

JAMES E. WHITE
ATTORNEY AT LAW
P. O. BOX 47, Capitol Hill
SAIPAN, MARIANA ISLANDS 96950

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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

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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