

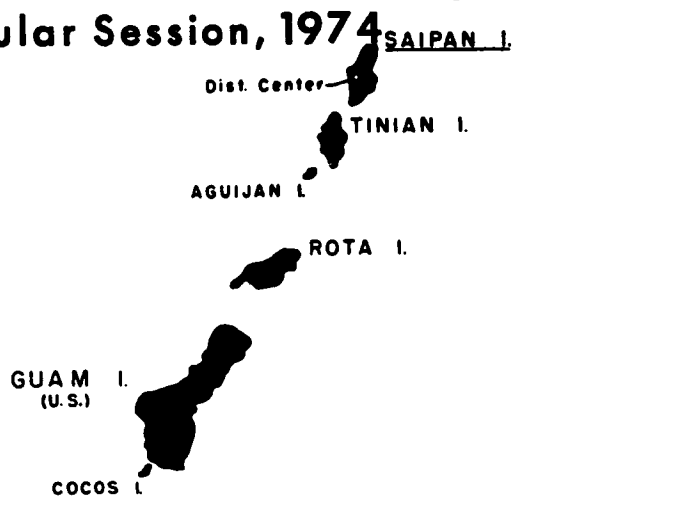
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# THE FUTURE POLITICAL STATUS

## OF THE

# MARIANA ISLANDS DISTRICT

Report of the  
**MARIANAS POLITICAL STATUS COMMISSION**  
 on the  
**FOURTH SESSION OF STATUS NEGOTIATIONS**  
 in Saipan, Mariana Islands  
 to the  
**Fourth Mariana Islands District Legislature**  
**Fourth Regular Session, 1974**



**MARIANAS POLITICAL STATUS COMMISSION**  
**August 1974**

433473

MARIANAS POLITICAL STATUS COMMISSION  
P. O. Box 825  
Saipan, Mariana Islands 96950

August 1, 1974

The Honorable Vicente N. Santos, President  
Fourth Mariana Islands District Legislature  
Fourth Regular Session, 1974  
Saipan, Mariana Islands 96950

Dear Mr. President:

Since the third regular session, 1974, of the Mariana Islands District Legislature, the Marianas Political Status Commission has progressed in its negotiations with Ambassador F. Haydn Williams and the United States Government in all major areas of endeavour; i.e., Political Status, Economics and Finance, and Lands and Military. It is my pleasure, on behalf of the members of the Commission, to report to the District Legislature the activities and current state of affairs of the Commission.

During May, 1974, our Commission met in full session--the first two weeks with our consultants and then--in a very productive session with the U. S. Delegation. As a result of that session a Joint Communique dated May 31, 1974 was developed for publication. Please find a copy of that Joint Communique attached. Also attached is the Summary Report prepared by the law firm of Wilmer, Cutler and Pickering. This summary is an historical review of the negotiations since their inception. An attempt has been made to summarize the tentative agreements in an organized fashion and at the same time indicate matters to be resolved in further negotiations.

It is appropriate to indicate, at this juncture, that the new political status is complete except for final drafting which is presently being developed by the Joint Drafting Committee for submission to the Marianas Political Status Commission at the next session.

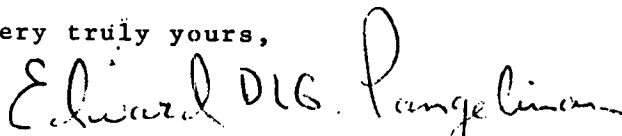
A Joint Land Committee has been formed to study the remaining areas of negotiation in reference to the U. S. military land requirements. The major areas that this committee will review are: (1) Joint use of harbor facilities on Tinian; (2) Joint use of West Field on Tinian; (3) Other aspects of joint use in general; (4) The interest in the land that will be conveyed to the U. S. Government; and (5) The amount of money to be paid for this land. The Joint Land Committee expects to have a complete report available for the Commission prior to its session next fall.

In anticipation of appropriate legislation being adopted by the Congress of Micronesia for assistance in the return of public land to each of the districts, further work is being developed in the area of district legislation, Articles of Incorporation and By-Laws for a land corporation.

As I previously indicated to you in January, I still feel confident that a formal political status agreement can be completed by the end of this year.

All members of the Commission, as well as myself and the staff, will make ourselves available for any questions the District Legislature may have. Thank you very much for your consideration of our situation.

Very truly yours,



Edward DLG. Pangelinan, Chairman  
MARIANAS POLITICAL STATUS COMMISSION

Attachments

Enclosures

TABLE OF CONTENTS

Letter of Transmittal	1
Table of Contents	iii
Participants	iv
Summary Report	1
I. History of Negotiations	1
II. Political and Legal Nature of the Relationship	3
III. Land and Military Requirements	7
Conclusion	12
Memorandum	13
Concurring Statement by Marianas Representatives	14
Report of the Ad Hoc Preparatory Committee on Transition in the Marianas	15
Joint Communique	30
Statement of Daniel T. Muna	37
Statement of Jose R. Cruz	42

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SUMMARY REPORT  
REGARDING  
UNITED STATES - MARIANAS  
STATUS NEGOTIATIONS

On May 31, 1974, the Marianas Political Status Commission and the United States Delegation concluded the fourth session of negotiations aimed at achieving political union between the present Mariana Islands District of the Trust Territory of the Pacific Islands and the United States of America. In view of the progress which has been made since the first session in December, 1972, representatives of both delegations have expressed optimism that a formal status agreement can be signed before the end of 1974. The status agreement will be submitted for approval to the Mariana Islands District Legislature, to the people of the Mariana Islands in a plebiscite, and to the United States Congress. After the status agreement has been approved, and before the new political status comes fully into effect, the United Nations' Trusteeship Agreement under which the United States presently administers the Mariana Islands District of the Trust Territory of the Pacific Islands will have to be terminated. This report summarizes the history of the negotiations, the general outlines of the proposed new status for the Marianas, and the unresolved issues which remain to be considered by the two delegations.

I. HISTORY OF THE NEGOTIATIONS

A. The Marianas and the Trust Territory of the Pacific Islands

The Marianas are an island chain located in the western Pacific, north of Guam. The main islands in the Marianas are Saipan, Tinian, and Rota. The Marianas have a total population

somewhat in excess of 14,000 persons, a substantial majority of whom live on Saipan. About three-fourths of the people in the Marianas are of Chamorro ancestry.

The Mariana Islands make up one of six districts of the Trust Territory of the Pacific Islands, commonly known as Micronesia. The Trust Territory ranges across thousands of miles of ocean and includes peoples of markedly different cultural and ethnic heritage. It was created by the United Nations following World War II. The United States is the Administering Authority of the Trust Territory pursuant to a Trusteeship Agreement with the United Nations.

#### B. Political Status Negotiations

The Trusteeship Agreement requires the United States to:

"promote the development of the inhabitants of the Trust Territory towards self-government or independence, as may be appropriate to the particular circumstances of the Trust Territory and its peoples and the freely-expressed wishes of the peoples concerned."

The United States opened talks with a delegation from the Congress of Micronesia, including representatives from the Marianas, in September 1969 to explore future political status alternatives for the entire Trust Territory. This delegation has come to be known as the Joint Committee on Future Status. By April, 1972, it became clear that the representatives of the other parts of the Trust Territory on the Joint Committee would insist on a relationship with the United States known as Free Association. Under such a relationship, unprecedented in American history, Micronesia would essentially be an independent and sovereign nation closely allied with the United States, particularly in the areas of national defense and foreign affairs. This relationship, however, was contrary to the long-expressed and deeply-held wishes of the overwhelming majority of the people of the Marianas for a close and permanent political association with the United States. Accordingly, the Marianas' representatives to the Joint



Committee requested separate discussions between the Marianas and the United States. The United States agreed.

The Mariana Islands District Legislature then created the Marianas Political Status Commission (MPSC), a group broadly representative of the various ethnic, political, economic, and social interests in the islands. The MPSC was directed to study political status alternatives for the Marianas and to conduct negotiations looking toward a close and enduring political relationship with the United States following termination of the Trusteeship. In December, 1972, an opening ceremonial session of the Marianas status talks convened in Saipan. Substantive sessions of the negotiations were held in May - June 1973, in December 1973, and in May 1974.

## II. POLITICAL AND LEGAL NATURE OF THE RELATIONSHIP

### A. Commonwealth Under United States Sovereignty

The present Mariana Islands District of the Trust Territory of the Pacific Islands will become a self-governing Commonwealth under the sovereignty of the United States. The exact nature of the future political relationship between the United States and the Marianas, in accordance with these principles, will be defined by the formal status agreement. Fundamental provisions of the status agreement, including those provisions designed to assure maximum local self-government, will not be alterable except by the mutual consent of the parties.

The future Commonwealth of the Northern Mariana Islands will be governed under the provisions of its own constitution, to be drafted by a Marianas Constitutional Convention and approved by the people of the Marianas. The constitution will include a Bill of Rights and provide for the separation of powers and a popularly elected chief executive. The Marianas Constitution will be subject to approval by the United States for consistency with the United States Constitution, the status agreement and

relevant federal legislation. Amendments to the Marianas Constitution would not require such approval, although federal courts would be competent to pass on the consistency of such amendments with relevant provisions of law and the status agreement. The Commonwealth will also have the right to establish local courts to handle cases under local law. The operation of any such court must be compatible with the United States Federal Court System and consistent with applicable federal law. A United States District Court will be established in the Marianas.

B. Foreign Affairs and Defense

Under the proposed status, the United States will have the responsibility for and complete authority in the fields of defense and foreign affairs. In this regard, the advice of the future Commonwealth Government on international matters directly affecting the islands will be considered by the United States Government. The United States will support membership of the Marianas in regional or other international organizations concerned with economic, cultural or comparable matters of concern to the Marianas. The Marianas will also be able to establish offices abroad to promote local tourism or other economic or cultural interests.

C. Citizenship and Nationality

With certain exceptions, persons born in the Marianas prior to the termination of the Trusteeship, and certain classes of persons residing but not born in the Marianas, will have the opportunity to become United States citizens under the new status. Any such person not wishing to be a United States citizen would have the right to become a "national but not a citizen" of the United States by making a declaration to that effect in court. Persons born in the Marianas after the termination of the Trusteeship will become citizens of the United States at birth. The parties are continuing to explore questions relating to the rights of nationals and aliens residing in the Marianas after the termina-

tion of the Trusteeship to become naturalized citizens of the United States.

D. Representation in United States Congress

The MPSC has requested that the new Commonwealth be entitled to have a non-voting delegate in the United States Congress, similar to the non-voting delegates in Congress representing Puerto Rico, Guam and the Virgin Islands. Recognizing that the question of Marianas representation in the United States Congress is ultimately a matter for decision by that body, the United States Delegation has agreed to support the request by the Marianas for a non-voting delegate.

E. Applicability of the United States Constitution

Certain provisions of the United States Constitution will be made expressly applicable in the Marianas. It has been agreed, for example, that Article IV, Section 2, Clause 1, of the United States Constitution relating to "privileges and immunities" will apply in the Marianas, subject to appropriate limitation in the formal status agreement to ensure that the ability of the future Marianas Government to preserve control of the land of the Marianas in the hands of its citizens will not be compromised. Citizens of the Marianas will be entitled to all privileges and immunities of citizens in the several states. Article IV, Section 1, of the United States Constitution relating to "full faith and credit" would apply with respect to the Marianas as if it were a state. The parties are currently undertaking studies to determine which additional provisions of the United States Constitution should be made expressly applicable.

F. Income Tax Laws

As is true of Puerto Rico, the future Commonwealth of the Northern Mariana Islands will have exclusive power to enact, amend or repeal its local internal revenue laws. The Marianas will be generally treated as a possession within the meaning of the various provisions of the Internal Revenue Code dealing with

possessions, such as Puerto Rico, Guam and the Virgin Islands. Thus, under the provisions of Section 932 of the Code, persons who reside in the Marianas and who become United States citizens or nationals pursuant to the status agreement will be subject to United States income tax only on United States source income. And under Section 931 of the Code, other United States citizens and United States corporations doing business in the Marianas would not be subject to United States federal income tax on income earned in the Marianas if they meet the specific requirements of that section.

G. Customs Duties and Excise Taxes

Under the proposed status the Marianas will not be included in the customs territory of the United States. The Commonwealth of the Northern Mariana Islands will have the authority to establish a "duty-free" port and to enact local customs laws relating to imports from foreign countries, provided that this authority is exercised in a manner consistent with the international obligations of the United States. Exports from the Marianas entering the customs territory of the United States will be free of any import duty subject to the same conditions now applicable to Guam. The United States will seek to obtain from foreign countries favorable treatment of exports from the Marianas. The Commonwealth will have the authority to impose duties on exports from its territory and to impose excise taxes on the manufacture or sale of goods.

H. Applicability of Other United States Laws

The parties have agreed that certain other major areas of federal legislation will be reviewed during the negotiations in order to decide whether such legislation should be dealt with explicitly in the formal status agreement. The areas under study include laws relating to immigration, social security, labor standards and shipping. A Joint Commission on Federal Laws will be established to undertake a detailed study of federal legislation

after the signing of the status agreement and to make specific recommendations to the United States Congress regarding the future applicability of such laws in the Marianas. In the interim, the parties expect that a general formula will be developed to govern the applicability of existing federal laws in the Commonwealth.

### III. LAND AND MILITARY REQUIREMENTS

#### A. Return of Public Land

In a Policy Statement dated November 2, 1973, the United States announced the procedures and terms under which the public lands in the Marianas (and elsewhere in Micronesia) now administered by the United States would be returned to the people of the Marianas. Responsibility for implementing this policy is assigned to the Marianas District Legislature, the Trust Territory Administration, and the U. S. Department of the Interior. The MPSC has indicated its intention to recommend the establishment of a non-profit corporation controlled by the people of the Marianas to receive and administer these public lands. This corporation would be responsible for making the necessary public lands available to the United States for military and other public purposes under the terms of the final status agreement. It is anticipated that the land will actually be returned promptly after the Congress of Micronesia passes the necessary enabling legislation.

#### B. Land for Defense Purposes

The MPSC, recognizing the responsibilities inherent in United States citizenship, has agreed that land in the Marianas will be made available to the United States for defense purposes. Important issues regarding the method of acquisition (long-term lease or outright purchase), the price which will be paid by the United States, and the terms of payments have not yet been settled. There has been, however, agreement in principle that the following land areas will be made available to the United States:

1. Farallon De Medinilla: This small,

organization and planning for the Marianas Constitutional Convention, research and planning for government reorganization and the initial legislative program, and research on federal programs and services which may be available to the Marianas. There will also be studies related to economic and social development planning, fiscal and revenue planning, physical planning and study of the impact of the relocation of the capital of the Trust Territory from Saipan. The events anticipated to take place include a political status educational program and status plebiscite, a constitutional convention, a constitutional education program and referendum, and finally the election of a new government.

A Joint Commission on Transition, consisting of representatives of the Marianas and the United States, will be established to provide continuing consultation and policy guidance on all matters related to the change in political status. To assist the Commission, a Joint Secretariat, consisting of six highly qualified professionals, is to be established to develop transition plans and schedules, conduct basic economic studies, arrange for the appointment of experts and administer funds to be made available by the United States. It is estimated that these transitional studies and programs will cost approximately \$1.2 million, which the United States has promised will be requested of the U. S. Congress.

C. Direct Financial Assistance from the United States

The United States Delegation and the MPSC have agreed on a program of financial assistance for a seven year period to begin upon the installation of the new Government of the Northern Marianas. Under this agreement the United States will provide \$13.5 million each year in direct financial grants as follows: \$8 million a year to help meet the cost of government operations; \$1.5 million a year for economic development loans (\$500,000 a year of which is to be reserved for small loans to farmers and fishermen and to agricultural and marine cooperatives); and \$4

million a year for capital improvement projects (of which \$500,000 a year will be reserved for Rota and \$500,000 a year for Tinian). United States assistance will be provided in constant 1975 dollars. In addition, a wide range of services and assistance under regular federal programs will be available to the Marianas. The United States estimates that the value of federal services and programs will be \$3 million a year. The total direct annual assistance is thus estimated at \$16.5 million a year.

D. Other Financial Resources of the Marianas

The parties recognize that the people of the Marianas will be required to assume an increasing local tax burden, consistent with their stage of economic self-sufficiency. In addition, it is expected that the domestic tax base in the Marianas will expand as the result of the added financial resources provided through United States financial assistance as well as the expected private investment. Further, various forms of indirect financial assistance will result from the new status agreement. The United States will return to the Commonwealth of the Northern Marianas all customs duties, excise taxes and federal income tax collected by the United States and derived from the Marianas, as is done in Guam and certain other territories. Finally, the Marianas Government is expected to receive substantial income from its administration of public lands, including lands made available to the United States for military purposes.

## CONCLUSION

Although no firm date has been set, the representatives of the Marianas and the United States anticipate that the next session of the negotiations will be scheduled for the early fall of 1974. As reflected in this Report, some important issues remain to be resolved. These include such matters as the price the United States will pay for the land which will be made available to it for military purposes, the terms of payment and the method of acquisition of that land, several issues relating to the applicability of United States laws, and the precise wording of the status agreement. The parties have established joint committees to work on these matters during the recess. The progress made since the start of these negotiations provides a firm basis for optimism that the remaining questions can be resolved satisfactorily through good faith negotiations before the end of this year.



April 16, 1974

MEMORANDUM

TO: The Chairman of the  
Marianas Political Status Commission

The President's Personal Representative  
for Micronesian Status Negotiations

SUBJECT: Report of the Ad Hoc Preparatory Committee  
on Transition in the Marianas

Attached is the report of the special Ad Hoc Preparatory Committee on Transition in the Marianas. This report results from the work of the undersigned plus advice able to both sides, and it is generally responsive to the terms of reference agreed to by you during the third round of the status negotiations last December.

The members of the Ad Hoc Committee were able to reach general agreement on all major issues. However, a special comment by the Marianas representative on the committee is attached at Tab A.

Very respectfully,

\_\_\_\_\_  
Howard P. Willens

\_\_\_\_\_  
R. Y. Scott

\_\_\_\_\_  
James R. Leonard

\_\_\_\_\_  
S. A. Loftus

CONCURRING STATEMENT BY MARIANAS REPRESENTATIVES

The Marianas representatives on the Ad Hoc Preparatory Committee generally endorse the conclusions and recommendations set forth in the Committee's report. We regret that the Committee did not explore in greater detail some of the significant planning efforts required during the transitional period, since we believe that such further investigation would have demonstrated that some of the cost estimates in the report are understated. In particular, we believe that government organization and physical planning efforts of the kind required in the Marianas will be more costly than contemplated by the Ad Hoc Committee. We are reassured, however, by the statements contained in the report to the effect that additional monies will be requested by the United States if the Transition Secretariat and the Joint Commission agree that such funds are necessary. In light of these reassurances and the evident spirit of cooperativeness reflected in this report, we have signed the report and recommend that it be accepted by the members of the Marianas Political Status Commission.

REPORT OF THE AD HOC PREPARATORY COMMITTEE

ON TRANSITION IN THE MARIANAS

Introduction

During the Third Session on the future political status of the Marianas, the Chairman of the Marianas Political Status Commission (MPSC) and the President's Personal Representative for Micronesian Status Negotiations agreed that a joint Ad Hoc Preparatory Committee should be established to study and make recommendations regarding the scope, organization and timing of studies and programs necessary to an orderly transition to self-government in the Marianas. Agreed terms of reference for the Ad Hoc Committee are attached.

Pursuant thereto the Ad Hoc Committee has met and submits the following report to the Chairman of the MPSC and to the President's Personal Representative for Micronesian Status Negotiations.

GENERAL

Several discrete but interrelated steps are involved in creation of a self-governing Commonwealth of the Marianas. The first is a plebiscite to determine the future political status of the district. The second is a series of steps starting with the drafting of a constitution by a constitutional convention, followed by a constitutional referendum, the organization of a new government structure, the election of a new government and the drafting of an initial legislative program. The main responsibility for planning and implementing these latter activities should be borne by local leaders and institutions.

The Ad Hoc Committee is not able to make a firm estimate as to the time required to complete all of the tasks or activities mentioned in this report; it believes, however, that approximately two years is a reasonable time frame.

In addition, there is a need for appropriate educational efforts to prepare the people so that they can participate in these activities or make an informed choice when a popular referendum or election is held.

It is also evident that if the new Commonwealth is to prosper its leaders will require a sound plan for the social and economic development of the district, which takes into account all factors relevant to economic growth and social progress.

In this report the Committee presents its views and recommendations on the kinds of organization, preparatory work and timing that will be required during the period preceding the installation of a new government, referred to as Phase I, plus a recommended budget.

#### ORGANIZATION

In order to ensure a timely and effective implementation of the necessary transition measures, the following organizations should be created immediately upon the signing of a status agreement:

##### A Joint Marianas-U.S. Commission on Transition

There is a joint responsibility for ensuring that the agreements reached on transitional steps are carried out as planned. In line with this the committee recommends that a Joint Commission on Transition, an ex officio body, be organized with the following seven members: the Chairman of the MPSC or its successor; the President of the District Legislature; a representative from the local community appointed by the District Legislature; the Marianas District Administrator; the President's Personal Representative for Micronesian Status Negotiations; the Director, Office of Territorial Affairs, Department of the Interior; and another U. S. representative to be designated.

The Commission should have two Co-Chairmen and meet on the call of either.

The main functions of the Commission should be:

1. To ensure that the terms of the status agreement and all related agreements on transition reached by the Marianas and the U. S. are faithfully executed;
2. To provide an institutionalized channel for close and timely consultation and liaison between the Mariana Islands and the U. S. Government on all significant transitional matters;
3. To formulate general guidelines for all necessary planning and research to be carried out during Phase I on matters of joint concern;
4. To provide policy guidance to the Joint Secretariat and perform whatever additional necessary functions it may decide are appropriate to the implementation of the Phase I program; e.g., to review studies or reports prepared by experts or the Secretariat.

#### A Transition Secretariat

To ensure that the general policy on transition and the specific guidelines of the Joint Commission are carried out, the Ad Hoc Committee recommends the creation of a full time "executive agent", a Transition Secretariat. This group would in essence be the "operating arm" of the Joint Commission.

It is our recommendation that this Secretariat be staffed by highly qualified professionals appointed by or approved by the Joint Commission as follows:

1. A Director - preferably a citizen of the Marianas.
2. A Deputy Director who would act as the Executive Officer - preferably a citizen of the United States.
3. A political scientist - ideally one who is expert in the field of public administration and constitutional law or state and local government.
4. An economist with substantial experience in dealing with problems of economic development.
5. A physical planner.
6. A liaison officer.

The Secretariat should be headquartered on Saipan and be fully responsible to the Joint Commission. It will also require a small clerical staff.

The Ad Hoc Committee recommends that the Joint Commission appoint the Director and Deputy Director of the Secretariat. The Director of the Secretariat would have the power to employ all but the Deputy Director, subject to the approval of the Joint Commission. He should also have the authority to let contracts or to hire expert consultants, within pertinent guidelines furnished by the Joint Commission.

Funds for salaries and other requisite support for the Secretariat should be provided by the U. S. Government through the Trust Territory Government.

Specific Functions or Responsibilities  
of the Secretariat

The primary role of the Secretariat would be to "manage" the study program approved by the Joint Commission and to ensure that all of the important steps toward the new political status, such as constitutional convention, referendum, etc., are carried out on schedule. It should also:

1. Be responsible to the Joint Commission for planning, implementation and coordination of all agreed Phase I programs and activities falling under the Joint Commission's responsibility; i.e., serve as the staff arm of the Joint Commission;

2. Employ private firms or consultants as may be required to provide special advice or studies;

3. Administer all Phase I funds and provide quarterly progress reports to the Joint Commission on Phase I Joint activities.

4. In addition, the Secretariat should be authorized to respond to requests from the Marianas representatives on the Joint Commission for assistance in the implementation of those transitional studies or activities which are principally the responsibility of the Marianas people.

In carrying out its responsibilities, the Secretariat should utilize to the extent available the expert advice and services of personnel of the United States Government, the Trust Territory Government and the District Administration.

#### WORK PLAN

There are two distinct kinds of activities needed to effect the transition to self government and to initiate desired economic and social programs:

1. Research and planning activities; and
2. Specific or scheduled events and activities.

The first of these categories, research and planning, should include two major subdivisions:

- a. Studies or planning needs to establish and organize the new government and its initial program;
- b. Studies or planning required in the economic and social area.

#### Government Organization Planning

The following main projects are needed in this area:

##### A. Studies and Planning for a Constitutional Convention

The MPSC, or a special planning committee appointed by the District Legislature for this purpose, should take the lead in this area for it is the people of the Marianas who will have to live with the consequences of all planning and related events regarding this critical effort.

The Secretariat should provide all appropriate assistance.

##### B. Research and Planning Regarding the Organization of a New Government of the Marianas and its Initial Legislative Program

These tasks are also of primary concern to the MPSC and other political leaders of the district.

The principal requirement is to prepare a plan for the reorganization of the current system of government--a blueprint on how best to convert from the present governmental structure to

that established by the new constitution.

This will require a careful and discriminate planning effort. Some select research plus expert advice will be required.

Preparatory work in planning for and drafting an initial legislative program should also begin during Phase I, although there should be ample time for the Secretariat to review this requirement during the initial months of Phase I. This project will mainly require experts skilled in drafting legislation needed to effect decisions on government reorganization and to get the new government off to a good start.

#### C. Studies Regarding the Retention or Extension of U. S. Programs and Services

It is the Ad Hoc Committee's view that the Secretariat should be instructed to ensure that a thorough review of all U. S. programs and services of potential value to the new Commonwealth of the Marianas be undertaken by experts during the early stage of Phase I.

#### Economic and Social Planning

Extensive economic and social infrastructure planning should be initiated during Phase I to enable the new government to determine its fundamental goals and policies in this area. Such planning will also facilitate agreement on the kinds of external aid or assistance most relevant to the needs of the Marianas in these areas within the annual levels of assistance provided in the status agreement.

Planning in this area can probably be best done by an appropriate combination of government experts, U. S. or local, and private firms or consultants--including experts in such functional areas as agriculture, tourism, land use and management, fishing, government finance, etc.

This category of planning should include, but not necessarily be restricted to, all necessary research and planning for the following: (1) the drafting of a general plan for socio-economic development; (2) a fiscal and revenue plan;



(3) a physical (infrastructure) plan; and (4) studies regarding the economic and social impact of relocating the capital of Micronesia.

A. Economic and Social Development Planning

First priority should be given to research activities required to form a basis for a development strategy, and long-range social and economic development goals and programs, including health and educational goals, taking into account demographic trends and resource availabilities including labor, water, soils, external assistance, etc.

Economic and social development planning should embrace several distinct but interrelated parts; recommendations regarding general development goals; social as well as economic proposals for long-range government revenues and expenditure patterns, plus general goals for the development of the district's infrastructure.

It should be the task of the Secretariat to determine what specific research or planning efforts are required to pose and analyze the principal alternatives and to suggest solutions most relevant to the situation.

B. Fiscal and Revenue Planning

The principal need here is to identify possible sources of additional government revenue and to analyze alternative fiscal policies designed to provide a set of incentives for economic growth and an equitable distribution of the burden. Efforts in this particular area need to take full account of any decisions or guidance based on the work being done on the definition of social and economic development goals and programs.

C. Physical - Infrastructure - Planning

It is clear that a certain amount of planning in this area needs to be done during Phase I albeit additional detailed planning will inevitably follow in the post-Phase I period. The Ad Hoc Committee believes that the main requirement is to

identify in the first instance the limitations placed on development by the constraints of the environment--climate, soils, fresh water, manpower, etc. Therefore, the examination of already completed physical planning documents will be an early and integral part of the economic development study.

It is the Ad Hoc Committee's opinion that a substantial amount of useful planning has been done in the District. Full account should be taken of this by those charged with developing an overall, integrated plan. Once a general economic strategy begins to take shape, a follow-up study of physical infrastructure requirements will need to be undertaken. The purpose of that study would be the formulation of a time-phased plan of physical improvements essential to the furtherance of economic and social development of the Marianas. It would deal with such matters as urban housing, recreation, schools and hospitals, etc., in the area of social development and roads, docks, power, water, transportation, etc., in the area of economic development infrastructure.

The Ad Hoc Committee recognizes that physical planning, in addition to that for which funding is proposed in this report, will be required in the Marianas. It cannot be determined at this time, however, exactly how much additional physical planning may be necessary or desirable, or when it would be most timely. The Ad Hoc Committee agrees, therefore, that the question of additional physical planning will be re-examined during Phase I by the Secretariat, subject to review by the Joint Commission, and that such additional funds as are necessary will be requested by the Executive Branch of the U. S. Government during either the latter part of Phase I or the initial stages of Phase II.

#### D. Special Impact Studies

There is an obvious need for early and effective planning efforts with respect to the following matters: (1) local impact of relocation of the capital of the TTPI; for example,

the need to reassign or find alternative employment for displaced personnel; (2) the use of vacated facilities on Capitol Hill; and (3) programs needed to train or retrain government personnel in the Marianas.

Specific Events or Activities

Planning for the following discrete events or activities toward the realization of the new political status should begin early in Phase I and include:

A. A political education program

This should be aimed initially at gaining widespread understanding of and support for the proposed status agreement. In effect, this effort has already begun. Local leaders should continue these efforts and be able to look to the Secretariat or local governmental entities for all appropriate support.

B. The status plebiscite

The nature and timing of this should be a matter of priority concern to the Joint Commission and be implemented by the district government prior to the holding of a constitutional convention. Otherwise, serious problems could arise during the drafting of a new constitution and the planning of the new governmental structure.

C. The election of delegates to a constitutional convention and convening of the convention

This should be based on the preparatory work mentioned above and consultations between leaders of the District Legislature and the Administration once the Joint Commission has had an opportunity to provide general guidelines.

D. A constitutional referendum

This should be held after a short but intensive educational effort by the leaders of the constitutional convention and their principal supporters with appropriate support from the Secretariat and the Administration.

E. Election of a new Marianas Government

### Timing

The Ad Hoc Committee's recommendations in this area are based on the assumption that the status plebiscite will precede rather than follow or occur simultaneously with the constitutional referendum.

It is assumed that the order of events would be the initiation of a program of education on political status, a status plebiscite, planning for the constitutional convention, a program of public education regarding the proposed constitution, planning the new government, and the installation of the new government following U. S. Congressional review and approval.

Necessary planning and related preparatory work in other areas such as economic and social planning should commence as soon as possible after Phase I begins. The Ad Hoc Committee recommends that as much as possible in the way of preliminary organization be done before Phase I begins; for example, the lining up of personnel for the Secretariat.

The Secretariat should, as a matter of first priority, draw up a more detailed time-phased work program covering Phase I.

### PROPOSED BUDGET

The United States as the Administrating Authority will be responsible for funding all Phase I activities, including the expenditure of any U. S. funds on agreed studies or projects. Therefore, the U. S. contribution to any of the above tasks, whether in the form of grants or payments to cover the administrative costs of the Joint Commission or the Secretariat, must be funneled through agents or agencies designated by the U. S. such as the Headquarters of the Trust Territory Government. For example, funds for the preparatory work and holding of the constitutional convention should be in the form of direct grants from the U. S. through the designated agency of the Trust Territory Government

to the District Legislature. Conversely, U. S. funds for the support of the Secretariat or for physical planning should pass through the Trust Territory Government to the Secretariat for appropriate disbursement.

The proposed budget does not include the significant contributions already made or which will be devoted by the Trust Territory Government to projects or activities that should also be viewed as an integral part of transition to self government; e.g., infrastructure projects and the land cadaster program.

With regard to the latter, the cadaster program, it should be kept in mind that the U. S. is committed to complete a public land cadaster program within three years. Funds for this program were included either in the Fiscal Year 1974 supplemental budget or are being requested as part of the Fiscal Year 1975 budget for Micronesia. If additional funds are required to meet this commitment, more money will be requested. The District Administration is responsible for the implementation of this program and is already organizing for this task. Therefore, the amount proposed earlier by the MPSC for this purpose is not included in the attached draft budget estimate. If they were, the total would increase by approximately \$1.6 million--the current estimated cost of the three year program for the Marianas District.

Moreover, the attached budget estimate does not reflect the considerable work which the Trust Territory Administration intends to perform in the district in the areas of physical planning, public works, agriculture, education, etc. during Phase I and II. In this regard there has recently been a considerable upgrading of the planning effort at the district level. Supporting work by appropriate sections of the District Administration in such areas as physical planning will continue until the Trusteeship ends. Thus, the indirect contribution of these efforts to Phase I planning should be recognized by all concerned.

The need for the training of additional public servants and technicians is well recognized and will doubtless receive priority attention by the leaders of the Marianas and the U. S. Administration during the transitional period. In fact, the Department of the Interior has already initiated an intern program in this area. Therefore, funds for this are not included in the attached budget estimates.

The suggested allocations which follow should be viewed as tentative and subject to transfer to related tasks in accordance with agreed guidelines from the Joint Commission or recommendations of the Secretariat. A high degree of flexibility within broad functional divisions will be required in the interest of good management and timing.

It should also be recognized that additional funds for research or studies not yet identified, or to augment agreed planning tasks, may be required during Phase I. The U. S. is prepared to meet the costs of additional research or studies judged necessary to complete the agreed planning tasks, and to include those which may need to be extended into Phase II.

The costs of administration are annual and will continue as necessary until the agreed tasks are completed. Budget estimates for research and planning and scheduled transitional steps are "no year" funds; i.e., they should be sufficient to complete the task or activity. As mentioned above, some additional funds for new or expanded work may be needed. It should be recognized, however, that all proposed U. S. expenditures are subject to Congressional approval and the availability of funds.

RECOMMENDED PHASE I BUDGET

Administration

Joint Commission	\$ 20,000
Secretariat	\$230,000
Contingencies	\$ 10,000
Sub-Total.....	\$260,000

Research and Planning

Government Organization

Studies and Planning Constitutional Convention	\$ 50,000
Research and Planning Government Reorganization	\$ 50,000
Initial Legislative Program	\$ 50,000
Research U. S. Federal Programs and Services	\$ 50,000
Sub-Total.....	\$200,000

Economic and Social Planning

Economic and Social Development Planning	\$225,000
Fiscal and Revenue Planning	\$ 50,000
Physical Planning	\$225,000
Impact Relocation of Capital	\$ 50,000
Sub-Total.....	\$550,000

Scheduled Transition Steps

Political Status Education Program and Status Plebiscite	\$ 50,000
Constitutional Convention	\$ 75,000
Constitutional Education Program and Constitutional Referendum	\$ 50,000
Election for New Government	\$ 25,000
Sub-Total.....	\$200,000

GRAND TOTAL.....\$1,210,000

TERMS OF REFERENCE  
FOR THE  
AD HOC PREPARATORY COMMITTEE ON TRANSITION

A Joint Ad Hoc Preparatory Committee will be appointed forthwith by the Marianas Political Status Commission and the President's Personal Representative to study and make recommendations to the Chairmen of the Marianas and U. S. Delegations before the next negotiating session regarding the scope, organization and timing of studies and programs necessary for an orderly transition to self government in the Marianas. Specifically, the Ad Hoc Preparatory Committee will recommend to the Chairmen of the two delegations the following:

1. A detailed work plan including a timetable and sequence of events for preparing and undertaking:
  - a. A political education program;
  - b. A plebiscite on future political status;
  - c. A constitutional convention and referendum;
  - d. Legal studies relating to the organizational structure and initial legislative program of the new Commonwealth Government;
  - e. Studies to identify the Marianas' economic, social and physical infrastructure needs, taking into account appropriate extant studies on these matters;
  - f. Studies to develop an appropriate fiscal and revenue system for the Marianas;
  - g. A study of the economic or social impact on the Marianas for relocation of the capital of Micronesia;
2. An appropriate organizational structure for accomplishing the important transitional studies and programs. This recommendation will include a description of how a Joint Commission could be organized to provide general guidance for



the implementation of these tasks and how a Joint Secretariat might be established to provide specific direction and continuing administrative support;

3. A detailed budget to cover the costs of essential studies, programs and events falling within the transition period.

The Ad Hoc Preparatory Committee will report their recommendations to the Chairman of the Marianas Political Status Commission and the President's Personal Representative no later than March 1, 1974. The Chairman and the President's Personal Representative will meet informally shortly thereafter, and before the next session of negotiations, to discuss how to proceed regarding implementation of the recommendations of the Ad Hoc Preparatory Committee.

## JOINT COMMUNIQUE

From May 15 to May 31, 1974, the Marianas Political Status Commission and the U. S. Delegation met for the fourth session of negotiations aimed at achieving the long held desire of the people of the Mariana Islands for political union between the present Mariana Islands District of the Trust Territory of the Pacific Islands and the United States.

The session consisted of several working meetings held on Saipan and public meetings held on Rota and Tinian. These entailed a continued and progressive discussion of matters raised in earlier rounds, including questions concerning the basic political nature of the proposed commonwealth relationship, land, economic and financial assistance, transition and the nature of the formal Status Agreement to be entered into. The public meetings offered an opportunity to discuss with many of the people of the Mariana Islands District the progress which had been achieved and the issues which remain to be resolved.

During these discussions the delegations affirmed the basic decisions reached in earlier sessions with respect to the future political relationship between the Northern Marianas and the United States which include the establishment of a Commonwealth of the Northern Marianas under U. S. sovereignty with maximum internal self government, including the right of the people to draft and adopt their own constitution and to establish local courts to administer local laws.

### Land

A summary of the tentative agreements reached on land requirements follows:

1. Farallon de Medinilla. This island consisting of 229 acres (93 hectares) will continue to be made available to the United States as a target area. Maximum safety precautions will be enforced by the United States.

2. Tanapag Harbor area. Approximately 197 acres

(78 hectares) in the southern portion of the Tanapag harbor area, now under military retention, will be made available for future contingency use by the United States. Most of this land will be used by the United States for the development of an American Memorial Park which will be used as a recreation area by the people of the Marianas. Preliminary plans for the park call for cleared beaches, an amphitheatre, a family picnic area, an arboretum, a swimming pool and other athletic facilities in addition to a monument. Land in the Tanapag harbor area not used for the Memorial Park or for military purposes will be made available to the future Government of the Northern Marianas for possible sublease for civilian harbor-related activities. There are no current plans for military use of this area. Subject to the limitations imposed by any future military use, the United States has agreed to permit maximum feasible joint use of any land and facilities which are developed for military purposes.

3. Isley Field area. Approximately 482 acres (193 hectares) south of and adjacent to the southern runway of Isley Field and within the south boundary road will also be made available for future contingency use by the U. S. forces. As at Tanapag harbor, this land will be made available to the future Government of the Northern Marianas for use or lease for industrial or agricultural purposes compatible with possible future military use.

4. Tinian. Approximately 17,475 acres (6,993 hectares) will be made available for the development of a joint service military base in accordance with the plans newly presented by the United States. These plans reduced the acreage required by approximately 1,200 acres (485 hectares) and eliminated the necessity for relocating San Jose Village. The United States will carefully re-evaluate its military land needs in the area south and east of the northeastern portion of the proposed

runway in order to make as much of this land as possible immediately available to the Government of the Northern Marianas under a land use arrangement for agricultural and other purposes compatible with planned military activities.

Joint use arrangements for both the new West Field and the rehabilitated San Jose harbor, with free access to both, will be developed. The rehabilitated harbor will be under the civilian control of the Marianas Government except during times of national emergency. Consistent with military requirements, land will be made available under a land use arrangement in the San Jose harbor area for civilian harbor oriented activities. In addition, there will be maximum civilian use of land within the base itself for agricultural, fishing, recreational and other purposes including access through the base area to northern beaches compatible with the military operation of the base. Further discussions will be held with respect to local community needs for public utility services. The U. S. offered to improve the road from San Jose Village to the Marpo Valley and north into the base area by the construction of a by-pass road to the civilian air terminal and around the air base. Opportunity will be provided for the development of a commercially operated ferry system between Saipan and Tinian and possibly Rota.

The United States indicated its intent to relinquish its use rights on all remaining military retention land in the Northern Marianas not covered by the new agreement--some 4,691 acres (1,898 hectares)--and to return them to the public domain at a time to be agreed, but no later than the date when the formal status agreement becomes effective.

The two delegations discussed whether the land could be made available to the United States by lease or purchase and methods of determining fair market value. A Joint Land Committee has been appointed by the Marianas Political Status Commission and the President's Personal Representative to consider the

exact details of specific requirements and means, procedures and terms for acquisition of land by the U. S. Government.

It was agreed that the consideration and development of appropriate safeguards in the area of eminent domain would be referred to the Joint Drafting Committee referred to below. The question of how to implement the prior agreement that the Marianas Government will have the authority to prohibit the alienation of land to persons not of Marianas descent was also referred to the Joint Drafting Committee. This Committee will consider, as well, limitations on the amount of public land which might be made available to, or held by, any one individual.

#### Economics and Finance

A Report by the Joint Ad Hoc Preparatory Committee on Transition established at the third negotiating session last December was approved. The report outlined a proposed program of studies and events to take place between the time of the signing of a political status agreement and the establishment of a new Government of the Northern Marianas under its own constitution. These studies will include those related to government organization and planning for the Marianas Constitutional Convention, research and planning for government reorganization and the initial legislative program, and research on U. S. Federal programs and services. There would also be studies related to economic and social development planning, fiscal and revenue planning, physical planning and study of the impact of relocation of the capital of the Trust Territory. The events anticipated to take place include a political status education program and status plebiscite, a constitutional convention, a constitutional education program and constitutional referendum, and finally the election of a new government.

A Joint Commission on Transition, consisting of representatives of the Marianas and the United States, will be established to provide continuing consultation and policy guidance

on all matters related to the change in political status. To assist the Commission, a Joint Secretariat consisting of six highly qualified professionals is to be established to develop transition plans and schedules, conduct basic economic studies, arrange for the employment of experts and administer funds to be made available by the United States for these activities in the amount of \$1.2 million.

The two delegations tentatively agreed on an initial 7-year program of U. S. financial assistance to begin following the installation of a new Government of the Northern Marianas in accordance with a popularly approved constitution. This could be as early as July, 1976. Under this tentative agreement the U. S. will provide \$13.5 million for each of these years in direct financial grants as follows: a grant of \$8 million a year to help meet the cost of government operations; a grant of \$1.5 million a year to the future Government of the Northern Marianas to be used for economic development loans, with \$500 thousand a year of this amount to be reserved for small loans to farmers and fishermen and to agricultural and marine cooperatives; and a grant of \$4 million a year for Capital Improvement Projects of which, at the Marianas Political Status Commission's request, \$500 thousand a year will be reserved for Rota and \$500 thousand a year for Tinian because of the urgent development needs on those islands. U. S. assistance will be provided in constant 1975 dollars.

In addition, a wide range of services and assistance under regular U. S. Federal programs will be available. The United States estimates the value of federal services and assistance at \$3 million a year. The total direct annual assistance is thus estimated at \$16.5 million. This does not include potential additional income from military construction and a growing military presence and spending.

Federal funds will augment the Commonwealth's other

growing financial resources from internal taxes, anticipated rebates of U. S. Federal income taxes after the new status becomes effective, and income from public lands. All of these resources would be directed toward assuring the economic development of the Northern Marianas, higher personal income and living standards for the people, capital improvements for social and economic growth, as well as improved public services.

#### Commonwealth of the Northern Marianas Status Agreement

In the light of the progress achieved, both parties agreed to the establishment of a Joint Drafting Committee whose members: (1) will be charged with the preparation of a Status Agreement in keeping with the tentative agreements reached to date; and (2) will have the authority to draft, subject to the approval of their principals, specific language for the provisions to be included in the agreement. Their draft will be presented to the Marianas Political Status Commission and the United States at the next negotiating session. It was reaffirmed that any final agreement will have to be approved by the Marianas District Legislature, the people of the Mariana Islands District in a plebiscite, and by the United States Congress.

#### Separate Administration

The final substantive item of discussion centered on the Marianas Political Status Commission's request for consideration of early transition to self government and the possible separate administration of the Marianas District prior to the termination of the Trusteeship Agreement. The Commission shared its preliminary views with the United States Delegation for the purpose of opening a dialogue on this important subject. The U. S., in turn, promised to take the matter under advisement and both parties agreed that further study and consultation on this question should be carried forward prior to the next negotiating session.

The members of the Marianas Political Status Commission

and the U. S. Delegation expressed appreciation for the warm hospitality extended to them by the people of Rota, Tinian and Saipan for all of the courtesies and cooperation received from the authorities of the TTPI Headquarters and the Marianas District Government.

No firm date was set for the next meeting, but it is expected that it will take place in the early fall. In the meantime, informal consultations will continue and technical, legal and drafting experts will be meeting in accordance with the agreements reached and recorded in this Joint Communiqué.

Date: May 31, 1974

For the Marianas:

Edward DLG. Pangelinan  
Chairman, Marianas  
Political Status Commission

Vicente N. Santos  
Co-Chairman, Marianas  
Political Status Commission

For the United States:

Franklin Haydn Williams  
The President's Personal  
Representative for Marianas  
Status Negotiations



STATEMENT OF DANIEL T. MUNA  
BEFORE THE  
UNITED NATIONS TRUSTEESHIP COUNCIL

June 6, 1974

Mr. President, I am Daniel T. Muna, a member of the Marianas Political Status Commission from Saipan. With me is Jose R. Cruz, also a member of the Marianas Political Status Commission. Mr. Cruz is from Tinian. On behalf of our Commission and the people of the Mariana Islands District of the Trust Territory of the Pacific Islands, I wish to extend to you and the members of the Trusteeship Council our appreciation for the opportunity to appear before the Council as petitioners.

As representatives of all of the people of the Mariana Islands District, we are here to speak to the Council on the subject of our future political status. I will address the position of the people of the Marianas with respect to this subject generally. Mr. Cruz will report on the progress to date in the negotiations between the Marianas Political Status Commission and the United States.

The history of the desire of the people of the Mariana Islands District for a close political association with the United States is a long one. Referenda held in the Mariana Islands District in 1961, 1963 and 1969 demonstrate the overwhelming desire of the people for this relationship. The same desire has been expressed in a series of resolutions passed by the Mariana Islands District Legislature since its creation in 1963. And over the years the view of the people as expressed through locally elected political leaders and in public meetings has been the same--a desire for a close political relationship with the United States. Indeed, this sentiment was acknowledged by the last Visiting Mission and by other United Nations observers over the years.

As this Council is aware, the Joint Committee on Future Status of the Congress of Micronesia has rejected close relationship with the United States and appears determined to pursue free association with the United States instead. This became clear in April, 1972. At that time the representatives

of the Marianas on the Joint Committee requested the United States to enter into discussions with appropriate representatives of the Mariana Islands with respect to our future political status. This request was supported by the elected leaders and officials of the Marianas who, in a letter sent to the United States Delegation, affirmed "that the desire of the people of the Mariana Islands District to become a permanent part of the United States of America is fundamental and has existed over a number of years".

I signed that letter, Mr. President, and I can tell this Council that the views of the people are the same today as they were then.

The United States responded affirmatively to our April 1972 request for separate negotiations. Promptly thereafter the Mariana Islands District Legislature established the Marianas Political Status Commission to discuss with the United States the close political relationship desired by the people of the Marianas.

The Marianas Political Status Commission has now held four sessions of negotiations with the United States. The Commission has reported to the District Legislature on the progress of these negotiations after each round. The Legislature has continued to support the Commission in its efforts to work out the terms under which the Mariana Islands District will become a part of the American political family. Members of the Commission have also reported to the people of the Mariana Islands in public meetings on the progress of the negotiations. These public meetings, held throughout the Marianas, have shown us that the people of the Marianas are firm in their desire for a close political relationship with the United States.

The people of the Marianas wish to become a self governing political entity in the American political family because we desire the rights, freedoms and benefits which flow

from such an association with the United States. The people of the Marianas have a long history of rule by autocratic powers. We, therefore, appreciate the degree of personal and political freedom which the United States Administration of the Trust Territory has brought to us. The commitment to individual human rights and to democracy which lies at the heart of the American political system is a commitment shared by the people of the Mariana Islands. The experience of our neighbor Guam and other members of the American political family shows that the United States has promoted and preserved these values which we cherish so highly. Political union with the United States will ensure that we keep the freedoms which were so long denied to us.

The people of the Marianas believe that human rights and political freedom can best be assured when there is economic development which is designed to raise the standard of living and to promote economic self-sufficiency. We believe, and our negotiations with the United States confirm, that a close political relationship with the United States will assure a level of economic development which our people desire.

The people of the Marianas believe that a close political association with the United States can take the form of a relationship that will fulfill our desires for maximum internal self government. Such a relationship will be consistent with the United Nations' principles of self-determination for all peoples. Our negotiations show that maximum self government can be obtained within the American political family.

These are the reasons which have led the people of the Marianas, through their freely elected representatives, to seek negotiations with the United States concerning our future political status. It is apparent from what we have said that the views of the people of the Marianas are not the same as those of the people of the remainder of the Trust Territory

as represented on the Joint Committee on Future Status. We recognize the right of the Joint Committee to explore political status alternatives for the Trust Territory as a whole. While respecting the rights of the Joint Committee, however, the people of the Marianas cannot allow that Committee or the Congress of Micronesia to dictate the terms of a future political status for the Marianas which is contrary to the freely expressed wishes of our people. When the Joint Committee rejected close association with the United States as a future political status alternative for the Trust Territory, it threatened to deny the right of our people to choose that alternative. The mandate of the Marianas Political Status Commission is to give the people of the Marianas what they have long desired--the option of a close political association with the United States, an option which the Joint Committee has rejected.

The agreement which the Marianas Political Status Commission is now negotiating with the United States will be submitted for approval to the Mariana Islands District Legislature and then to the people of the Marianas. In accordance with the most basic principles of the United Nations, the people of the Marianas will thus have the opportunity to decide whether the agreement which is now being negotiated accurately reflects their desires.

The people of the Marianas hope that the United Nations will understand our political aspirations and will support our right to choose our own political destiny. We ask no more and no less than the rights which are assured all people by the United Nations Charter.

Thank you, Mr. President. Mr. Cruz will now report to the Council on the work of the Marianas Political Status Commission and the progress of its negotiations with the United States to date.

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STATEMENT OF JOSE R. CRUZ

BEFORE THE

UNITED NATIONS TRUSTEESHIP COUNCIL

June 6, 1974

Mr. President, I am Jose R. Cruz, a member of the Marianas Political Status Commission from Tinian. I would like to join with Mr. Muna in expressing my gratitude for this opportunity to appear before the Council to speak on a subject of vital concern to the people of the Mariana Islands.

As you know, the people of the Marianas, freely and through their elected representatives, have created the Marianas Political Status Commission in order to pursue our goal of a close political association between the Marianas and the United States of America. When the Mariana Islands District Legislature established the Commission it made a legislative finding "that the people of the Mariana Islands District desire a close political relationship with the United States of America." Accordingly, the Mariana Islands District Legislature empowered the Commission "to make such studies as it may deem necessary concerning the issue of the future political status of the Mariana Islands District leading toward a close political status of the Mariana Islands District with appropriate persons and organizations within the United States, and in the United Nations, and solicit understanding support of the position of the people of the Mariana Islands District".

Pursuant to its mandate, the Marianas Political Status Commission has been guided by the expressed wishes of the people regarding their choice of future political status. The Commission has continued its dialogue with the people of the Marianas so that it will be better able to represent their views in the ongoing negotiations.

The Commission itself is broadly representative of the people of the Marianas. Its fifteen members include representatives from the different islands in the Marianas chain, from the Congress of Micronesia, from the District Legislature, from the municipal councils, from both local political parties in the Marianas, from the local business

community, and from the major ethnic and cultural groups in the islands.

The Commission has had four negotiating sessions with the United States. The first in December 1972 was a ceremonial opening session. In the three working sessions since then--in May 1973, December 1973, and May 1974--a number of important tentative agreements have been reached between the United States Delegation and the Marianas Political Status Commission.

In the area of future political status, the parties reached tentative agreement that the future political relationship between the Marianas and the United States would take the form of a commonwealth arrangement as defined by a formal political status agreement. The Marianas Government would exercise maximum self government with respect to internal affairs while the United States would have sovereignty over the Marianas and would exercise authority in the fields of defense and foreign affairs. The new government of the Marianas will be established under a locally drafted and locally approved constitution which would provide for the institutions of local government. The fundamental terms of this relationship, as spelled out in the political status agreement, would be subject to modification only by mutual consent. Provisions of the Constitution of the United States will apply in the Marianas so as to protect individual rights. Persons in the Marianas will become United States citizens or, if they prefer, United States nationals.

In the area of economics and finance the parties have reached tentative agreement on a program of studies and events to take place between the time of the signing of a political status agreement and the establishment of a new Government of the Northern Marianas under its own constitution. The United States will provide funding for these activities.

In addition, the United States has agreed to provide



financial assistance to the new government over a 7-year period. This assistance is designed to move the Marianas progressively toward economic self-sufficiency; and to assure higher personal income and living standards for the people, capital improvements for economic and social growth, and improved public services. We believe that economic self-sufficiency is consistent, not only with political stability and freedom, but with true self government. We intend to strive toward control of our own economy as well as of our institutions of government. The total direct annual assistance from the United States for each of the seven years is estimated to be \$16.5 million, including the value of programs and services to be provided by the United States in addition to cash payments.

As the Council knows, land is our most precious resource because of its relative scarcity and because of its cultural significance to our people. A great deal of progress with respect to the return of public land to the Marianas and to the other districts of the Trust Territory has been made since representatives of the Commission last appeared before this Council. Under the policy, announced by the United States as the Administering Authority last fall, public lands in the Trust Territory will be transferred to the districts so that each district can determine for itself what is to be done with its public land for the benefit of its people. This is extremely important for the Marianas since it is estimated that 90% of the total land area in our district is now public land. Unfortunately the Congress of Micronesia failed to enact the necessary enabling legislation at its last session so the land has not yet been transferred from the central government to the districts. However, we are hopeful that the Congress, at its special session next month, will enact the necessary legislation so that we can regain control of our public lands promptly.

As our representatives told the Council last year,

we recognize that the United States has certain responsibilities for the maintenance of peace and security in the western Pacific. We recognize further that, as a member of the American political family, the Marianas will have certain obligations to assist the United States in meeting its defense requirements. The people throughout the Marianas well understand these points. We have consulted with the people often and widely concerning United States land requirements. And we have often discussed the matter with the United States Delegation to our negotiations. At the recently completed round of negotiations, tentative agreement was reached to meet the revised United States land requirements in the Marianas though the terms of the arrangement and the compensation which will be provided to the people of the Marianas for the land which will be used still remain to be settled.

Our people recognize that there are very significant benefits to a close relationship with the United States, and that these benefits entail certain obligations as well. As a member of the Pacific community, as a people which have been ravaged by war within the memory of every person here, we cannot say too strongly that peace must reign in the Pacific and that war must never again destroy our islands. For this reason we desire to make our contribution to the United States, which promises to keep the peace, as our share in the maintenance of peace and security in the Pacific. Only if there is peace can the political freedom and economic development which our people desire be secured.

In view of the progress which has been made so far, the Commission is hopeful that by the end of this year our negotiations can be concluded and a formal status agreement prepared. After the formal agreement is approved by the Commission and by the United States Delegation to our negotiations, it will be submitted to the District Legislature and, if approved,

to the people of the Mariana Islands District. The people will then have the opportunity freely to choose their political destiny.

For many years the people of the Marianas have expressed their desire for a close political association with the United States. The Marianas Political Status Commission is the vehicle which the freely chosen representatives of the people have selected to negotiate the terms of our close association with the United States. Our work is subject to the approval of the people themselves. We ask this body to support the right of our people to determine for themselves their own future.

Thank you.