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ORAL STATEMENT OF AMBASSADOR HAYDN WILLIAMS,
THE PRESIDENT'S PERSONAL REPRESENTATIVE FOR
MICRONESIAN STATUS NEGOTIATIONS, BEFORE THE INTERIOR AND
INSULAR AFFAIRS COMMITTEE OF THE UNITED STATES SENATE

September 12, 1974

Mr. Chairman

I am Haydn Williams, the President's Personal Representative for the Micronesian and Marianas Political Status Negotiations. With me this morning are the U.S. Deputy Representative, Mr. James Wilson, VADM Harry Train, Director of the Joint Staff of the JCS, Mr. Fred Radewagen, Acting Director, Office of Territorial Affairs, Department of the Interior and various members of the Office for Micronesian Status Negotiations. We welcome this opportunity to appear before you and members of the Senate Committee on Interior and Insular Affairs. In the course of the morning we hope to review the progress of the negotiations to date, to identify some of the important remaining issues, to draw your attention to our need for your advice and assistance, and finally to do our best to answer your questions.

Background

Although I am well aware that some of the members of this Committee have had a long involvement in Micronesian matters and have developed a deep knowledge and understanding of the history and substance of the negotiations which I have been conducting, I would, with their indulgence, like to begin by reviewing briefly some essential background information.

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As everyone knows Micronesia is made up of three major island groupings located in the Western Pacific north of the equator. They are the Marshalls; the Carolines; and the Marianas. In all they comprise over 2,100 islands, with a total land mass of some 750 square miles and a population of 115,000.

The western world's contact with these islands began with the Spanish in the sixteenth century. Spain claimed and governed the islands until 1898 when they were sold to Germany. German rule in turn was ended by World War I when the islands were taken by the Japanese. In the period between World War I and World War II they were mandated to the Japanese by the League of Nations. In 1943, 44 and 45 U.S. military forces fought and gained control over all of Micronesia in their sweep across the Pacific. Following the war all remaining Japanese, military and civilian, were repatriated to Japan and the responsibility for governing the islands was turned over to the U.S. Navy.

In 1947, President Truman decided to place Micronesia under the United Nations Trusteeship system and to transfer the responsibility for administration of the islands from the Navy to the Department of the Interior. An agreement was drawn up with the U.N. Security Council and eventually approved by a joint resolution of the Congress of the United States in July of 1947. The Trusteeship Agreement recognized the strategic importance of Micronesia and gave the United States the right to use the area for defense purposes and to deny its use to the military forces of other countries. The Agreement also obligated the United States to "promote the development of the inhabitants toward self-government

ment or independence" in accordance with "the freely expressed wishes of the peoples concerned".

In the intervening years the Trust Territory has gradually moved toward greater and greater self-government. Political institutions tailored to local needs and circumstances and the on-going responsibilities of the administering authority were established throughout Micronesia. Popular participation in government grew and the authority of district legislatures and the Congress of Micronesia was increased. Responsibilities of a senior executive and administrative nature also were transferred from expatriates to a growing cadre of highly trained and experienced Micronesian administrators.

As was to be expected with this political development also came a natural desire for even greater self-government, a change in political status, and a termination of the Trusteeship Agreement. With these objectives in mind the Congress of Micronesia in 1968 began to consider various political status alternatives and since 1969 seven formal rounds of negotiations have been held between the United States and the Congress of Micronesia's Joint Committee on Future Status. In 1972 after it became clear that the Marianas wanted a future political status different from the being sought by the leaders of the Carolines and the Marshalls the United States agreed to enter into separate talks with that district and to date four rounds of talks have been held with the Marianas Political Status Commission.

I would now like to touch on the highlights of these two sets of separate negotiations and the tentative agreements that have

been reached so far but before doing so I would like to review with you some of our basic national interests and negotiating objectives.

The United States has a number of basic interests in Micronesia. Many are related to larger U.S. foreign policy and security objectives in Asia and the Pacific region as a whole. First the United States is interested in maintaining peace and political stability in the Pacific. It does not wish to see the islands of the Pacific become an area of international conflict. It wishes to maintain and strengthen the amicable relations it has established with the peoples of Micronesia. In turn it wants Micronesia to have friendly and cooperative relations with its neighbors in the Pacific and the larger world community.

Second the United States fully recognizes the strategic importance of Micronesia. The security of the United States in part depends upon its ability to maintain its influence in the Pacific Ocean. Micronesia in this regard is most important. It lies athwart important lines of communications. It offers potential sites for military bases and other defense related facilities. It provides ideal testing grounds for new military, scientific and space technology. Access to the area as provided for in the Trusteeship Agreement is thus an important continuing requirement in the interests of our security and defense posture in the Pacific. Likewise, denial of the area to the military forces of any third country will continue to contribute to peace and stability in the Pacific Ocean area.

Finally, United States interests go beyond narrow national considerations. It is concerned and will continue to be concerned with the general welfare and progress of the peoples of Micronesia toward full self-government, toward economic self-sufficiency and toward a full realization of their own aspirations including the preservation of their own distinctive traditional values and cultural identity. In pursuing these ends the United States will be fulfilling the trust that it assumed under the agreement with the United Nations.

Briefly our negotiating objectives are to seek a status agreement both for the Marianas and for the Carolines and Marshalls which satisfies their basic rights which protects essential United States interests and which meets our legal and moral commitments to the United Nations.

The Marianas Negotiations

The Marianas District is a chain of fourteen islands lying north of Guam toward Japan. The largest islands are Rota, Tinian and Saipan. The population is approximately 15,000, mostly Chamorro peoples closely related by blood, religion, history and culture to the people of Guam.

Ever since the creation of the Trusteeship the great majority of people in the Northern Marianas have aspired to a close and permanent political association with the United States. They have made this preference known over the years through referenda, resolutions and petitions to the U.S. Government and to the United Nations. In 1972, the Marianas District Legislature created the Marianas Political Status Commission and instructed it to seek

permanent political union with the United States. This Commission after studying various political status alternatives including union with Guam opted for commonwealth as its first choice and since December 1972 the negotiations have been directed toward this goal. Eventual integration with Guam, however, remains the long term objective of important leaders in both communities.

Under the agreements reached so far, and if they are approved by the U.S. Congress, the Marianas District will become a self-governing commonwealth under full United States sovereignty. It will have its own constitution, its own executive, its own legislature and its own judiciary as well as access to the United States federal court system, and its people will be given the opportunity to become American citizens.

In the economic area, self-sufficiency for the new commonwealth is the agreed goal. Until this worthy objective has been realized, the United States has agreed, again subject to the approval of the Congress, to provide the Northern Marianas with direct and indirect financial assistance. This assistance during the first seven years would be in the form of direct annual grant for government operations and for needed capital improvement programs. Economic development loans would also be provided as would the full range of federal programs and services which the territories of the United States are now eligible to receive. Indirect assistance would flow from rebates of all locally collected federal income taxes, and customs duties to the Commonwealth treasury as is the practice now in effect in Guam. Additionally it is expected that the Marianas will receive substantial direct and indirect

financial benefits from the anticipated presence of United States military facilities and personnel in the Northern Marianas.

Agreement has also been reached with the Marianas Political Status Commission on the United States military land requirements in the Northern Marianas. Sub-negotiations with respect to price, method of payment, joint use and lease back arrangements are currently underway. The principal area involved is some 17,500 acres on Tinian to be developed in stages over the next seven years as a joint service military base. The new base complex would include a multi-purpose airfield and air operation support facilities, a forward fuel supply and logistic center, an ammunition storage area, maneuver and training grounds, and harbor facilities to support the above mentioned missions.

Other land requirements which were agreed to last May included (1) the continued use of a small, uninhabited and inaccessible island, Farallon de Medinilla, for an aerial bombing and ship to shore gunnery practice target area (2) 482 acres for contingency use in an area immediately adjacent to Isely Field on Saipan and (3) 197 acres in the Tanapag Harbor area on Saipan also for contingency use. When all of the new military land arrangements have been consummated, the United States will then relinquish all of its remaining rights to U.S. military retention lands in the Northern Marianas and return approximately 4,691 acres to the public domain.

Some issues remain to be finally resolved. They include the question of how the wishes of the Northern Marianas to enjoy maximum self-government can be accommodated within the plenary power

the United States Congress. The questions of sovereignty and federal supremacy are not the issue. The question is would the Congress be willing to voluntarily limit its plenary authority in certain very limited specific areas. These would be specified in the agreement, and if approved they would be subject to change thereafter only by mutual consent. The early views of the member of the Committee as to this vital issue is of the greatest importance. When the specific areas have been identified in which it is proposed that federal plenary powers be limited further consultations with the Congress will then be necessary.

Another area not yet fully resolved is the extent to which the Northern Marianas would be exempt from the application of some federal laws such as the Jones Act, the minimum wage law, certain provisions of the immigration laws and regulations, and the Internal Revenue Code. These issues are still being discussed at the technical level and as we proceed we will be seeking further advice on these matters from your staff and from the members of this Committee.

The Micronesian Talks

I would like to turn now to the Micronesian negotiations. They are being conducted with the Joint Committee on Future Status of the Congress of Micronesia made up of nine senators and three congressmen. During the past six months and even prior to that of the actual negotiations have been carried on in informal private sessions between the Co-Chairmen of the JCFS and Mr. Wilson and myself. The informal Carmel talks held last April represented a breakthrough after months of stalemate and a subsequent meeting

in Guam in July finally produced the text of an agreed draft Compact of Free Association. I say agreed in the sense that it was approved by the JCFS' Co-Chairmen. Subsequently the full JCFS has proposed a number of changes in the agreed language, changes which we are now studying.

The principal features of the agreed draft Compact are as follows:

1. The future relations between Micronesia (The Carolines and the Marshalls) and the United States will be governed by a Compact of Free Association. The rights and responsibilities of both parties will derive from the compact which will be subject to the approval of the Congress of Micronesia, the people of Micronesia and the Congress of the United States.

2. The future Government of Micronesia will have full authority and responsibility for Micronesian internal affairs under its constitution.

3. The United States will have full authority and responsibility for foreign affairs and defense. The United States will have the right of access to Micronesian land for military facilities and the right to deny the area to third countries for military purposes.

4. The United States will provide the future Government of Micronesia financial and economic assistance on a gradually descending scale during the first fifteen years following the coming into force of the Compact.

5. During the first fifteen years the Compact cannot be terminated except by mutual consent. Thereafter either party may ter

nate the Compact after a two year notice but only after a satisfactory security arrangement has been concluded embodying United States base rights and denial rights as provided for in the Compact.

If the Compact of Free Association as presently drafted is approved by the United States Congress, Washington would be committed to provide the future Government of Micronesia on a grant basis in constant dollars, the sum of \$52.5 million for the first five years of the new relationship, \$46.0 million for the second five years, and \$39.5 million for the third five years. In addition the United States would provide the Government of Micronesia without compensation U.S. Postal, Weather and Federal Aviation Administration services. It is estimated that the value of these three services is \$2.5 million per year. Other services which the United States might agree to would be provided for on a paid basis. I would like to point out here that the levels of the United States financial offer are based on the terms of the draft compact as presently written. Any substantial modification or unilateral interpretation of the terms affecting U.S. interests will result in a reappraisal and a probable substantial downward revision in the levels of the financial arrangements and a reconsideration of other options as well.

With respect to United States land requirements the JCFS has agreed that the United States shall be assured of those land rights and uses as set forth in Annex B of the agreed draft Compact. These include continued use of the Pacific Missile Range at Kwajalein in the Marshalls; certain residual retention rights in the Bikini and Eniwetok Atolls; in Palau access and

anchorage rights in Malakal Harbor, the right to acquire forty acres for a small naval shore facility, 2,000 acres for a supply base, 30,000 adjacent acres for land maneuvers on Babelthuap and lastly joint use rights to the civilian airport on Babelthuap. It should be pointed up and stressed that the Palauan requirements are for contingent use only and all that the United States is seeking at this time are options to the land specified in the draft Compact which may or may not be exercised at some future date.

The main remaining task to be completed before the Compact will be finalized, other than a resolution of the recent changes recently proposed by the JCFS, is the negotiation for the land options in Palau. While it is our hope that this task can be finished this fall, it could be a long drawn out process given the complexities of land ownership in Palau and the problems related to the transfer of title to public lands from the TTPI Government to the Districts. However, it will be necessary to conclude these land sub-negotiations before the Compact can be signed since Annex B providing for United States military lands is an integral part of the Compact.

Some Final Observations

Let me turn now to some final observations and to the prospective timetable for concluding the talks and terminating the Trusteeship Agreement.

Micronesia remains in many ways divided as to its political future and fragmentation remains a threat. Since our last appearance before this Committee, the Marshalls and to a lesser

extent Palau, have spoken openly about separating from the rest of Micronesia. It is hoped that the forthcoming Constitutional Convention will provide the Marshalls and Palau a forum and a means for resolving their differences and grievances with the Congress of Micronesia and the other Districts. It should be made clear that the United States continues to support the concept of a united Carolines and Marshalls and hopes that the Compact of Free Association will eventually be acceptable to each of the five districts in these two major island groupings.

Related to Micronesian unity is of course the question of the Marianas. The United States is firmly committed to allowing the people of that district to vote once again on their desire to join the United States as a commonwealth as a manifestation of their right of self-determination. The JCFS has since 1972 been fully aware that the United States and the Marianas representatives on the Joint Committee consider the Compact of Free Association as applying only to the Carolines and the Marshalls. If in the future the people of the Marianas reject commonwealth, they would then be given the right to opt for alternatives including continued association with the Marshalls and the Carolines. The choice for the Marianas in any event must be clear, must be freely exercised and must be respected.

And now to the timetable and to some projections as to when the results of those two negotiations may be expected to be presented to the Senate and House for Congressional approval.

If all goes well the Marianas talks could be concluded this year. The Commonwealth Agreement would then be submitted to the Marianas District Legislature and it is conceivable that it could be approved by this body and by the people of the Marianas as early as the spring of 1975. This means that the Marianas package could be presented to the United States Congress as soon as next April or May.

As for the Micronesian talks, they will be brought to a conclusion as soon as possible after final agreements have been reached on land and other remaining differences have been resolved. If this can be done before January 1975 the Compact will then be submitted to the Congress of Micronesia for its approval at its regular January-March session. It would probably be some time after that and perhaps after the Micronesian Constitutional Convention and status plebiscite before the Compact of Free Association would be presented to the United States Congress.

In any event tentative agreement has been reached that a final transition period of approximately five years should be provided for before the termination of the Trusteeship Agreement. We are thus thinking in terms of a 1980 date for the simultaneous ending of the Trusteeship for the Marianas and for Micronesia. During this final period an accelerated capital improvements program will be carried forward, new constitutions will be drawn up for the Marianas and the Micronesians by their respective Constitutional Conventions and steps will be taken to gradually bring into being the new governments even before the end of the Trusteeship. During the same time frame (1975-1980) the approval process including t

holding of plebiscites, and the formal consideration of the two agreements by the United States Congress would take place with the final step being action by the United States before the United Nations Security Council.

In summary Mr. Chairman we are blazing new trails in procedural as well as substantive terms with these two sets of negotiations and have adopted from the beginning the principle that we must work just as closely as possible with the United States Congress in putting these complex packages together. We need your frank and considered advice on a number of matters. We will continue to work with you in full cooperation until the job is done recognizing that you share with us a desire to see that the best interests of the United States are served and that at the same time our obligations to the people of Micronesia as their trustee are faithfully carried out.

THANK YOU.