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July 23, 1974

Howard P. Willens
Wilmer, Cutler & Pickering
Farragut Building
900 17th Street, N. W.
Washington, D. C. 20006

Dear Howard:

Enclosed please find the various materials developed at this initial session of our land committee. After you have had a chance to digest the material, and make the appropriate coordination, we would appreciate a conference call--hopefully with Pedro A. Tenorio, Ed Pangelinan and myself. The best place for this call would be our new offices which are now open. The number is 9457. The best time to call would be July 29, our time, as we anticipate being off island the 26th and 27th, and after returning for a few days we will probably leave on the 30th or 31st for Hawaii. Please send a dispatch if you will be calling on the 29th and we will all attempt to be there. If we miss this conference capability, we will attempt to call you as soon as we arrive in Hawaii--I'll dispatch details of location and expected time of arrival as we will need to have the land appraiser in Hawaii for this meeting.

Sincerely yours,


James E. White
Attorney at Law

Enclosures

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JAMES WILSON
ATTORNEY AT LAW
P. O. BOX 17, Capitol Hill
SAIPAN, MARIANA ISLANDS 96950

MEMORANDUM FOR CONSULTANTS' GUIDANCE

During the pendency of these negotiations, Mr. Wilson told Ed that the U. S. was prepared to pay a minimum of \$40 million for the land use. It may be possible that they have talked to Joe Cruz, too, in that several times during our discussions Joe used the expression "Let's settle now for \$4 million a year". Mr. Wilson responded that it would mean a lump sum payment of \$40 million. I did have a discussion with the committee indicating the base value of the construction costs of the base would be \$300 million at a minimum. Consequently, if land values were to be construed in the range of 20% to 25% of the total cost, certainly a figure in the area of \$70 to \$100 million would not be totally obnoxious to the U. S. Congress, and certainly well within the realistic range of land values if you construe the per acre average being between \$4,000 and \$6,000. Minimum background acreage on Saipan is now selling for \$1.50 per square meter equally approximately \$6,000 per acre. With this analogy we should not be pushing

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too quickly to go to the \$40 million level.

After the meeting was concluded, Walter Appele approached me about the problem of joint use. He is extremely disturbed as Colonel Kenty was previously on the issue of us getting too involved in their base operations. His major concern was one on commitment for joint education of military and Tinian children. His concern was that the present educational function on Tinian lags way behind that of the average base facility in the United States, and when the base does become of sufficient size to have a separate educational program the level of education to properly instruct the military child would place the Tinian child at a completely disadvantageous position. His only request was that we should consider pushing for quality of education, at least on Tinian, as quickly as possible. His thoughts, I felt, were appropriate, not only for Tinian, but for all of the Marianas. His further suggestions of contacting HEW and HUD for immediate assistance over the next few years so that this lag would be overcome as quickly as possible may bear some further development at your end. I think it is also appropriate to indicate that the judiciary problem is not getting any better and should also be considered in the area of quicker transition along with education and the other areas previously discussed.

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MEMORANDUM FOR THE MARIANAS POLITICAL STATUS
COMMISSION FILE

Subject: Separate Administration

Jim Berg called today to say that the inter-agency dispute concerning the timing of separate administration for the Marianas has been settled. The United States position is that separate administration should come after the vote on the status agreement. Berg said that Williams and Wilson had talked with Senator Pangelinan and President Santos last week in the Marianas, and the issue has now been "settled definitively."

Berg said that it is anticipated that the status agreement will be signed this fall, and promptly approved by the District Legislature. The plebiscite will be held next March, leaving at least three months for political education. (A vote next March is considered crucial since the Micronesian Constitutional Convention will probably be held next April.) Separate administration would begin next May.

The terms of the separate administration will be approximately the same as had been anticipated for separate administration beginning this fall. Essentially, it will consist of the creation of a new "High Commissioner" or "Marianas Executive" exclusively for the Marianas Islands District.

Berg has been informed that Senator Pangelinan has decided to run for re-election, and that he will participate in the January session of the Congress of Micronesia in the same low key way in which he participated in the previous session.

Berg stated that the latest meeting with Senator Salii was very successful and that a draft compact of free association has been concluded. Signatures are expected this fall. The draft will "surface" at the up-coming special session of the Congress, though it will not formally be submitted until the January session. Berg said he was sure that Wilson would make available to us a copy of that document, upon request.

Berg said that the agreements reached last week by Williams, Wilson, Pangelinan and Santos included an agreement that the District Legislature will adopt at the up-coming session a resolution requesting separate administration, and specifying that it should come after the status plebiscite.

In keeping with the United States preferences, the resolution will not specify the details of the requested separate administration.

I asked Berg whether the delay in separate administration would have any effect on the implementation of United States public land policy. Berg stated that it would not, because the United States will implement its policy through executive branch action in the fall if no legislation is adopted by the Congress. (This was said to be for "our ears only".) Berg said that return of the public lands to the districts was conceived to be a pre-requisite to the signing of the compact of free association.

Berg leaves tomorrow for the Trust Territory, and will be back on August 6.


Michael S. Helfer

cc: Howard Willens
P. J. Mode
Eleanor O'Hara
James R. Leonard