers.

Possible Action

As the status agreement would envisage the maximum amount of self-government for the Marianas consistent with U.S. sovereignty and U.S. control over Defense and Foreign Affairs, agreement can be given to most exceptions to the applicability of federal laws in the Marianas as long as mutual consent is not involved and U.S. sovereignty is recognized.

5. DEADLOCK may occur over the question of the economic moratorium on ^{the development of private lands on} Tinian.

Possible Action

We could request the Marianas District Legislature to pass legislation ending the moratorium on the development of private lands on the island of Tinian as DOD is proposing to confine its use of Tinian mostly to public lands presently under U.S. Government control.

6. DEADLOCK may occur on the question of immigration of third country nationals to the Marianas.

Possible Action

Although this question can be solved by permitting the Marianas to enact their own immigration laws without sacrificing U.S. authority in the field of immigration, (see 4 above), Marianas control over immigration can be established

within existing laws by having labor certification for immigration to the Marianas come from the Marianas rather than the Department of Labor.

CONCLUSION

It is understood that both delegations have the option to end discussions and seek further instructions. However, since the goal of these meetings is to reach an agreement, exercising this option may be counterproductive. Instead wherever possible divisive issues may be referred to a committee for expert consideration or simply tabled.

023891

AdeGraffenried:5-1-74:kkc

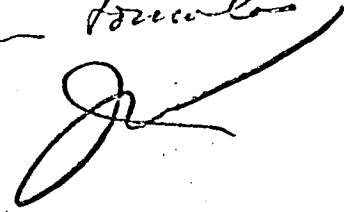
MEMORANDUM

To: Captain Scott

From: Adrian deGraffenried

Subj: MPSC/U.S. legal group; issues to be resolved

*Ade b
What does Willens
propose as alternate
in future formal
(p 2?)*



There are a number of important substantive and procedural differences between the U.S. and MPSC members of the joint legal working group arising from the 26 April meeting with Howard Willens. These should be resolved as soon as possible. They are:

1. The status document. The MPSC will be considering its own version of a future political status agreement called the "Mariana Islands Commonwealth Agreement" and proposing that the U.S. adopt its draft language.

Willens comments that the document covers more topics, is in greater detail, and will incorporate all the substantive issues agreed upon during the status negotiations. This would appear to be a tactic of forcing the U.S. to respond to the MPSC initiatives and to assume the burden of persuading the MPSC of the intrinsic value of abandoning MPSC positions for the U.S.

proposals. It should also be observed that the MPSC approach of negotiating precise language after MPSC IV and in Washington (under the auspices of the Joint Legal Working Group) removes the MPSC members from active participation in the drafting of a "local" political document, will lend itself to highly technical language that will not be clearly understood by the MPSC membership or by the people of the Mariana Islands, and will no doubt delay an early status agreement with the MPSC. Willens is evidently pursuing his belief that the MPSC should provide a detailed negotiating history of the intentions of the MPSC in the future political status talks that is capable of interpretation and enforcement in the federal judicial system. Willens

023892

has insisted upon detailed MPSC position "papers" and upon taping the sessions in prior sessions. Preparing an accurate and full historical record of the status negotiations is desirable. Although there are some items of local concern which require specific legal language, preparing a detailed and comprehensive legal document in lieu of a general political agreement to establish the respective rights and obligations of the United States and the Mariana Islands would not be desirable. A simplified political document drafted in part by MPSC members would be the most preferable approach.

2. Applicable Laws. A general formula for the interim applicability to the Marianas Commonwealth of federal laws now extended to Guam was initially endorsed by the MPSC. Willens has consistently insisted throughout the negotiating sessions that the Marianas be treated locally as if it were a State of the Union so as to establish its local autonomy and prevent undue interference from the U.S. Congress. Willens now indicates that the MPSC will not accept an interim approach and will also be insisting that the Marianas be excluded from U.S. laws dealing with the intra-territorial relations, especially as regards commerce. These approaches should be rejected by the U.S. To permit the Marianas to become a new U.S. territory and receive the special benefits and privileges deriving from that territorial status and yet permitting the establishment of local autonomy as if the Marianas were a State of the Union effectively creates a political status for the Mariana Islands that would be in excess of that enjoyed by the States. The Marianas would as a consequence be far beyond the reach of federal control and authority in many areas which are not completely foreseeable. This elevated status would have immediate repercussions in U.S.-territorial relationships which would require the U.S. to relinquish federal authority in these areas. The Marianas should continue to fall within the general territorial relationships as now exist with some exceptions to meet particularly unique local circumstances.

023893

3. The Commonwealth status. Another element of the MPSC approach to creating a status elevated above that enjoyed by other territories and even States, is the MPSC desire to create a special and unique territorial status for the Mariana Islands that does not parallel the current U.S.-Guam relationship. The MPSC approach to date has been to adopt selected positions that provide the maximum in benefits and local autonomy to the Mariana Islands, e.g., the income tax approach taken in Puerto Rico; the immigration and naturalization approach taken in American Samoa; the Jones Act approach taken in the Virgin Islands and American Samoa; the duty free port approach taken in Guam. It would appear that the U.S. must make a fundamental determination on how to approach the Marianas status:

a. whether to closely follow the Guam example and agreeing that local adjustments will be made as Guam's status is elevated; or

b. agreeing to a political status that meets the MPSC desire for a unique territorial status and hoping that the U.S. Congress will accept that status and adjust other U.S. territorial relationships accordingly.

Study I and initial Congressional contacts indicate that it ^{is mandatory} would be preferable to adopt the former approach.

023894

DRAFT:SS:mm1: 5/3/74

Memorandum

Private material

To: E. E. Archer, State Adviser, OMSN
From: Solomon ~~Silver~~, Economic Adviser, OMSN
Subject: Random Thoughts on Stonewall Eventuality

1. In the event the talks deadlock - but the Marianas remain committed to commonwealth - it will, of course, be necessary to go back for instructions.

- a. We are at our limit on financial assistance.
- b. We can not compromise on lands to the point where DOD requirements are not met.
- c. We cannot yield too much on the political arrangements without compromising our position vis-a-vis other territories - Congress wouldn't let us go too far.

If we get stalled on finance (an unlikely happening) we should first try to assure the Marianas that in joining the American family, they can be certain we will not abandon them. When a real pinch develops, we will come through. The amounts we are proposing seem to us to be not only fair and generous, but also in the Marianas own interest - i.e., hold down government spending and hiring of people as a necessary adjunct to developing the economy. Point to the large transition program for CIP.

If none of this works, then we could seek new instructions based on an analysis of their latest demands. If their demands are unreasonably high - in terms of absorptive capacity, need, or any other economic criteria then

023895

we should seek instructions to let them rejoin the other 5 districts. The independence option is a non-starter both from their and our standpoints.

2. If the talks deadlock and they don't want to, ^{or} ~~the MSSG~~ can't, continue ~~on~~ the Commonwealth option, then we have no choice but to report ^{to} the President and seek instructions. What we will recommend to the President depends largely on the issue(s) on which the talks collapse. If its land, then we may have to continue the Trusteeship despite the political flak. If its just political without any specific ^{main} reason but they ^{would} be willing to make land available, then we ^{could live} ~~counter~~ with a solution that permits the Marianas to rejoin the other 5 districts.

OFFICE FOR MICRONESIAN STATUS NEGOTIATIONS

WASHINGTON, D.C. 20240

April 11, 1974

03
5213
4

MEMORANDUM

To: J. Wilson

From: A. deGraffenried

Subj: U.S. positions re: Marianas/Guam, potential conflicts

We have proffered several positions to the MPSC during rounds II and III which, although satisfactorily reflecting the particular circumstances of the Marianas, may conflict in fact or perception with current and proposed U.S. positions regarding the political and economic status of the Territory of Guam. A majority of U.S. Congressional members support OMSN positions to the Marianas of such rights and privileges as local circumstances justify; however, some Congressmen still reserve judgment on OMSN proposals to the MPSC primarily because of: (1) their experience with other territories (Puerto Rico, Virgin Islands and American Samoa), and (2) their fears that an enhanced territorial status for the Marianas which is significantly superior to other U.S. territories will result in those territories demanding political and economic adjustments to their status situations.

Attached is a brief comparison of U.S. offers to the MPSC with Guam, as our most immediate concern is potential adverse impact of our Marianas talks upon Guam; an expanded comparison table with other U.S. territories could be prepared but would require extensive study and would not be possible prior to MPSC IV.

Briefly, the major conflicts between our positions in the Marianas talks and with Guam appear to be:

1. Marianas will have a local government established under a locally drafted constitution (Guam's local government derives from the Organic Act);
2. there will be a limitation in the Marianas of the plenary power of the U.S. Congress under Article IV, 3, 2 of the U.S. Constitution. The U.S. will not change the basic political status of the Marianas without its consent and agrees to refrain from legislating in certain, unspecified areas of local concerns (U.S. Congress plenary power applies fully to Guam);
3. the Marianas will retain the authority to preserve control of local lands in the hands of persons of Marianas descent (Guam is not so permitted);

03 - 023897

4. Local residents may become U.S. nationals vice U.S. citizens;

5. U.S. income tax laws are not to apply to income earned in the Marianas but only on income earned from other U.S. sources and U.S. estate-gift taxes apply only to property in U.S. outside the Marianas (local Marianas income tax not to follow U.S. Code) (Guam has a local income tax that follows the U.S. internal revenue code);

6. §931 of the Internal Revenue Code granting favorable tax treatment to persons and corporations doing business in territories fully applied to Marianas (on Guam, §931 not applicable).

7. U.S. district court to be established in Marianas with jurisdiction same as it would be in a state (where issue involves at least \$10,000 controversy)(Guam, U.S. district court has jurisdiction equal to U.S. district court in State for cases arising under U.S. law; original jurisdiction over all matters not transferred to local courts by Guam Legislature [e.g., matters over \$2,000]); and

8. membership for Marianas in regional institutional organizations to "the extent such organizations permit such representation" (Guam represented as part of larger U.S. political family except WHO and South Pacific Commission but may believe that Marianas will retain ECAFE, UNDP, etc., membership because it is now so represented through TTPI membership).

We have potential conflicts in several other areas (e.g., Series E/H Bonds) if the MPSC determines to retain its current status positions (eminent domain, land lease for U.S. military requirements).

023898

SUBJECT	MARIANAS COMMONWEALTH	GUAM	GUAM ' DY
Self-Determination	By approval of the status agreement	By elected form of government	U.S. recognition of right to by permitting local constitution
Political Status	Commonwealth (fundamental relationship with U.S. subject to modification only by mutual consent)	Unincorporated, organized U.S. territory (status subject to unilateral U.S. determination)	Commonwealth or modified territorial status on terms as good as Northern Marianas status
U.S. Sovereignty	X	X	No change
Foreign Affairs/Defense Authority	X; U.S. welcome the advice of Marianas on international matters directly affecting Marianas	X	U.S. seek Guam advice on matters directly affecting Guam
U.S. Constitution	Partially apply	Partially apply	No change
Article I, § 9, cl. 2, 3	X	X	
§ 9, cl. 6, 8	X	By implication of sovereignty	
§ 10, cl. 1-3	X	By implication of sovereignty	
IV, § 1, (full faith & credit)	X	X	
§ 2, cl. 1 (privileges & immunities)	X; but lands under local control	X	Further study on local controls of land as relates to foreign investment
§ 2, cl. 2	X	By implication of sovereignty	

SUBJECT	MARIANAS COMMONWEALTH	GUAM	GUAM JUDY
Article IV, § 3, cl. 2 (plenary power USC)	X; but some local areas not subject to U.S. Congress authority	X	
VI, cl. 2	X	By implication of sovereignty	
Amendment 1 - 4	X	X	
5	Except as it provides a right to indictment by a grand jury	X	Except as it provides a right to indictment by a grand jury
6	X	X	X
7	Except as it provides a right to trial by jury in non-criminal cases.	X	Except as it provides a right to trial by jury in non-criminal cases
8 - 9	X	X	X
13	X	X	X
14, § 1, sent. 2	X	X	X
§ 5	X	X	X
15	X	X	X
19	X	X	X
U.S. Citizenship	With an option to become a U.S. National	X	X
Representation in U.S. Congress	0	X	Non-voting member

023900

SUBJECT

MARIANAS
COMMONWEALTH

GUAM

GUAM DY

Application of U.S. Laws

Interim application of Guam federal laws until U.S. Congress acts on status agreement and on Joint Commission report

U.S. Congress determines

No change

Joint Statutory Review Commission

X

1950

Internal Revenue Laws

Exclusive local income tax with local rates

Territorial tax follows U.S. IRC rates

§ 931 of IRC Code

X

Not applicable

Jones Act (U.S. bottoms for goods between U.S. ports)

X

Notes act not extended to Virgin Islands and American Samoa but should include Guam yet exempt during shipping strikes

Eminent Domain

X

Trade/Tariff

Duty free port

X

X

Customs laws

locally derived to extent not in conflict with U.S. obligations

X

Import duties

Headnote III-A free entry if value 50% locally derived

Headnote III-A free entry if value 50% locally derived

023901

SUBJECT

MARIANAS
COMMONWEALTH

GUAM

GUAM JDY

Local authority to enact excise tax

Local authority to enact export tax

U.S. to seek favorable foreign tariff on local exports and encourage foreign states to regard local area as a "developing territory"

Minimum Wage

Immigration & Nationality Act

Permanent Immigration

Temporary Admission of Aliens

X

X

X

As prevails in Guam

X

X

(Guam Minimum wage above U.S.; prevailing wage for construction above U.S. minimum wage but below (1/2) U.S. prevailing wage)

X

Federal government controls

Federal government controls

U.S. seek more Guam advice on matters directly affecting Guam

To permit reduction of prevailing wage to level of Guam minimum wage rate for alien labor must be studied

Local control would lead to discrimination and abuse but Guam to be given same degree of local control as Mariana but need to tighten practices where non-immigrants on 3 year temporary admission remain in Guam by short visit beyond 3 mile limit

Temporary 1 year admission for permanent-type jobs in no local labor; admit families of such workers

SUBJECT

M. ANAS
COMMONWEALTH

GUAM

GUAM STUDY

Banking Laws

U.S. District Court

Membership in Regional/International Organizations

Local Constitution

Federal government controls

Jurisdiction over suits involving U.S. law equal that of U.S. court in a state; over local matters involving more than \$2,000.

World Health Organization, South Pacific Commission.

Embodied in the Organic Act

Maintain status quo

1. Trade agreement U.S. to consult with Guam, with possible Guam representation on U.S. delegation
2. Membership in regional organizations generally but discouraged where federal supremacy not challenged (ECAF, ADB possibilities [DOD - discourage such membership but case by case exceptions considered])

Possible, with US approval of local draft.

With jurisdiction as state court (\$10,000 suit)

"To the extent such organizations permit representation of constituent parts of a political family".

X

023903

DRAFT:SS:mml: 5/3/74

Some Thoughts on the Selection of The Director of
The Transition Secretariat

13
5/9/74
6
Ardier
Pls take
copy of this
to F.H.W.
Jr

I. The Phase I Program (ex-land cadaster)

A. Research and Planning

1. Political

- (a) Constitutional Convention
- (b) Government Organization
- (c) Legislation Program.
- (d) U.S. Federal Programs.

2. Economic and Social

- (a) Economic and Social Development .
- (b) Government Finance.
- (c) Infrastructure Development.
- (d) Relocation of Capital.

B. Scheduled Events and Other Phase I Programs.

- (1) Political Education.
- (2) Status Plebiscite.
- (3) Constitutional Convention.
- (4) Constitutional Referendum.
- (5) Election of new Marianas' Government.

II. The Role of the Transition Secretariat

a. Manage the Phase I Program on behalf of
the Joint Commission - serve as Executive Agent.

b. Develop plans and schedules for carrying
out the different elements of the Phase I Program

c. Arrange employment of experts - either through hiring of individual experts, contract teams, or seconding of U.S. Government and TT Government employees.

d. Administer Phase I funds; issue quarterly progress reports on the program.

e. Generally assist the Marianas' representatives in implementing their own Phase I activities including the Constitutional Convention the Status Plebiscite and the Constitutional Referendum.

III. The Selection of a Director

The Director of the Transition Secretariat is a generalist ; his function is to direct the experts on his staff in developing the specifics of the individual research projects in the Phase I Program, in determining the most efficient manner for carrying out the individual projects and fitting these into a time schedule designed to reinforce the utility of each of the projects. For example, the time phasing of the studies on economic development, physical planning, and fiscal planning is crucial to the development of a coherent and rational economic program. The interrelationships of the elements to each other requires careful attention to the sequence in which the different studies are performed.

Similarly, time phasing and scheduling will be of prime importance in the area of political and legal planning; Each element in the process will serve as a policy guide and framework for the succeeding elements.

023905

Failure to deal with the scheduling and sequence imperatives in an imaginative fashion (could well) lead to uncoordinated and disparate results in the whole Phase I exercise.

The Director of the Transitional Secretariat should be a very senior person, with a proven track record in administration. He will have to be an outstanding problem solver dealing with many and diverse points of view and areas of interest. He will have to decide which decisions are properly his to make, and which must be referred to the Joint Commission. He will thus be treading the narrow line that separates exceeding his authority on one side and overloading the Joint Committee on the other.

He will have to withstand the pulling and tugging of vested interest groups - some seeking political advantage, others economic gain. He will be in a vulnerable position for personal criticism.

On balance, it would probably be best to have someone trained in the law or in political science rather than in economics or the physical sciences.

The transition is fundamentally a political one - the most important and long lasting Phase I activities will therefore be in the area of Government organization, constitution drafting, development of a base point legal program, and the holding of referendum, plebiscite and elections.

This is not to say that the economic and social development planning is not important. This element of Phase I will also shape the direction of the future for the people of the Marianas. But in this area, the Director can get strong advisory assistance from his own staff and above all, economic and physical plans tend to evolve - they will be modified over time in fundamental ways as original assumptions and planning parameters become obsolete.

MARIANAS POLITICAL EDUCATION PROGRAMMING

BACKGROUND

Since the third round of status negotiations in December, 1973, the Marianas Political Status Commission has begun efforts to inform constituents of its status objectives and the progress made toward those objectives to date. MPSC Chairman Pangelinan believes that these efforts at political education must center upon explanation of the commonwealth arrangement that his commission is seeking for the district -- no other status alternative is being considered, therefore no other status alternatives are being discussed. Furthermore, Pangelinan believes that the members of the MPSC, because of their commitment to the commonwealth alternative, are best qualified to conduct a PE program. Operating on this premise, the MPSC has organized district-wide public meetings with the aim of opening a dialogue with the citizens of the district on the proposed change of status.

Several meetings of this kind have been held since January, principally on Saipan. They have thus far produced some positive results, but more than anything else, they have served to underline the low level of popular understanding of what the change of status will mean to the district. Questions from those in attendance have centered on the economic implications of the status change, e.g., the effect on local employment, the change in the tax structure, etc.

Local radio has been used to expand the audience of the public meetings held to date and broadcasting will probably become increasingly important as the status talks continue and the members of the MPSC find themselves worn down by the continuing requirements of public appearances on and off their own islands.

In making the public meeting the key element in its political education programming, the MPSC has chosen the most direct and effective way of informing its relatively small constituency of its activities and plans. This approach, however, puts a continuous strain on the members of the MPSC whose presence and active participation will be needed for some time to come. The effectiveness of the MPSC in this endeavor is directly dependent upon the interest, credibility and/or personal reputations of the commission's members. The program may have problems in all three areas as time goes on.

Despite some modest success, it is apparent that PE efforts to date have only scratched the surface of the need for information about the impact that the change of status will have on the lives of the Marianas citizenry.

FUTURE PROGRAMMING -- SHORT-TERM

Discussion: Over the next few months, as status negotiations progress toward final agreement, it is likely that the MPSC will continue to rely upon public meetings to bring the meaning of the status change to its constituents and garner support for the eventual status plebiscite. There will be a need to increase the frequency of these meetings, particularly on Rota and Tinian which have received less attention from the MPSC thus far and where there are more potential obstacles to the commonwealth agreement. Tinianese concern about the homestead moratorium and the eventual effect of the military presence on their island and Rotanese anxiety about Rota's place in a Saipan-dominated commonwealth are important questions that the MPSC must deal with in the immediate future.

With regard to U.S. Government participation in political education programming, Chairman Pangelinan has stated on several occasions his desire to establish a bilateral program over the long-term that would involve the active participation of the USG. While recognizing that the Marianas PE

program must remain firmly in the hands of the MPSC, assistance by the USG on a modest scale, especially in the areas of funding and material preparation appears desirable. There may also be occasions when the presence of a USG representative at public meetings will be beneficial but the MPSC must be relied upon to signal such occasions. It should be noted that any appearance by an official American over the next few months would probably require a detailed presentation of the USG position on the Tinian homestead moratorium, military land requirements and base plans, resettlement of the local population on Tinian and other still unresolved problems. Until agreement is reached within the framework of the status negotiations, public discussion of these questions should be avoided if at all possible.

Recommendations: The following PE activities might be usefully undertaken in the months prior to agreement on a commonwealth accord. Most require initiatives by the MPSC and the OMSN role would not go beyond discussion of these possibilities with the MPSC and other interested agencies.

1. MPSC scheduling of public meetings on a weekly basis in Saipan's communities and schools for discussion of the status change.
2. MPSC scheduling of public meetings for Tinian and Rota on at least a monthly basis.
3. TTPI Administration opening of a branch land office on Tinian to answer questions about homesteading, deed processing, etc.
4. MPSC contribution of a series of articles on status change to the Marianas Variety or I Gaseta under Pangelinan byline (in Chamorro). This might require the purchase of space considering the antipathy of those journals to separatism for the Marianas.
5. MPSC arranging for (buy) occasional five-minute television **023910** slots to discuss aspects of the commonwealth agreement, progress of the talks, economic implications of the status change, etc.

6. DOD preparation, translation and distribution (thru the MPSC) of a detailed fact sheet on its plans for Tinian, including proposals for construction of a new village (or rehabilitation of the present one), projection of new employment opportunities, job training programs, etc. It would also be useful if a mock-up of the future village could be fabricated and displayed in the proposed Tinian land office and eventually in any MPSC future status information office.

7. Preparation for a long-term political education program should begin during this period and might include the following:

- a. selection of a name for the program.
- b. designation of a central theme for the program.
- c. recruitment of a full-time PE officer (Marianas citizen).
- d. draft and translation of a political primer.

Detailed discussion of these activities follows in the section on long-term program recommendations.

FUTURE PROGRAMMING -- LONG-TERM

At the time a commonwealth agreement has been reached (January 1975, est.), a more comprehensive and full-time political education program involving TTPI and other official USG program input and financial support should be ready to begin functioning.

While the public meeting should continue to be the principal component of the program there should be greater use of written materials and an increase in the use of radio and television -- eventually to hit a saturation level as the district nears the date of the status plebiscite. The program will need a response-provoking theme and an institutional name distinguishable from that of the PE program operating in the other districts. **023911**

Recommendations: In planning for the second, or long-term phase of the PE program, we can probably assume a period of duration of at least two years, culminating in the status plebiscite. The second phase of the PE program should continue to be under MPSC direction, but USG assistance in the form of funding, policy and technical counseling and technical services should also be substantially increased. This would include input by the TTPI administration but also involve material and personnel support from OMSN, DOD and other agencies. In this context, the following recommendations are of course subject to discussion with and approval by the MPSC.

1. The MPSC long-term program might be operated under the name Marianas Status Information Program.
2. The MPSC should open information branches in the DISTAD's office on Saipan and in the DISTADREP's Offices on Tinian and Rota. One local resident should be hired to run the offices on at least a three-day-a-week basis.
3. A full-time employee (Marianas citizen) should be hired to direct the program. He would be Saipan-based but travel frequently to the other islands of the district. The job will require an articulate individual with an outgoing personality who would appear regularly at public meetings, on radio and television, etc., as future status spokesman.

* Or alternatively: *Marianas Political Development Program*
Marianas Civic Development Program
Marianas Status Education Program
Marianas Commonwealth Education Program
Commonwealth Information Program
Commonwealth Civic Development Program
Commonwealth Education Program

4. The program should initially adopt for its written publications and broadcast programs the theme "Why we are joining the American family". This is a positive reiteration of the direction of the status talks and leads into a discussion of the advantages of becoming part of the United States. Once the level of popular understanding and acceptance of commonwealth has been raised substantially, the program's theme might be shifted to "What it means to be an American citizen", which would entail discussion of not only the citizen's rights and privileges, but also his responsibilities.
5. A commonwealth primer should be drafted, printed, and distributed in English, Chamorro and Carolinian covering explanation of the commonwealth covenant, the basic working of American government, descriptions of other U.S. territories and how they fit into the American political family, the difference between U.S. nationality and U.S. citizenship and examples of practical effects of the status change on everyday life in the Marianas. This can be done by the TIPI public affairs office.
6. USG/OMSN participation in the PE program should revolve around a Saipan-based American who would be available to travel frequently in the district and devote substantial time to collaboration on program planning with the Marianas director of the program. An American member of the proposed Joint Secretariat would probably be the best choice for this assignment which could be carried out in conjunction with other Secretariat responsibilities. Visits to the Marianas by OMSN principals, military officials, etc. might also be occasion for public

appearance, newspaper or live media interviews, but should be coordinated by the Marianas Status Information Program director. Other participation by the Status LNO and/or his deputy will probably also be required. Responsibility for coordination and backup assistance in Washington would belong to the OMSN Public Affairs Officer.

7. USIA resources, which include printed matter, tapes, films and exhibits on U.S. government, political life and general Americana, should be tapped to the extent English language materials can be useful in approaching Marianas' audiences.

FUNDING FOR POLITICAL EDUCATION PROGRAMMING: A PRELIMINARY PROPOSAL

13
5

Expenses for the Marianas political education program, both in the short and long-term, should be relatively modest in size owing to the compactness of the area to be covered, the small size of the population and the availability of material, media and personnel resources within the TTPI administration and USG agencies.

At the moment, proposed funding levels for Marianas PE stand at \$5,000 for the short-term program and \$50,000 for the long-term. If we are careful to take full advantage of the existing resources these funds should be adequate to carry the program through to its completion.

A funding proposal by activity follows. The activities listed are still very tentative and as they have yet to be discussed and agreed to by OMSN or the MPSC.

SHORT-TERM PROGRAMMING

During the period preceding a final agreement on the commonwealth covenant, expenditures will be almost entirely for travel by the MPSC to Rota and Tinian. Perhaps as much as three-quarters of the \$5,000 (\$3,750) allotted for FY 1974 should be reserved for this travel. The remaining \$1,250 could be used for part-time clerical help, expenses incurred in organizing public meetings on Saipan and the purchase, if necessary, of space in local newspapers for articles on the status change. Any expenses incurred between the end of FY 1974 and the beginning of Phase I (estimated at January, 1975) would be the responsibility of the Marianas District Legislature. The establishment of branch MPSC offices on Rota and Tinian and the employment of two part-time administrative/clerical personnel to lend support to the activities of the Joint Military-Civilian Advisory Councils might fall into this latter category (funding for these employees is also carried under the long-term/Phase I proposal which follows.)

03 - 023915

Other activities suggested for this period, i.e., the opening of a TTPI land office on Tinian, IV and radio slots on status change, and preparation and distribution of a DOD Tinian fact sheet could all be covered by the TTPI or DOD at no

cost to the MPSC or OMSN.

LONG-TERM PROGRAMMING

The scope of political education activities during this period, projected at about two years, will be greatly enlarged and this is reflected in the expanded budget of \$50,000 for these activities. A breakdown by proposed activity follows:

1. Branch information offices on Tinian and Rota
 - a. Office space - can be shared with the DISTADREP or Municipal Council and therefore no rental cost is anticipated.
 - b. Local employees - employment of two part-time employees (one each on Tinian and Rota) on a three-day-a-week basis for information and clerical work - anticipated cost \$1,500 each per annum (total for two years - \$6,000).
2. Saipan Headquarters for PE program
 - a. Office space - can be shared with DISTAD, District Legislature, or Municipal Authority with no rental cost.
 - b. Full-time program director - to organize and coordinate program from Saipan base with frequent travel to other islands - anticipated salary cost \$10,000 per annum (\$20,000 for two years) plus \$4,000 for travel expenses and per diem, etc.
 - c. Clerical help - should be provided by employees of the Transitional Secretariat and/or the District Legislature at no charge.
3. Participation by U.S. representative in PE program (part-time) - We anticipate that this individual will be part of the Transition Secretariat staff and his salary would be covered in the Secretariat's budget. Travel expenses and per diem for specific PE activities should come under the PE allotment and are estimated at about \$3,000 for the two-year period.

023916

4. Media production costs - most of these expenses relating to publications (including the status primer), radio and television broadcasting and other media activity should be absorbed by the TTPI in the Marianas District budget or in the overall TTPI budget for political education. However, a contingency fund for special materials not available through the TTPI should be established. A total of \$8,000 is proposed for this activity.

5. Public meetings with MPSC - Travel and incidental expense of MPSC members in conducting public discussions of the status change. A total of \$9,000 is proposed.

023917

DEHFT Opening Plenary Session

EEArcher:5-6-74:kkc

12
59
36
2

Mr. Chairman, we are very pleased to be back among you once again.

We are always comfortable and at home in the pleasant familiarity of Saipan and in the warm memory of the generous hospitality that we have enjoyed so fully in the past.

Before beginning my remarks Mr. Chairman, as has been the custom, I would like to present the members of the American delegation, most of whom are already known to you and to the other members of the Marianas Political Status Commission.

Mr. Chairman, we commence this fourth meeting of our delegations buoyed with the considerable optimism produced by the success of our talks here last December. Those proceedings brought us a long way down the road toward the goal of an enduring political union between the Mariana Islands and the United States--a goal that the people of these islands have long espoused and which provided the basis for the opening of these negotiations.

During those three weeks in December, working together, we covered the full spectrum of questions involved in the filling in of the framework for the commonwealth arrangement that our delegations had settled on at earlier meetings. We discussed and reached agreement on the right to local self-government for the future Marianas Commonwealth. We discussed and reached agreement on a generalized approach to the application of U.S. laws in the commonwealth. We discussed and reached agreement on aspects of customs, excise and income taxation. We discussed and reached agreement on the granting of U.S. citizenship to the people of the commonwealth.

In short, many areas were taken up, examined in detail and resolved to the satisfaction of both sides.

Today, we approach the important questions of planning a transition period from the present trusteeship to the future self-governing commonwealth, and of

03 - 023918

making provision for the present and future land requirements of the Government of the United States in the Marianas. These questions are as complex as they are important yet we hold the belief that they will be resolved in the same spirit that has characterized our meetings for the past seventeen months.

In concluding, I would like to reiterate my conviction that we are here as brothers with common goals. Together we can resolve the remaining issues and fulfill the responsibilities that have been delegated to us by our peoples.

023919

11
521

OFFICE FOR MICRONESIAN STATUS NEGOTIATIONS

Ballow (202) 343-9143

For Release MAY 13 1974

NEW MARIANAS STATUS TALKS BEGIN MAY 15

The fourth round of the ongoing future status negotiations between the United States and the Marianas Political Status Commission will begin May 15th on Saipan, Trust Territory of the Pacific Islands (Micronesia).

Ambassador F. Haydn Williams, the President's Personal Representative for Micronesian Status Negotiations, will lead the U.S. delegation to the talks. Senator Edward DLG. Pangelinan, Chairman of the Marianas Political Status Commission heads the Marianas Delegation.

The agenda for this session of the talks is expected to include discussion of U.S. land requirements in the Marianas, and a variety of legal and constitutional questions relating to the eventual entry of the Marianas District into the U.S. political family.

The future status talks with the Marianas were first opened in December, 1972, in response to a longstanding request by the people of the Trust Territory of the Pacific's Marianas District for a close association with the United States separate from the rest of the Territory. During the second session of these talks in May, 1973, preliminary agreement was reached on a commonwealth status as the eventual goal for the Marianas District.

In December, 1973, the third session of negotiations produced further agreement in the areas of local self-government, taxation, tariffs and citizenship status.

03-023970