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~~CONFIDENTIAL~~ PRESENTATION

-- There is certainly a great deal of confusion at least in the popular mind about the United States' retention lands in the TTPI or to be more accurate the lands either reserved or used by the U.S. Government.

-- You have just heard Mr. Whittington outline the status of public lands which are held in trust for the Micronesian people by the Trust Territory Government. The amount segregated out for the public purposes of the United States is insignificant in comparison with the total public lands.

The available detailed records are sometimes at variance, but agree on the general figures.

-- The Department of Defense, of course, leads the list of U.S. Federal agencies.

-- First, there are no lands being used or retained for defense purposes in the districts of Truk, Ponape, Yap, or Palau.

-- In the Marshall Islands the United States has signed a number of Use and Occupancy Agreements which cover areas in the Kwajalein, Eniwetok, and Bikini atolls. The total area is 3,031.08 acres.

-- In the Marianas, the U.S. holds 8,881.95 acres of military retention lands on Tinian and 4,943.31 acres on Saipan. The total is 13,825.26 acres.

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-- There are no other lands held in reserve or being used by the U. S. military in the TTPI. The total land in use or reserved by the U. S. military represents 3.8% of the total land in the TTPI.

-- Over the years the United States military has steadily released and returned land to the TTPI Government. All the DOD land has been returned in the Palau District in the Truk District and in the Yap District. In the Marianas a total of 19,756.39 acres has been returned and in the Marshalls 1,383.9 acres. The grand total is 21,140.51 acres.

-- Of the lands currently held for military use 4,441.85 acres are licensed out for civilian use. This is about 25% of the total lands used or reserved for the DOD.

-- Other Federal agency holdings are broken down as follows:

U. S. Coast Guard has small areas in the Palaus, Yap Islands, Marianas, and Marshalls--they total about 500 acres.

Post Office has small parcels of land in each district--they total less than one acre.

National Weather Service has land in all districts but the Marianas. Its holdings total--13.06 acres.

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It is clear that lands held in public trust represent a major portion of the total land area. I should repeat that these lands are being held in trust for the Micronesian people. Consequently, the U. S. Government believes strongly that upon termination of the trust these lands, subject to the terms of a new status compact, should become the property of the Micronesian Government to be used or disposed of in accordance with the wishes of the Micronesian people. In other words, ultimate control of these lands should and would rest with Micronesians.

In contrast to the total public lands, the lands used or retained by the U. S. Department of Defense represent only a small portion of the total land area, about 3.87% and for that matter only a very small percentage of the total public lands. Moreover, the total size of these lands has steadily shrunk over the years and today the U.S. military no longer holds any retention lands in the Ponape, Yap, Truk, or Palau districts. With these encouraging precedents in mind, let us now turn to the future.

#### EMINENT DOMAIN

As I understand it, your first and foremost concern regarding land is whether the United States would have the power to acquire, after termination of the trust, Micronesian land for public purposes of the United States without Micronesian concurrence. In May 1970 my Government proposed a unique form of eminent domain that would have provided many safeguards and would have been extremely difficult for us to implement over local opposition. In this instance the U.S. position was based on the belief that it was impossible

to predict, with certainty, military contingencies which might require Micronesian land. Therefore, rather than reserve land in advance, any essential future needs could best be satisfied by retaining the power of requisition. However, the Micronesian response made it quite clear that even this carefully qualified procedure caused considerable difficulty and that the eminent domain issue was a major stumbling block in reaching an accord.

The United States Government has reevaluated its position on this question in an effort to resolve the issue. The objective was to devise a formula which would better take into account the central position of land in Micronesian life and at the same time offer a reasonable prospect for satisfying U. S. and Micronesian security requirements. I suggest the following guidelines as the basis for resolving this matter:

(a) We would state specifically in advance our foreseeable land needs and work out firm arrangements for these areas prior to a change of political status.

(b) Under a new political status, the U.S. would acquire land only in accordance with Micronesian laws and mutually agreed procedures.

(c) The Micronesian Government would, by its own laws, provide a speedy and efficient way to negotiate in good faith the temporary use of land by the U.S. in emergency situations. In turn, the United States would in good faith agree to return of these lands as soon as the emergency is over.

Let us examine these recommendations for a moment. This proposed formula would achieve several things. From your perspective it offers Micronesians complete and final control of their lands. Future needs could not be met by unilateral acquisition on the part of the U.S. but only with the approval of Micronesian authorities within the context

Micronesian law. From our standpoint, certain limited and definable lands would be reserved for defense purposes to meet our foreseeable needs. In short, once we arrived at a satisfactory status agreement which provided for the United States' foreseeable land needs, we would also have agreed that, after the termination of the trust the United States would not have the legal right to exercise eminent domain in Micronesia.

The agreement would require us both to undertake some obligations. The uncertainties of international politics may make it necessary that the United States have some prospect for obtaining the temporary use of land in emergency situations. While we would under our advance agreement have some lands retained for security purposes from the outset, there is no guarantee that these will meet all unforeseen defense contingencies. In the event of an emergency which could not be met with existing facilities, we would expect that the appropriate Micronesian authorities would speedily negotiate with us in an effort to make the necessary land available. The exact procedures, of course, would be a matter for Micronesians to work out. It should be emphasized that even when this unusual proviso came into play the ultimate control of your land would reside with Micronesians.

It is appropriate at this point to deal with one other facet of Micronesia's future control of its land. In May 1970 your delegation made it clear that under any change in status, the Micronesian Government must be able to control the sale of land to non-Micronesians.

We have reviewed this issue and, in light of the special and important role of land in your social, economic, and cultural systems, your desire to determine your own policies and your own requirements with respect to alien ownership of your land can and should be accommodated in a compact between the U.S. and Micronesia. I would prefer to deal

with this in more detail later when we focus on the legal aspects of a future relationship. But I do wish to assure you that the U.S. appreciates your apprehensions regarding this subject.

This proposal to forego the exercise of eminent domain represent a significant and sweeping change, from our earlier position and goes to the heart of our previous disagreement over land control. At the talks in May 1970 in discussing the question of eminent domain your delegation stated that Micronesians could not agree to any compromise where the control of land is concerned. The proposal I have just outlined will give you the future control you seek, should allay any fears you have about arbitrary seizures of land by the U.S. Government, and should offer a solid cornerstone for a mutually satisfying future relationship.

I have now stated our views on the importance of land. I have also touched on the public lands which the Micronesian Government would fall heir to and exercise executive control of after termination of the Trust. Moreover, I have also assured you that in a change of status the right to control the sale of your land to aliens can, and should be in the hands of Micronesians. Most importantly, I have suggested a proposal whereby the eminent domain would be eliminated as an issue in these discussions.

LAND REQUIREMENTS

I have already suggested that the U.S. has future land needs in Micronesia and that these should be negotiated as an integral part of the change in status and in advance of the termination of the Trust Agreement. These land needs would most likely cover both military and non-military requirements. In the event you desire some non-military services of the Federal Government, for example, post offices or weather stations, we envision that any land needs associated with these services would be negotiated within the status compact. However, due to the small size of these requirements we do not see any serious difficulties here. Land required for security purposes is another matter, however, and in an effort to facilitate agreement, we have gone to considerable effort to keep our requirements to a minimum.

What are our general defense land needs? First, we do not have any requirement for land in the Yap District, Ponape District, or Truk District.

Marshalls

In the Marshalls we see no new needs for land. We could describe our present land holdings and our usage agreements in this district. But they are a matter of public record and I am confident that the members of the Status Committee are familiar with the details. The significant point is that we have a continuing legitimate

need for the existing missile range facilities in the Marshalls. They are an important and integral part of the

military research and development effort and significantly contribute to the free world's defense. There is no prospect that the need for missile testing will disappear, or even diminish, in the near future. However, it may some day become possible to consolidate our testing activities in the Pacific and concurrently reduce our land interests in the Marshalls. That, of course, depends on future developments in the scientific and technical spheres and in the world situation.

#### Marianas

Now let us move to the Marianas. In this district we have definite requirements--primarily on the island of Tinian. We would like the flexibility to rehabilitate some of the airstrips on the island and to build supporting structures and other facilities. While our planning is not complete, we believe at this stage that the more we can concentrate our activities on Tinian, the less disruption we would cause the rest of the Marianas District. We are fully conscious of the local problems that a concentration would pose and contemplate working hand-in-hand with your authorized representatives to work out ways for achieving our objectives with the maximum harmony and minimum of trouble to the people of the Marianas. For example, we could under certain conditions make all land not being immediately utilized available for leasebacks, if desired.

On Saipan we currently have over 4,000 acres in military retention lands. Some of this land is highly suitable for local developmental purposes. We have only a limited need for this land in the future and are prepared to release a significant portion of it. In this regard the close proximity of Tinian and Saipan becomes an important factor. By consolidating any future activities, mainly on Tinian, it may be possible for us to release even more of the military retention land on Saipan. This possibility, of course, will be explored in detail when we sit down to talk specifics.

A Use and Occupancy Agreement with the TTPI Government is currently pending regarding Farallon de Medinilla Island. It is essential that we have the use of that island after termination of the trust. I see no particular problems here. We have no other requirements in the Marianas.

#### Palau

In Palau, our requirements are not immediate and I would like to underscore that point. However, we would want to agree in advance on areas in which we would have options to use lands at some future time, if necessary. There are four separate options on which we need agreement:

- (1) We desire an option on about 40 acres of submerged land and adjacent lands to establish by means of land fill a very small naval support

facility in the vicinity of Malakal Harbor. It would be configured to support naval ships calling at Palau periodically. We would be willing to use fill land in order to avoid taking any of the very limited land in the harbor area. We would prefer to site the facility in Malakal Harbor, but are open to your views on the best location. This option (up to the time of construction) would be reviewed periodically to ensure that it did not unnecessarily inhibit the civilian development of the harbor.

(2) We would require an option that will permit assured use of land on Babelthaup to build structures and store material. We do not have any immediate needs for such a site but agreement as to availability of such land will be necessary to safeguard our contingency requirements. Current site planning is only general, and the exact location would be subject to negotiations.

(3) Next, we require an option that would permit the intermittent holding of training exercises ashore for ground units. If the option was exercised, this land would be used only a few limited periods every year. At the time of the maneuver, compensation would be paid for land and property use and for damages to property. This procedure would fully protect the inhabitants and the land. We carry on similar

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exercises throughout the world using this legal arrangement. The specifics of such arrangements would be subject to local negotiation.

(4) Finally, if we undertook to exercise any of the foregoing options, it would be necessary to support the above facilities with an airstrip capable of supporting military aircraft. In this event, we would require an option to use the existing civilian airport on an adequate compensation basis. As an alternative to the joint use of the present airport, we need an option to build or to participate in any project to build a new reef airport in the Koror/Babelthaup area. In either event, we would envision an airport shared by the civilian community and the military with the appropriate share of the costs being borne by the U.S. Government.

#### GENERAL

Three comments are in order, looking over land requirements as a whole. If we build military facilities in the Marianas, or perhaps some day in Palau, it will no doubt be necessary to construct some associated infrastructure which would likewise benefit the local area. For example, U.S. naval use of harbors would perhaps necessitate some dredging and other improvements. Similarly, road and communications improvements of value to the civilian community might well follow on the establishment of shore facilities.

Similarly, it should be reemphasized that the U.S. would attempt to make the land in question, which is not being used immediately, available for private and other Micronesian uses. This would have to be worked out to the mutual agreement of both parties and would be subject to the reservation that any such arrangement would not disqualify the land for defense purposes.

Lastly, I want to emphasize that in negotiating our foreseeable requirements, the United States expects to pay fair and adequate compensation in return. We will, of course, desire your extended views on the subject of compensation and the exact details will, I assume, be the subject of extended talks. But I stress we are prepared to fully meet our obligations in this regard.

In summary I have outlined a U.S. proposal which is designed to meet your deep concern over the control of land under any future Micronesian Government and at the same time to satisfy U.S. and Micronesian Security requirements. In essence, the United States would agree to forego the legal right to exercise eminent domain, if in return the Micronesian Government would work out firm arrangements for satisfying our foreseeable land needs prior to a change of status. Likewise, you would provide a way to negotiate in good faith the temporary use of land by the U.S. in future emergency situations, and, in turn, the U.S. would

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in good faith agree to the return of these lands as soon as the emergency is over. To supplement this proposal I have sketched our foreseeable defense land requirements which are an integral part of the basic proposal.

In fact we have no need for land in the Ponape District, Truk District, or Yap District. We foresee a continuing need for the facilities we are currently using in the Marshalls. In the Marianas we anticipate perhaps an early need for land. We anticipate concentrating activities on Tinian, but overall we do not contemplate a requirement that greatly exceeds the size of our current retention holdings in the Marianas.

In Palau we have no immediate plans for defense activities, but desire options which are designed to cover future contingencies. In each instance we would attempt to fashion our requirements so that they disrupt the local community as little as possible and, of course, we are prepared to work out financial arrangements which will offer eminently fair compensation for land<sup>or</sup> land options we receive.

We believe this proposal should more than allay your fears regarding the arbitrary seizure or alienation of your land. Certainly this proposal could eliminate eminent domain as an issue between us and furnish a solid basis for an agreement in principle on the overall land issue.

No doubt some of you would like to hear more details regarding our land requirements, but I don not believe that there is a great deal to be gained by going into further specifics at this time. My colleagues and I feel strongly that, before attempting any negot'ations for precise pieces of land and opening the door to real estate speculation and building up unwarranted public hopes we need the Status Committee's views on key procedural items and answers to several crucial questions which would influence the character of such talks and the final terms of the agreement.

This may very well mean that we would confine these talks to broad issues and then retrun at a future time to talk in a more specific vein. For instance: (a) We would be interested in how you envision the next steps regarding land; (b) Is your delegation empowered to negotiate specific land requirements? If not, what type of body would we deal with? In any event, this appears to us to be an important decision which must be made before detailed negotiations can take place; (c) Similarly, we would be interested in your views on the method of compensation. Do you anticipate that payments would be made directly to a central Micronesian authority which would in turn make the necessary payments to owners, ex-owners, or to some level of government? If not, how would payments be made?; (d) Certainly another important facet of the same problem is how you envision the amount of compensation would be determined; and (e) The method of making land available is likewise a problem which must be confronted. This list is by no means exhaustive and I am

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Confident you have additional questions. Senator Salii, at this time I  
would like to invite you and your colleagues to comment on the U.S.  
proposal, perhaps to address some of the foregoing questions, and, of  
course, to pose your own questions.

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