

AdeGraffenried:12-14-74:kkc

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SEPARATE ADMINISTRATION

TALKING POINTS

I. Introduction

- U.S. recognizes that separate administration is a matter of importance to the Marianas as a further step to fulfillment of its desires for full self-government under the commonwealth status.
- Separate Administration is also of importance to the United States.
- U.S. has continuing administrative responsibilities for the Mariana Islands under the Trusteeship Agreement.
- In accepting the Marianas request for separate status negotiations U.S. recognized early the right of Marianas to move toward local self-government in a manner distinct from rest of TTPI.
- Separate administration and local self-government for the Mariana Islands is a logical progression of our commonwealth status talks.
- The U.S. Government formally recognizes MDL Resolution #1-1974 requesting a separate administration which was adopted unanimously by the District Legislature.
- U.S. Government supports Marianas' initiative for a separate administration and to move toward local self-government.
- Agree to institute a separate administration for Mariana Islands.
- Only major obstacle to effecting separate administration appears to be (1) completing our commonwealth status agreement and (2) its approval by the Marianas in a plebiscite.
- At that time the U.S. would issue a Secretarial Order to establish an administration for the Marianas independent from the other districts.

## II. Separate Administration Guidelines

- Let me outline briefly what this would entail.
- An amendment to Department of the Interior Order No. 2918 would establish a complete administrative and legislative separation from the current Trust Territory Administration. It would also achieve the following:
  - Remove the Marianas from the administrative jurisdiction of the TTPI Headquarters.
  - This would effectively establish an interim government for the Northern Mariana Islands.
  - Basic policy making authority would be transferred from the TTPI to the new Government of the Northern Mariana Islands.
  - Most importantly, there will be a maximum of local authority with a minimum of <sup>transfer</sup> disclosure to the Marianas Government Administration.
  - The Marianas would thus operate, <sup>to</sup> for all intent and purposes, as a self-sustaining <sup>contained</sup> governmental entity.
  - There are some governmental services which would remain available from the TTPI Headquarters such as communications, computers and other expertise, which will be <sup>discussed</sup> ~~disclosed~~ later.
  - Basically we envision that we would:
    1. Preserve the ability of Marianas residents to be serviced by both the Marianas District Court and both divisions of the Trust Territory High Court.
    2. Establish a channel for federal funds for the Marianas through the Interior Department directly to the U.S. representative.

Funds would be earmarked for the Marianas at the U.S. Congress level and would be sought through regular Interior channels.

3. Provide that all locally generated revenues remain in the Marianas except for those taxes collected from employees of the TTPI Headquarters, of which a suitable portion would be reserved for allocation to the Marianas Legislature.

### III. Overall U.S. Authority

- Because of our continuing responsibilities under the Trusteeship Agreement we would have to preserve as presently exists the paramount authority of the Secretary of the Interior over all matters of government (executive, legislative and judicial) for the Trust Territory of the Pacific Islands (of which the Marianas would still be a part) as specified in Executive Order No. 11021.
- We would therefore establish a new civil service position of "U.S. Representative" (or title as appropriate) for the Marianas to be appointed by the Secretary of the Interior and to perform the same functions for that district as the High Commissioner now performs.
- How this authority will be exercised is of course a matter now being given our <sup>most careful</sup> utmost study. Practically, we would have a relationship between the "U.S. representative" and the Marianas district similar to the relationship between the High Commissioner and Micronesia until the new Northern Mariana Islands Constitution is approved and a new government is established.
- The "U.S. Representative" would remain in place until the termination of the Trusteeship but his functions would then be largely ceremonial after the Marianas Constitution <sup>comes into effect</sup> ~~is established~~.

### IV. Interim Marianas Government under Separate Administration

A. Executive

- During an interim period preserve the existing executive and judicial functions of the Marianas District Administration:
  - The function and basic authorities of the District Administrator and his relationship with the Marianas Legislature would continue
  - The governmental and staff organization of the district could remain unchanged except <sup>for</sup> being under the paramount authority of the "U.S. Representative" *and the Secretary of the District*
  - These would continue until such time as a new executive organization is put into place under terms of the status agreement, the Marianas Constitution and the initial legislative program of the District Legislature.
- As regards the organization and authority of the executive branch at the district level.
  - This is primarily a U.S. responsibility.
  - Is regarded as transitory--interim--in nature until the Marianas Constitution creates the new Commonwealth Government.
- U.S. is studying the district executive as regards its functions and interrelationship and interdependency with the TTPI Headquarters.
- U.S. desires to maintain the maximum degree of local effectiveness under any separate administration.
- U.S. goal for the Marianas under a separate administration is to promote full self-reliance.
- As you know there are
  - ten major district departments in Marianas
  - three district organizations
- These perform only Marianas related functions.

- Under separate administration, these ten departments and three organizations will become as self-sufficient as possible, e.g.

-- Education

-- Budget and Finance

-- Revenue collection

-- Public works

- Some departments will share common services with the Headquarters while moving toward self-sufficiency, e.g.

-- Personnel

-- Payroll

-- Procurement and Supply

-- Data Processing

-- Appellate Courts

-- Public Defender

-- Health Services

-- Transportation

-- Communications

The TTPI will continue to provide the Marianas with services and program expertise until local staffs have been enlarged and/or trained to take over.

At present there are: 415 employees at TTPI Headquarters who are permanent residents of the Marianas; 7 employees in other districts who are permanent residents of the Marianas; 1,070 Micronesian employees in the District Administration.

*Public Affairs  
(MDS and FSCS & CD)  
Resource Development*

*income tax*

- Approximately 10% (1,492 of 12,583 TTPI citizens of Marianas) of the population is government employed.
- Or approximately 50% of all the adult population in the labor force is government employed.
- There would seem to be little (if any) employment dislocation by a separate administration.
- Many TTPI functions performed for the Marianas are done by one or two Headquarters personnel who also assist the other five districts.
- Thus, to <sup>perform</sup> replace that function at a district level, an additional staff person would have to be hired locally to permit the one or two headquarters personnel to continue to assist the other five districts.
- Marianas would not automatically receive a greater increase in its budget to do this.
- Approximately 1/7 of funds given to TTPI would be allocated for Marianas use.
- (1/7 is an equitable division of funds for districts and for headquarters functions).

#### B. Judiciary

- Existing municipal and district court jurisdictions would be set at the local level by the appropriate legislative body.
- Local municipal and district judges would remain in office <sup>unless and</sup> until the new Commonwealth Government establishes otherwise.
- Original and appellate jurisdiction of TTPI courts would remain fixed as established by TT Code at the time the separate administration is effected.

- TTPI High Court System would be competent to pass on TTPI Code as amended by Marianas District Legislature.
- The TTPI court jurisdiction would continue until Article IV of the Covenant is effected.
- Continued use of TTPI judicial system by the Marianas during the separate administration is transitional and is required for an orderly transfer of authority from the TTPI to the district for district affairs.
- A continuum of existing legal opinion on local law assures an orderly transition.
- More attorneys will be required over the years but no ~~judge or~~ "trial assistance" will lose his office or his rights to appear before the local courts unless after the Constitutional Convention, the new Commonwealth Government establishes new requirements (which is largely up to the Legislature).

C. Legislative

- As we are all aware, the COM has legal authority to exercise jurisdiction over:

- a. the use of public lands in the Marianas such as establishing homestead policies and laws.
- b. the control of funds received from the lease and use of public lands in the Marianas.
- c. review of budgetary proposals of the TTPI for the Mariana Islands administration and CIP development.
- d. control of revenues from the Mariana Islands collected pursuant to COM statutes and regulations so as to appropriate Marianas revenues to other districts for development and administration projects.
- e. political education programs
- f. laws affecting the social, political, cultural and economic matters in the Marianas.

- We would therefore

-- Remove any and all jurisdiction of the Congress of Micronesia over the Mariana Islands District.

-- establish the Marianas District Legislature as the paramount legislative authority for the Marianas.

- To maintain an orderly and effective changeover, however, we would

---retain as operative in the Marianas as much of the Trust Territory Code and uncodified public laws as possible.

- These would be subject to later review, amendment and/or deletion of same by the Marianas District Legislature.

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- Note that the Marianas is most highly developed and most urban of all districts.
- TTPI Code on other hand is reflective of a more rural based society.
- Operative law in the district should be more reflective of
  - status agreement
  - local circumstances
  - local desires--goals.
- More legislative jurisdiction and authority is required.
- Removal of COM jurisdiction over Marianas and vesting with the Marianas District Legislature accomplished <sup>the</sup> goal for more local self-determination.
- Will undoubtedly require more staff and technical assistance.
- Will require more of a full time legislature than the current two thirty day sessions.
- <sup>West of the</sup> Tax revenues generated ~~from~~ under the TTPI Code which are now deposited in the COM Treasury will be transferred to the Marianas District Legislature <sup>?</sup> Treasury.
- Fund to meet operational expenses would be available from these revenues.
- A ~~more~~ close working relation between Marianas District Legislature and District Administrator will be required to effect local desires.
- Marianas District Legislature become a more co-equal branch of government during this interim period.

v. Interrelationship to Joint Secretariat/Commission on Transition

- Aside from the Order itself, we would establish the Joint Commission on Transition and the Joint Secretariat.
- We believe it is of paramount importance to prepare for an orderly and smooth transition into local self-government.
- The report of the Ad-Hoc Preparatory Committee on Transition for the Marianas noted that there are several prerequisites before self-government can be achieved in the Marianas.
- Generally, they are as follows:
  1. The completion of research and planning regarding the organization of a new Government of the Northern Marianas;
  2. A review of U.S. programs and services of potential programs for the new Commonwealth Government.
  3. Completion of extensive economic and social infrastructure planning to enable the new government to establish goals and set policies in this area; this would include related fiscal and revenue planning and physical planning;
  4. The conduct of special impact studies relating to the impact of the relocation of the capital of the TTPI and requisite training of personnel for the new government;
  5. The early implementation of a joint program of political education throughout the district;
  6. The completion of studies and plans for the convening of a Marianas Constitutional Convention;
  7. The election of delegates to a Constitutional Convention

## VI. End of Interim Government under Separate Administration

- This would occur during and under an interim Northern Mariana Islands Government under the separate administration.
- After the constitutional referendum (vote of all eligible persons on the acceptability of the proposed new constitution of the Marianas Commonwealth) [and the holding of a U.N. supervised status plebiscite (an act of self-determination by all eligible residents of the district)]
- There would be an election of a new government, chief executive and legislature, of the new government and its investiture under the Trusteeship.

## VIII. Advantages

We believe the advantages of this approach are several:

- Primarily, the [Commonwealth talks leading to a] separate political status for the Marianas would be <sup>more clearly evident</sup> reflected in every aspect of official U.S. presence <sup>activity</sup>.
- [The status negotiating delegations and] the Phase I Transition Commission and Secretariat would have a single [source] government with which to deal.
- Accountability for administration actions bearing directly on the political status issue would rest in a single executive who would ~~not~~ <sup>have no responsibility for</sup> be concerned in a line fashion with the administration of the other districts.
- Since there would be no major reorganization of the district government below the executive, costs would be reduced and a minimum of personnel would be relocated and shifted.
- [The U.S. Congressional grant budget levels for the Trust Territory

which have now been set through FY 1976 would conceivably remain the same save for the fact that Marianas grants would be specified.]

- Both funding and unilateral Marianas activities in Phase I Transition could proceed unencumbered by the budget process of the Trust Territory headquarters.
- The Marianas legislature would have first instance legislative<sup>use</sup>~~authority~~ authority over such significant subjects as the transfer of public lands, the Marianas Constitutional Convention and other status related issues subject only to approval by the "U.S. Representative" who would report to Interior.
- The legislature would also be free to establish a more relevant and adequate system of taxation, and personnel compensation plan for government workers. The Marianas government could hopefully move also into the area of user-financed infrastructure.
- The local revenue situation in the Marianas would improve in that the entire amount would remain in the district for appropriation by the legislature.
- Lastly, and most importantly, in line with the continuing responsibility of the U.S. in the administration of the area, the method assures a smooth and orderly implementation of any transition plan.