

# Pacific Daily News

A Gannett Newspaper

PUBLISHED ON GUAM, WHERE AMERICA'S DAY BEGINS

VOL. 5 NO. 19 AGANA, GUAM, WEDNESDAY, FEBRUARY 20, 1974 15 CENTS

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## Military Land Lease Dispute Cause In Breakoff Of TT Talks

By Diane Maddex  
Daily News Staff Writer

SALPAN — A 94-year difference on the length of leases for military retention lands in Micronesia has emerged as a prime reason for the abrupt break in Trust Territory future status talks last November.

The United States wants to maintain control of military areas at least 99 years after the UN-mandated Trusteeship Agreement is terminated. The Congress of Micronesia's Joint Committee on Future Status negotiators want to limit retention to five years or fewer, if the proposed "free association" compact is ended.

The difference was one of several points brought out in documents made public by the joint committee.

Sen. Lazarus Sali of Palau, joint committee chairman, commented: "This is a ridiculous suggestion on their part and they know we can't accept it."

Along with U.S. financial support for the new Micronesian government, the provisions for possible termination of the two countries' compact of "free association" have raised the largest stumbling blocks so far in future status negotiations.

The seventh round of U.S.-joint committee talks broke off abruptly in Washington Nov. 21, principally over the money question. At the time, however, the U.S. delegation presented its proposals for nine titles remaining in the draft compact. These include finance, applicability of U.S. laws, trade and commerce, citizenship and nationality, immigration and travel, representation in Washington, dispute settlement, amendment and change of status (termination) and approval of the compact and its effective date. Two new annexes

dealing with taxes and information also were presented.

In previous negotiations, titles on internal affairs, foreign affairs and defense were discussed and tentatively agreed to.

While Micronesians have formulated their own drafts of the new titles, only those relating to termination and applicability of U.S. laws have been acted on by the joint committee, according to a report the committee presented to the Congress of Micronesia Friday. It adds that only the financial title received any thorough discussion during the last round of talks.

The U.S. delegation previously had released a summary of the last round of talks, but the joint committee's report provides more details and analyses of the comparative positions of the two sides.

A more newly disclosed details of the negotiations is the U.S. offer that Micronesians become nationals, but not citizens, of the United States in addition to being Micronesian citizens.

Although this would be unique, said Sali, the two delegations have not discussed it in much detail and he does not view it as a major issue. Rather, the national status would help primarily to smooth over travel and immigration problems, Sali added.

Transcripts of both sides' discussions on the projected return of public lands to the Micronesians also are included in the reports.

While Sali underscores the Micronesians' previously expressed position that agreement to lease lands to the military cannot be a

precondition to the return of title of public lands, he indicated the committee is willing to make at least a commitment to negotiate for the desired lands before titles transferred. Obtaining the commitment, he added, will be the responsibility of the U.S.

Actual negotiation for the land, said Sali, must be conducted with the approval of the Congress of Micronesia and district legislatures, and not solely with a landowner.

"The people of Micronesia have an interest in whether there is to be a United States military presence in Micronesia which far transcends a mere landlord and tenant relationship," he said.

The joint committee commentary also notes that while the two sides' positions on the possible termination of their compact are now "close in (Continued on page 36)

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many respects," they have not changed significantly since the fourth round of negotiations in April 1972. It was then that the U.S. accepted the Micronesian position that the compact must provide the option for one side to unilaterally terminate it after a certain number of years.

The U.S. continues to hold out for a 15-year grace period, whereas the Micronesians want to be able to exercise the option five years after the compact has been in effect.

The U.S. previously had insisted that the compact should be terminable only on the mutual consent of both parties.

The position papers show that the mechanics for terminating the compact proposed by each side are almost identical. For its part, the U.S. would achieve this through an act of Congress. Micronesia would refer the issue to a vote by the people, with a two-thirds majority in at least two-thirds of the districts required for acceptance. Termination would not be effective until at least two years later.

The decision to terminate would not apply to any district voting against it. The dissenting district then would be able to negotiate a new agreement with the U.S.

The question of how long the U.S. would retain its military authority in Micronesia after the end of the compact comes in here, with the U.S. suggesting 99 years to the five years offered by the joint committee. The Micronesians, however, have proposed a section that would allow negotiation of a mutual security pact based on defense provisions already tentatively agreed upon.

Elsewhere in the Micronesians' proposed compact is a stipulation that the treaty would be terminable by Micronesia within 90 days if the U.S. failed to meet its stated financial obligations.

The joint committee's commentary on the financial discussions of the last round of talks notes that notwithstanding the two delegations' general agreement in principle on the framework for future U.S. financial support for Micronesia, "there has been virtually no agreement as to the actual levels of financial support."

The November negotiations ended after the U.S. proposed annual support for Micronesia of \$40 million to \$45 million and the Micronesians asked \$100 million initially but later scaled this to \$80 million.

These differences, concludes the joint committee, lie in the two sides' different approaches to the problem of future financial support.

Basically, these are three-fold, says the committee: the U.S. refusal to accept the committee's "mandate" to negotiate on behalf of all six Trust Territory districts, and not just the five on which the U.S. computes its figures; different analyses of what Micronesia needs; and the U.S. proposal to spread a fixed dollar amount over a 15-year period, while the joint committee proposes a 10-year period.

The committee's analysis adds that while it was not its purpose to explore the separate Marianas-U.S. negotiations, the U.S. preference to regard separation as a fait accompli further complicates the computation of proposed support payments.

The joint committee notes that its original request of \$100 million annually in financial assistance from the U.S. was based on a study conducted for the committee by the TT's Division of Planning and its Office of Program and Budget planning.

That study projected Micronesia's average annual need during its first 10 years under the new government at \$131 million.

The Micronesian negotiators chose the initial \$100 million figure, according to the joint committee report, "in recognition of such cost savings as might result and in the effort to make what it believed was a reasonable and realistic offer." Its analysis points out that the committee believes the most significant figures in the comparative proposals of the two sides are the totals of grants for operations and capital improvement projects.

"At the present, the United States annual grant to the TT approximates \$68 million per year," states the report.

"The joint committee's proposal averages \$83 million per year.

"The United States' delegation's proposal, computed on the basis of six districts, totals about \$46.8 million per year, or about 32 per cent less than present levels and about 47 per cent less than the joint committee's proposal.

"Over the projected period, which is 50 per cent longer for the United States delegation's proposal, the joint committee's proposal totals \$880 million and the United States delegation's proposal \$702 million, an absolute difference of \$178 million and a percentage difference of over 20 per cent," says the committee.

It adds that its capital improvement grant request aimed at enabling Micronesia to complete construction of its infrastructure and provide a basis for self-sufficiency. The joint committee proposed \$30 million annually for capital improvements, contrasted with present levels of about \$10 million and the U.S. proposal of about \$7.2 million, the report states.

The Micronesians requested operational grants that average \$50 million annually for six districts, while the U.S. offer was under \$30 million annually for five districts.

The U.S. proposed development loan funds of \$3 million annually and the joint committee requested \$5 million, figures that are close over the total grant periods.

Both delegations proposed \$3 million toward federal programs and services.

When the last round of talks stalemated over the financial discrepancies, Saliu left Ambassador Franklin Haydn Williams, the head of the U.S. delegation, with two courses of action.

The first was that the U.S. increase its financial offers "in the light of Micronesia needs; and in the light of the concessions to the United States in the areas of foreign affairs and defense," says the report.

The alternative was that, as the price for accepting U.S. offers, the Micronesians would demand renegotiation of the defense and foreign affairs titles.

Saliu indicated that the first choice is the joint committee's preference.

Since the last talks the two sides have agreed to try to enter round eight this spring. In the interim, they are holding informal working discussions on Saipan to iron out some of the money differences.

In its report analyzing the last negotiations, the joint committee also asked the Congress of Micronesia to consider endorsing its position on the level of future financial support needed by Micronesia.

This proposal is one of five pieces of legislation the committee asks congress to consider. The others call for a Micronesian constitutional convention, an office of transition, a commission on national unity and a new endorsement of the committee's obligation to negotiate on

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behalf of all six districts in Micronesia.

Briefly summarizing, the titles of the proposed U.S.-Micronesian compact of free association now under consideration include:

1. Internal affairs. Micronesia will have full responsibility for and authority over its internal affairs, including adoption of a constitution and possible termination of the compact.

2. Foreign affairs. The U.S. will have full responsibility for and authority over the foreign affairs of Micronesia.

3. Defense. The U.S. will have full and exclusive responsibility for and authority over defense matters. Micronesia will assure the U.S. rights and uses in certain already specified land and water areas and others that may be requested in the future.

Already designated (in Annex B) are the Kwajalein Missile Range, portions of Bikini Atoll and potentially parts of Eniwetok Atoll, all in the Marshalls; and, in Palau, access to Malakal harbor and rights to acquire 40 acres there; joint use of an airfield; the right to acquire 2,000 acres on Babelthuap for exclusive use; non-exclusive use of an adjacent 30,000 acres; and continuing rights to emergency use of harbors, waters and airfields and existing Coast Guard facilities.

Military needs in the Marianas are being negotiated separately.

4. Financial provisions. The U.S., "in order to advance the economic and social welfare of the people of Micronesia and in recognition of the special relationship that has existed and continues to exist between the United States and Micronesia," has agreed to provide grants for programs and operations, capital improvements and economic development loans, plus certain federal programs and services. The U.S. proposes an initial 15-year allocation period, Micronesia a 10-year period. Assistance for subsequent periods would be subject to negotiation. Funding levels would be reviewed at five-year intervals.

Compensation also would be given for lands used by the military.

5. Applicable laws. The U.S. draft, currently under reconsideration, specifies certain treaties and international agreements that would apply to the government of Micronesia. The narrower Micronesian draft provides only for the extension of U.S. laws to Micronesia upon agreement of the Micronesian government.

6. Trade and commerce. Micronesia would control internal commerce and import and export of goods and give its consent before the U.S. awards international air routes involving Micronesia. The U.S. has no objection to the U.S. dollar being made legal tender in Micronesia.

7. Citizenship and nationality. U.S. citizens would be nationals of the U.S. and citizens of Micronesia. (U.S. draft.)

8. Immigration and travel.

Micronesia would control immigration. Citizens of

Micronesia who are U.S. nationals would have the same rights as U.S. citizens to enter, leave and reside in the U.S.

9. Representation and consultation. Micronesia and the U.S. would establish resident offices in each other's capitals.

10. Dispute settlement. Disputes between the parties arising under the compact would be settled by negotiation.

11. Amendment and change of status (termination). The compact could be amended or terminated by mutual consent at any time or unilaterally terminated after a specified number of years. The U.S. proposes 15 years, the Micronesians five. Continuation of U.S. military base rights would extend 99 years under the U.S. draft, five years under the Micronesian proposal.

Termination would be accomplished by the U.S. through constitutional processes and by Micronesia through a two-thirds vote by two-thirds of the districts, to become effective after two years. A dissenting district could negotiate separately with the U.S. for a new status.

12. Approval of the compact and effective date. The compact would be approved on a majority vote in a Micronesian referendum and through U.S. constitutional processes. The President of the United States would proclaim the effective date when the compact is approved, a constitution is adopted, U.S. military and other separate requirements have been met and when the Trusteeship Agreement has been terminated.

Annex A. Specified activities that the government of Micronesia may undertake regarding foreign affairs.

Annex B. Specified rights and uses of the U.S. in lands and waters of Micronesia pursuant to U.S. defense responsibilities.

Annex C. Rights and obligations of the U.S. and its citizens with respect to Micronesian taxes. It would exempt non-Micronesian U.S. employees from Micronesian taxes if they are subject to U.S. taxes. It also would exempt supplies used by the U.S. in its federal programs in Micronesia.

Annex D. Clarifies the unilateral termination provisions by calling for approval from the Micronesian legislature and specifying minimum time periods for its adoption.

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