

OFFICE FOR MICRONESIAN STATUS NEGOTIATIONS
WASHINGTON, D.C. 20240

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SUBMISSION FOR THE OPENING STATEMENT OF AMBASSADOR
WHITE IN THE TRUSTEESHIP COUNCIL MEETING
ON MAY 27, 1975

Turning now to the prominent issue of the negotiations during the past year concerning the future political status of the Trust Territory, the U.S. delegation is pleased to report that there has been steady progress towards the ideal shared by the United States, the Trust Territory and this Council, in increasing self-government and self-determination for the peoples of the Trust Territory. On February 15, 1975, the President's Personal Representative, Ambassador Franklin Haydn Williams and the Marianas Political Status Commission signed a Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America. While the signing of the Covenant is not the final act in resolving the issue of the future political status of the Marianas (I will have more to say presently about the necessary additional steps), the signing brought to a close negotiations lasting more than two years, and was a signal milestone in the continuing efforts of the U.S. to carry out its obligations to promote self-government under the Trusteeship Agreement. The proposed Covenant now is being put to the test of public opinion in a plebiscite to be held June 17 in the Northern Marianas.

The United States wishes that it were possible to report to this Council that the proposed Compact of Free Association

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with the other five districts of the Trust Territory, referred to in this Chamber last year, also had been fully approved and likewise was awaiting a popular plebiscite to determine the wishes of the peoples in respect of it. While such is not the case, during the past year, in the process of continuing discussions between the U.S. Government and representatives of the Congress of Micronesia the remaining issues between the two sides have been narrowed and largely eliminated.

I propose now to deal in somewhat greater detail with developments in the two separate streams of negotiations. First, that of the proposed Compact of Free Association. In this Council Chamber last year the U.S. delegation reported both sides had expressed great satisfaction with the progress that had been made in reaching tentative agreements in the three remaining areas of finance, termination and transition and that the heads of delegations had reached full agreement at Carmel in April 1974 on a draft Compact of Free Association.

This draft was referred to the full JCFS in June and at the request of this Committee, the U.S. met in Guam the following month to consider the Committee requests for amendments to the Carmel draft Compact. The Guam meeting resulted in further understandings and once again full agreement between those representing the JCFS and the U.S. on a revised draft Compact of Free Association.

In August the agreed draft Compact was taken up by the full membership of the JCFS and was then submitted to the COM

for its information. Later in the fall the U.S. was again asked to meet to consider additional amendments to the draft Compact. This meeting was held in Honolulu in October. For the third time in 1974 an agreement was reached on a complete draft Compact of Free Association between the U.S. and the Co-Chairmen of the JCFS of the COM.

The next step was consideration of the agreed draft by the COM. In March of this year just prior to adjournment the Congress voted to reject one title of the draft Compact--the one dealing with finance--and directed the Joint Committee to renegotiate new terms and levels of assistance to be provided Micronesia by the U.S. following termination of the Trusteeship Agreement. This is where the matter stood at the end of the COM's most recent session.

Subsequently the U.S. proposed another meeting to discuss transition and to prepare for the next and hopefully the last formal round of negotiations prior to the signing of a Compact of Free Association. Due to other commitments and responsibilities of the members of the COM and the JCFS, including attendance at the LOS Conference in Geneva, it has not been possible to arrange such a meeting this Spring. The invitation of the U.S. however remains open and we very much hope that the discussion with the COM might be rejoined in the near future.

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

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1. The future relations between Micronesia 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 submitted for the approval of the Congress of Micronesia, the people of Micronesia and the Congress of the United States.

2. In accordance with the Compact, the future Government of Micronesia will have full authority and responsibility for Micronesian internal affairs, including the right to draft and adopt its own constitution. Micronesians will have the right to establish the inter-relationships of the individual districts as they deem proper; the right to pass their own laws; the right to regulate domestic air and maritime commerce within Micronesia; the right to use U.S. currency; the right to become U.S. nationals with the right to freely enter the U.S.; the right to establish a resident office in Washington, D.C.; and the right to participate in various international activities including membership in appropriate international and regional organizations..

3. The United States will have full authority and responsibility for foreign affairs and defense for Micronesia.

4. The United States will provide the future Government of Micronesia substantial financial and economic assistance during the first fifteen years of the status relationship.

5. During the first fifteen years the Compact can be terminated by mutual consent of the parties. Thereafter,

either party may terminate the Compact following a two year notice and after conclusion of a security agreement.

If the Compact of Free Association as now 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 year, 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.

While progress has been made and agreement reached on a draft Compact of Free Association the many voices of Micronesia remain divided as to Micronesia's political future, and quite frankly political fragmentation is a threat. The Marshall Islands and to a lesser extent Palau, have spoken openly of a possibility of 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. The United States policy has not changed. It continues to support the concept of a united Carolines and Marshalls and hopes that the Compact of Free

Association will eventually be acceptable to the peoples of the Marshalls, Ponape, Truk, Yap and Palau.

Now I will turn to discussion of the proposed Covenant between the Northern Mariana Islands and the United States. On February 20, 1975, five days after the signing of the Covenant, the Marianas District Legislature unanimously approved the Covenant and on February 28, 1975 formally requested the U.S. Government to call a plebiscite at the earliest opportunity. As a further step in the orderly progression contemplated by the negotiators and this Council, and in response to the request of the Mariana Islands, the United States has called a popular plebiscite to be held less than three weeks from today, to record the approval or disapproval by the people of the Northern Marianas of the Commonwealth status embodied in the Covenant. If the plebiscite indicates approval by more than 55% of the valid votes cast, the Covenant will be presented to the Congress of the United States for its approval or disapproval. If both the people of the Northern Marianas and the U.S. Congress approve the Covenant, it will come into force in accordance with its provisions in a manner allowing the maximum realization of the wishes of the people of the Northern Marianas to become self-governing at the earliest possible moment and consistent with the continuing responsibilities of the U.S. under the Trusteeship Agreement.

In order to assure complete objectivity in the conduct of the plebiscite and to facilitate the full opportunity for

free expression of opinion in this act of self-determination, the U.S. established the Office of Plebiscite Commissioner to supervise all aspects of the plebiscite; and on April 11, the President named Mr. Erwin D. Canham, Editor Emeritus of the Christian Science Monitor to serve as his Personal Representative in that position. Duties of the Plebiscite Commissioner include the conducting of an objective plebiscite education program for the people to inform them fully of the nature of the provisions of the proposed Commonwealth arrangement and the alternatives available to them if they reject the Covenant.

Mr. Canham arrived on Saipan on April 18th and set about at once to carry out his responsibility for the planning, the preparations for and the holding of the plebiscite. He is assisted by a special Plebiscite Advisory Committee and a Voter Registration Board. Both bodies are composed of citizens of the Northern Marianas.

The United States welcomes the prospect of a special mission from the Trusteeship Council to observe all aspects of the plebiscite.

Since this meeting of the Trusteeship Council occurs during a period of intense activity with regard to the Covenant, it perhaps would be profitable to review briefly some of the principal historical events which give shape to its form and substance. The document was negotiated on behalf of the Northern Marianas by the Marianas Political Status Commission.

The Marianas Political Status Commission was created after long years of effort by the people of the Marianas because, as their legislature has declared, the people of the District desire a "close and permanent affiliation with the United States of America", a future political status different from that tentatively chosen by the representatives of the people of the remainder of the districts of the Trust Territory, which the Marianas District Legislature has stated "is not in accordance with the wishes and aspiration of the people of the Marianas". For more than twenty years the elected leaders of the Marianas have expressed their desire through petitions and resolutions that the Marianas become members of the American political family. The people themselves voted to become part of the United States in referenda in 1961, 1963, and 1969.

The July 1969 report of the Congress of Micronesia's Future Political Status Commission noted the "freely-expressed wish of many Marianas residents to immediately unite (or "reintegrate") with the United States Territory of Guam" and stated that "unless the projected harm to minorities in the Marianas or Micronesia at large is intolerable, it (the Political Status Commission) will not oppose a political union which reflects the freely expressed desire of a majority of the residents of the district". The plebiscite which is to be held follows this basic tenet of the Congress of Micronesia.

On October 4, 1971, the Joint Committee informed the Americans with whom they were meeting in Hana, Maui, Hawaii, that it fully recognized the desire of the people of the Marianas to become "more closely affiliated with the United States" than

was sought by the people of the other districts. Thus it came as no surprise during the next round of talks with the Micronesians when the Marianas representatives on the Micronesian delegation, after notifying the JCFS, formally requested on April 11, 1972 that the United States agree to negotiate separately with the Mariana Islands. The U.S. responded affirmatively to the Marianas' request in order to avoid imposing upon the Marianas a future political status against their will and expressed desires.

Agreement on a Commonwealth Covenant

U.S. and Marianas negotiators were able to reach agreement in principle by June 1973 on the outline of their future relationship, and by February 1975 at the conclusion of five negotiating sessions, precise language which the two negotiating teams felt guaranteed their interests had been worked out. Throughout the negotiating sessions the positions and rationale of the two sides were discussed widely throughout the Marianas, in the District Legislature, in individual villages, and in high schools and meetings attended by negotiators of both sides. Owing to this highly democratic fashion of negotiations, accompanied by full disclosure of the issues, the United States is confident that the agreed text of the proposed Covenant truly represents the expressed desires of the majority of the peoples in the Northern Marianas. We believe that the necessary political education to insure that the people understand the issues confronting them already has been going on for several years.

The text of the Covenant, which is familiar to almost everyone in the Council Chamber, establishes the political relationship between the prospective Commonwealth and the United States, provides that the people of the Northern Marianas will write and approve their own constitution, bestows United States citizenship on Micronesian residents of the Northern Mariana Islands (with an individual given the option to select United States nationality rather than U.S. citizenship if preferred), creates a federal judicial system for the proposed Commonwealth, outlines United States financial assistance to the islands and places limitations on the sale of land to persons not of Northern Mariana Islands descent. In addition, the Covenant specifies how United States law is to be extended to the Northern Marianas, grants revenue and taxation rights, authorizes official representation for the Commonwealth in Washington, D.C., and outlines terms for lease of land to the United States Government to enable it to carry out its defense responsibilities.

As outlined in the Covenant, the Northern Marianas Constitution will provide for maximum local self-government by providing that in certain fundamental areas of the relationship, the United States can act only with the approval of the Northern Mariana Islands. A republican form of government will be established in a locally drafted Constitution which will provide for separate executive, legislative and judicial branches elected by the people. The Legislature

will have two houses, one of which will provide for equal representation for each of the chartered municipalities of the Northern Marianas to guarantee local self-government.

A U.S. federal district court will be established for the Mariana Islands to hear cases arising under federal law. It may also hear appeals from local courts and other cases arising under local law to the extent determined by the local legislature.

Of particular interest is the provision of the Covenant constituting a self-imposing restriction of the exercise of the plenary powers of the United States Government. A number of the provisions of the Covenant which are fundamental to the relationship between the U.S. and Commonwealth can be changed only by mutual consent. These provisions are: Article I, establishing the political relationship; Article II, defining the basic elements of the internal government of the Northern Mariana Islands; Article III, providing U.S. citizenship for the peoples of the Northern Mariana Islands; Section 501, applying specific provisions of the United States Constitution to the Northern Mariana Islands; and Section 805, prohibiting during the first twenty-five years the alienation of land to people not of Northern Marianas' descent.

Under the Covenant, the United States Government will acquire a leasehold interest in 18,182 acres of land for an initial period of fifty years with an option to renew for fifty years. For these rights the United States will make a

lump sum payment of \$19,520,600. Three aspects of these land agreements are particularly noteworthy. First, the use of the land for defense purposes is prospective only, to allow the United States to carry out its defense responsibilities on the lands if it should become necessary in the future to do so. Second, major portions of these lands will be immediately leased back to the Government of the Northern Mariana Islands for a nominal rental and will thereby be available to the people of the Northern Mariana Islands for their own use and enjoyment. Third, while the leasehold has a potential lifetime of 100 years, the total rental amount will be paid by the United States at the outset of the period. Accordingly, the payment under the Covenant is of much greater value to the people of the Northern Mariana Islands than would be indicated by the simple division of the specified lump sum by the number of acres to be leased and the number of years of the leasehold.

The general financial provisions of the Covenant are also significant. If the Northern Marianas becomes part of the American community, the United States will assume greater responsibility to assist in achieving a progressively higher standard of living for the people of the islands and to develop the economic resources needed to achieve their goals of local self-sufficiency. In order to accomplish this, the Covenant will authorize \$14 million per year for the first seven years for the Government of the Northern Marianas

in direct grant assistance and in addition will make available the full range of Federal programs and services available to the Territories of the United States.

To balance the growth of local government, of this \$14 million, \$8.25 million will be provided in direct grants for budgetary support for government operations, of which \$250,000 each year will be used for special education and training of local employees in connection with the transition of the Northern Mariana Islands to a new political status. Four million dollars each year will go into capital improvement projects, with \$500,000 earmarked for projects on Tinian and \$500,000 for projects on Rota to balance the growth of these islands. An economic development loan fund will be created to receive \$1.75 million each year, of which \$500,000 will be reserved for small loans to farmers and fishermen and to agricultural and marine cooperatives, and of which \$250,000 will be reserved for a special program of low interest housing loans for low income families.

The \$14 million financial assistance from the United States in direct grants will be in 1974 dollars; that is, it will be adjusted each year to allow for inflation in order to provide the same purchasing power which the money had at the beginning of FY 1975. The annual level of direct grant will continue beyond the initial seven year period unless the U.S. Congress acts to change it. While the United States, under the existing status of the Marianas already provides the extremely high

amount of \$550 per capita, the per capita amount of financial assistance under the Covenant, more than doubles the current amount and will be helpful in assisting the Marianas to fully develop their economic infrastructure and potential.

If the Covenant is approved by the peoples of the Marianas in the plebiscite June 17, 1975, the Covenant will be submitted to the U.S. Congress for its approval. It is our intention to submit the Covenant as a bill after the Plebiscite Commissioner certifies the results of the plebiscite. We anticipate that the U.S. Congress will deal with the Covenant as a matter of priority. If the Covenant is approved in the June plebiscite, in keeping with the formal request of the Marianas District Legislature and the Marianas people the United States intends to establish a separate administration for the Northern Marianas in order to forestall any confusion that could be created by maintaining the Marianas under the jurisdiction of governmental bodies of the Trust Territory. Such separate administration, as has been previously discussed in this Council, does not affect the continued intention of the United States to work towards simultaneous termination of the Trusteeship for all areas within the present Trust Territory.

In order to provide for a smooth transition from the trusteeship status to whatever ultimate political status is decided upon by the peoples of the Trust Territory, it will

be necessary to provide for a transition period of approximately five years. This concept has been discussed and accepted by negotiators from both the Northern Mariana Islands and the Marshalls and Carolines. Accordingly if the proposed Covenant is approved and if negotiations with the other Districts of the TTPI can be completed and approved in the near future, it should be possible for the United States to propose termination of the Trusteeship in 1980 or 1981.

Drafted:
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