

FINAL JOINT COMMUNIQUE ISSUED BY THE
UNITED STATES AND THE MARIANAS POLITICAL STATUS COMMISSION
ON DECEMBER 19, 1974

From December 5 through December 19, 1974, the Marianas Political Status Commission and the United States Delegation met for the fifth session of negotiations aimed at achieving the long held desire of the people of the Northern Mariana Islands for political union with the United States of America.

An opening plenary meeting was held on December 5 at which Ambassador F. Haydn Williams, the President's Personal Representative, and Senator Edward DLG Pangelinan, Chairman of the Marianas Political Status Commission spoke about the progress of the negotiations and the issues on the agenda for the fifth session. Following that meeting, working sessions of the Commission and the U.S. Delegation were held almost daily. These working meetings were devoted largely to a review of a draft status agreement (to be known as the Covenant) and to a discussion of the terms upon which land needed by the United States for defense purposes would be made available to the United States. The effect of the revised U.S. plans for Tinian was discussed as well. Finally, a number of issues relating to the transition of the Northern Mariana Islands to its new political status were considered.

Agreement was reached between the United States and the Commission on virtually all issues which have been raised in these negotiations. These agreements are reflected in this Joint Communique and in the attached draft Commonwealth Covenant.

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COMMONWEALTH COVENANT

At the conclusion of the fourth session of these negotiations a Joint Drafting Committee was established and charged with the preparation of a draft agreement for the consideration of the principals. The draft produced by the Committee reflected areas of preliminary agreement and areas where further discussion by the principals was required. Discussions during this session of talks have resulted in provisional agreement on the attached draft "Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America".

This agreement is provisional due to the desire of each party to review carefully certain sections of the Covenant before signature. In the case of the United States such review would include further consultations with the United States Congress. The Commission will review the provisional agreement with the Marianas District Legislature and others in the Northern Mariana Islands. Additionally, the attached draft is subject in its entirety to a thorough technical review by both parties. Following signature the Covenant will be formally submitted to the Marianas District Legislature and to the people of the Marianas for their approval and then to the U.S. Congress.

In previous negotiating sessions agreement in principle had been tentatively reached on issues such as the nature of the political relationship between the Northern Marianas and the United States, local self-government, U.S. citizenship or nationality for Marianas residents, United

States financial assistance, application of federal laws, taxation, the jurisdiction in the Northern Marianas of United States courts and the extent of U.S. military land requirements. During this session these agreements were expanded or modified where necessary and reduced to the language contained in the draft Covenant. In the case of United States military land requirements agreement was reached for the first time on price and method of acquisition. Agreement was also reached on increased levels of direct U.S. financial assistance, in the amounts and for the purposes indicated below.

LAND FOR DEFENSE PURPOSES

The total United States need for land for defense purposes in the Northern Mariana Islands is approximately 7557.5 hectares (18,182 acres). The Commission has agreed to provisions in the Covenant which will assure the United States that this need will be met. The land will be made available to the United States by a lease which will be executed by the Northern Marianas Government or by the legal entity established to hold land in trust for the people of the Northern Marianas. The term of the lease will be 50 years, with an option to renew the lease for another 50 years. The United States will make a lump sum payment covering both the initial period and the optional renewal which will total \$19,520,600 for the rights it will obtain under the lease. In addition, the United States has provisionally agreed to lease back substantial portions of the land--approximately 2,666 hectares (6,592 acres)--for the nominal sum of \$1 per acre per year. The agreements with respect to the land which the United States will lease are as follows:

Tinian. The United States will lease approximately 7,203 hectares (17,799 acres) on Tinian and has provisionally agreed that it will lease back, as described below, approximately 2,648 hectares (6,458 acres). The total amount of land to be made available to the U.S. is slightly below the original U.S. estimate of need. This reduction was made in order to permit the Government of the Northern Mariana Islands to retain control over nine acres of valuable land at San Jose Harbor for civilian harbor related purposes. The lump sum payment which the United States will make for the land it will lease on Tinian will be \$17,500,000.

The United States has an important defense requirement for the land which will be leased to it on Tinian. Over the long term in addition to joint service land, sea and air training and maneuvers, the land may be used for ammunition storage and forward logistics, with an operational joint service airfield and a developed harbor to support these activities. In the near term, however, the major planned use for the land on Tinian is for ground, sea and air training exercises. To support these near term operations and to facilitate the rapid build-up in an emergency and the implementation of the full plans for Tinian, the harbor at San Jose will be rehabilitated (including possibly rebuilding the breakwater, dredging the channel and repairing the dock area) and West Field will be upgraded.

The limited base concept in the near term will mean that additional land will be available for lease-back. The U.S. has agreed provisionally to the following: (1) Approximately 1,335 acres south of West Field and at the harbor will be leased back to the Government of the Northern Mariana Islands at such time as these lands are leased to the United States.

(2) The lease of approximately 1,624 hectares (4,010 acres north of West Field and east of Broadway now being used by the Micronesian Development Corporation will be allowed to continue in accordance with its terms. (3) An additional 1,113 acres north of West Field and west of Broadway which is presently under either grazing leases or homesteaded by individuals will be acquired by the Northern Mariana Islands Government from the present owners or lessees and leased to the United States as described above. The United States, in turn, will then lease this land back to the persons now using it if they so desire. (4) The fee for all leasebacks will be \$1 per acre per year. The term of the leasebacks will generally be five years with an option to renew if the United States agrees; but the bulk of the land south of West Field will be leased back for ten years to the Government of the Northern Mariana Islands with an option to renew with U.S. approval. (5) The U.S. will be able to cancel any lease-backs on one year's notice or without such notice in the event of urgent military requirements or a national emergency. In either case the lessee will be paid fair compensation. The details of the lease-back arrangement will be contained in a Technical Agreement regarding United States land use in the Northern Mariana Islands.

Thus, the total amount of military land on Tinian to be made available for civilian use is 2,648 hectares (6,458 acres). Uses of land leased back by the United States must be compatible with planned military activities. Such uses would include agriculture and grazing. Permanent construction will not be permitted without U.S. approval.

Tanapag Harbor. The United States will lease 71.7 hectares (177 acres) in Tanapag Harbor for \$2,000,000 which will be placed in trust to earn income to develop and maintain 53.8 hectares (133 acres) of this land as a public memorial park to honor those Americans and people of the Marianas who lost their lives during World War II. The other 44 acres will be leased back to the Government of the Northern Mariana Islands for harbor-related activities.

Isely Field. The United States withdrew its proposal that it acquire 196 hectares (485 acres) adjacent to Isely Field.

Farallon de Medinilla. The United States will lease this unused uninhabited island, consisting of approximately 83.4 hectares (206 acres) under the terms described above. The lump sum payment for this land will be \$20,600.

TECHNICAL AGREEMENT

The United States and the Marianas Political Status Commission have also agreed that a Technical Agreement regarding United States Land Use in the Northern Mariana Islands will be executed along with the Covenant. The Technical Agreement will state in detail the matters to be included in the lease to the United States, such as provisions describing the land to be leased, arranging for the settlement of claims and encumbrances, implementing the agreements with respect to lease-backs and the trust fund for the park at Tanapag Harbor, and dealing with other matters. The Technical Agreement also will provide for joint use agreements to be entered into with respect to San Jose Harbor and West Field on Tinian. Finally, the Technical Agreement will contain several provisions which will govern the relations between the military and civil authorities. These provisions

will cover matters such as access to beaches and fishing areas, consultations and coordinated planning, as appropriate, regarding utilities, schools, medical care and fire protection, and other matters of concern. The Technical Agreement will be drafted by sub-committees from each side and presented to the Marianas Political Status Commission and the President's Personal Representative for their consideration and approval at the time the final Covenant is approved.

ECONOMICS AND FINANCE

Both the United States and the Marianas Political Status Commission recognized that the change in the plans of the Department of Defense regarding the construction of a military base on Tinian will have the effect in the near term of reducing the revenues of the new Marianas Government and the employment opportunities of the people of the Marianas below previously anticipated levels. It was provisionally agreed that, in order to compensate for these losses, the levels of United States assistance to the Northern Mariana Islands tentatively agreed to last May would be increased as follows for each of the seven years following the establishment of the new Government of the Northern Mariana Islands under its own Constitution:

-- \$250,000 for the Marianas Housing Authority for a special separate program of low-interest loans for new homes or home improvements for families with low incomes throughout the Marianas; and

-- \$250,000 for a special educational and training fund to be used for retraining people of the Northern Marianas who are dislocated due to the change in political status; for reorientation of the curricula of schools

in the Northern Marianas as may be necessary; and for in-service training courses, internships and public administration fellowships for Marianas civil service personnel.

Details regarding these two special programs will be provided to the two delegations prior to the resumption of these negotiations.

SEPARATE ADMINISTRATION

In response to requests from the Commission for assurances regarding the administrative separation of the Marianas from the remainder of the TTPI, Ambassador Williams acknowledged the desire of the Marianas Political Status Commission and the Marianas District Legislature that separate administration begin as promptly as possible after the approval of the Covenant by the people of the Northern Mariana Islands and said that he would strongly recommend that the Secretary of the Interior take all necessary action to accomplish this goal.

RESUMPTION OF THE FIFTH SESSION

In view of the progress which has been made, the Marianas Political Status Commission and the United States have agreed to recess the fifth session of negotiations to permit necessary technical work to be completed on the Covenant and the Technical Agreement, and to permit each party to review provisional agreements already reached. The fifth session of negotiations will be reconvened in Saipan on February 3, 1975, at which time the MPSC and the United States will meet to review the final language for the proposed Covenant and the Technical Agreement and, if language is agreed

upon, to sign these documents.

The United States Delegation wishes to record their sincere appreciation for the warm and gracious hospitality they have once again been accorded by the members of the Marianas Political Status Commission and the people of the Marianas. Both parties wish to express their thanks to the High Commissioner and the Marianas District Administrator, and their respective staffs, and to the Saipan Municipal Council for the support they have provided throughout these talks.

Dated: December 19, 1974

For the Marianas Political Status
Commission:

For the United States:

Edward DLG. Pangelinan, Chairman,
Marianas Political Status Commission

Franklin Haydn Williams,
The President's Personal
Representative for Micro-
nesian Status Negotiations

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

Marianas Political Status Commission

United States Delegation

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THE WHITE HOUSE

WASHINGTON

Old Executive Office Building
Room 361
Washington, D.C. 20506

December 31, 1974

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Dear Mr. President:

Pursuant to my Presidential instructions I met with the Marianas Political Status Commission between December 5 and 19, 1974 in Saipan for the fifth formal round of status negotiations. Attached herewith is a copy of the joint communique and a draft "Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America", provisionally approved on December 19.

I have tentatively agreed with the Marianas Commission to meet again in Saipan beginning February 3, 1975 hopefully to reach final agreement on the Covenant, which is now being reviewed by each side, and on a proposed Technical Agreement, which will set out in detail the arrangements under which the Marianas will make available over 18,000 acres to the federal government for defense purposes. Before returning to Saipan for these final steps I will need your guidance and approval of some specific recommendations concerning certain provisions of the draft Covenant and other related matters. In addition, it will be necessary to review the essential elements of the provisional agreement once again with U.S. Congressional leaders and if possible secure in advance their informal concurrence. These ongoing congressional consultations will be intensified after the first of the year.

Our most recent negotiations in Saipan were greatly complicated by a number of unexpected developments. First, just prior to this negotiating session I was advised by the Department of Defense of an imminent change in their plans for the immediate construction of a major joint service base on Tinian. This revision in plans was confirmed by cable after the negotiations were underway and necessitated a significant shift in our previous negotiating stance. We were also faced with an internal political change within the Marianas brought about by the defeat of the incumbent Popular Party in the November election by the Territorial Party, including the defeat of the Marianas Senator who has served as chairman of the Marianas Political Status Commission. Both before and during the negotiations, however, we were able to bring the old and new Marianas leadership

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sufficiently together to permit the negotiations to be completed successfully. The Marianas Commission's proposal that the Covenant be signed in early February now has the blessing of all members of the Marianas delegation representing both political parties.

The Covenant to which I have provisionally agreed adheres closely to my Presidential instructions. If the Covenant is approved by the Marianas District Legislature, the people of the Marianas and both houses of the U.S. Congress, it would establish on termination of the U.N. Trusteeship a new self-governing U.S. commonwealth that will be firmly under the U.S. flag and U.S. sovereignty. Except for the name "Commonwealth" and granting U.S. citizenship or nationality to its people, the new arrangements, including a new locally drafted constitution, would be put into effect immediately following the final steps in this approval process while the U.N. Trusteeship still remains in effect. We are committed to end the trusteeship for all of the districts of Micronesia only at the same time, but we can administer the districts separately at any time under the terms of the Trusteeship Agreement.

The Covenant satisfies the Defense land requirements set forth in my instructions. The Marianas have agreed to make available two-thirds of the island of Tinian for a future joint service base, the entire small island of Farallon de Medinilla as a practice target area and contingent rights to 177 acres in the Tanapag Harbor area on Saipan. U.S. military aircraft will continue to have the right to use the new Saipan International Airport on a joint basis. The contingent requirement for possible use of 485 acres south of that runway was dropped as being too expensive.

In return we have tentatively agreed to pay a lump sum of \$19,520,600 to the new Government of the Northern Marianas for a 50 year lease on the property, automatically renewable at our option and without further payment for an additional 50 years. The federal government will also have an unrestricted right of eminent domain in the event other properties may be needed in the future for defense purposes, although we have agreed to exercise that right with special care in view of the great importance this island community attaches to one of its scarcest assets, namely, land.

Until such time as the Defense Department is ready to develop the Tinian base we have provisionally agreed to lease back to the new government and to selected private individuals, at a nominal sum of \$1 per acre, over one-third of the total area made available to us, so long as civilian use of the land is compatible with military requirements and plans. We have also agreed that most of the acreage in Tanapag Harbor acquired for military contingency purposes will be turned over to the new Marianas government to be used as a public memorial park honoring U.S. and Marianas dead in the Marianas World War II campaign, with the Marianas utilizing the U.S. payment of \$2 million for the land as a trust fund to develop and maintain the park. The remaining leased land on Tanapag, which will not be used immediately by the Defense Department, will be leased back to the Northern Marianas Government on the same basis as the military land on Tinian.

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In order to make the foregoing possible, Congress will have to approve \$17,520,600 as a lump sum appropriation for the use of the land on Tinian and Farallon de Medinilla for 100 years - a figure still within the limits of the original financial guidelines of the NSC Under Secretaries Committee policy paper on the Marianas. Until the closing hours of these negotiations I held to the position that the United States would insist on purchasing the land. The entire Marianas Commission had made it consistently clear from the beginning of the talks, however, that given the extreme sensitivity of the land issue politically in the Marianas they would never agree to a U.S. purchase; and they steadfastly refused to waiver in this resolve. The Marianas Commission was nevertheless persuaded to modify its original position which called for only a short term lease with periodically adjusted rental payments and finally accepted the present 100 year arrangement with a single lump sum payment. With the unfettered federal right of eminent domain provided for in the Covenant, future U.S. defense and other national interests will be adequately safeguarded.

In order to make possible the leaseback program provisionally agreed to it will be necessary in drawing up an acceptable detailed technical agreement to waive certain defense real estate and land use regulations applicable to Defense land transactions within States of the Union and to civilian use of military lands. I believe it is most important that a flexible policy be followed, especially during these politically critical transition years in the Marianas and while the immediate land use needs by the military remain minimal. The way we conduct ourselves in this initial period on this highly sensitive question of defense land management is likely to be a crucial test of our entire future civilian-military relationship. More importantly, approval of the Covenant by the people of the Marianas could very well hinge on how well the land issue is handled.

With regard to the \$2 million for Tanapag Harbor, both the Department of Defense and the Department of Interior have previously endorsed the concept of a memorial park but have been unable to agree on which department should have the responsibility of providing necessary funds for its development and maintenance. I believe that in the present circumstances the wisest course would be to seek a special appropriation from the Congress for the \$2 million trust fund for the park and include it as an integral part of the total Marianas financial arrangement. Funds for the construction of a suitable American monument should be sought in a separate appropriation for the American Battle Monuments Commission.

In my June 18, 1974 report on the fourth round of Marianas negotiations I recommended that the originally proposed annual ceiling of \$12 million of direct financial assistance to the Marianas in constant dollars over five years be raised to \$13.5 million in constant dollars over seven years, a recommendation endorsed by the NSC Undersecretaries Committee in their memorandum of July 30, 1974. During the recent negotiations the Marianas Commission pointed out that the unexpected change in the plans which had been put forth by the Department of Defense would drop their anticipated revenues by at least \$1.5 million annually. As a consequence the Commission asked for an additional \$1 million in direct assistance to compensate

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for the lost opportunity for better housing and employment income which would have resulted from the implementation of the publicly disclosed base plan for Tinian. I countered with an ad referendum offer of one-half million annually, half to be used for low income housing and the other half for special educational training programs associated with the change in status and the dislocation that would be caused by the relocation of the headquarters of the Trust Territory.

With these changes the draft Covenant now provides for \$8.25 million annually for seven years for support of government operations, \$4 million annually for capital improvement projects and \$1.75 million annually in grants for an economic development program emphasizing loans to farmer cooperatives, small fishing and maritime operations and the low income housing project. In addition the Marianas will be eligible for federal programs and services and will receive rebates on all federal excise and income taxes collected in the Marianas. (The Marianas Commission has agreed to apply the federal Internal Revenue Code as an internal tax on its own people in the Marianas and will retain the proceeds therefrom.)

We have kept the committees of the Congress concerned with these matters informed of our actions and have solicited the advice of key members and staff in advance of each stage in the negotiations. As a result of recent developments there are several points in the Covenant which must be checked out with the Congress. Among these are: (1) the Marianas request that future legislation not generally applicable to the states be applied to the Marianas only when they are specifically named in the legislation (Section 105); (2) the Marianas request that action be taken promptly by executive action to approve their new constitution (Section 202); and (3) the Marianas request that they be allowed to use federal grants to pay their share of revenue sharing programs, as they do today as part of the Trust Territory (Section 703). We are already in touch with the committees on these specific questions.

If we are able to sign the Covenant in early February, the forward timetable of events tentatively agreed to with the Marianas Commission is as follows:

- February, 1975 - Covenant and Technical Agreement submitted to the Marianas District Legislature for approval.
- March, 1975 - The beginning of political educational programs in the Marianas leading to a plebiscite on the Covenant.
- June, 1975 - U.N. observed plebiscite on the Covenant.
- July, 1975 - Northern Marianas separated from the rest of the Trust Territory for administrative purpose.
- July, 1975 - Covenant submitted to the Congress of the United States for approval.

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- Fall, 1975 - Marianas Constitutional Convention.
- Winter, 1975-76 - Marianas Constitutional Referendum.
- Spring, 1976 - Election of a new government.
- Summer, 1976 - Installation of the new Government of the Northern Marianas.

This may be an overly optimistic projection inasmuch as the new arrangements may face major hurdles in the months ahead. Nevertheless, the Marianas Political Status Commission is anxious to move forward without delay and has declared its position in positive terms that the plebiscite be held prior to July, 1975 and that the Marianas be separately administered as soon thereafter as possible.

There continues to be opposition to separate status for the Marianas within the Trust Territory, and especially within certain circles in the Congress of Micronesia. An organized, concerted campaign against the commonwealth arrangement for the Northern Marianas can be expected, led by strong Micronesian nationalists and supported in large part by dissident American expatriates, the anti-American press, by some radical elements in the Marianas and by limited segments of the Carolinian minority on Saipan.

While the majority of the U.N. Trusteeship Council is now resigned to separate status, other members may well continue to voice disapproval of commonwealth for the Marianas even in the face of an overwhelming popular vote in favor of union with the United States. In all probability the third world members of the General Assembly will eventually make their views known and it is expected that they will be denunciatory of any extension of U.S. sovereignty over the Marianas no matter how achieved.

The leadership of the 93rd Congress concerned with Trusteeship affairs has been favorable inclined and has supported the Administration's negotiating positions and objectives for the Marianas. The views of the new members are, of course, unknown and will have to be ascertained. They may be influenced in part by the position taken by the non-voting delegates from Puerto Rico, the Virgin Islands and Guam who are watching the Marianas talks with great interest. With this in mind we have made a deliberate effort to limit any exceptions for the Marianas from the normal rule for other territories, especially its new neighbor Guam.

With respect to Guam I had hoped that if action was taken to change its political status it would have been initiated prior to the conclusion of the Northern Marianas political status talks. In any event, I do not think that the proposed timetable for the Northern Marianas should be upset now because of the Guam question. However, I believe that it is essential to keep Guam's sensitivity in mind and that from a political-psychological point of view it is vital that the Guamanians be made to feel that Washington is receptive to suggestions from Guam regarding its own status

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and its federal relationships. In the meantime we should continue to keep all elements of the Government of Guam fully advised on all aspects of the proposed new commonwealth arrangement with the Northern Marianas.

In summary, Presidential approval of the following is necessary before the negotiations with the Northern Marianas can be concluded:

1. A new ceiling of \$14 million annually in constant dollars for direct financial assistance to the Marianas over an initial period of seven years;
2. A special appropriation of \$2 million to be paid to the Government of the Northern Mariana Islands to enable them to establish a trust fund for the development and maintenance of an American memorial park on land to be leased for Defense contingency use;
3. Instructions to the Department of Defense regarding exceptions to current regulatory restrictions to permit inclusion of a flexible leaseback program and other provisions in the proposed technical agreement for federal land not being used by the military in the Marianas;
4. An accelerated schedule of future events, in advance of specific action on Guam's future status, which will permit a plebiscite on the new Covenant by the people of the Marianas by late June; and
5. Instructions to the several interested departments and agencies of the U.S. government calling for a carefully coordinated presentation of all aspects of the Marianas arrangement to the U.S. Congress.

Very respectfully yours,



Franklin Haydn Williams
Personal Representative for
Micronesian Status Negotiations