

Jan 4, 1975

NSC UNDER SECRETARIES COMMITTEE

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MEMORANDUM FOR THE PRESIDENT

Subject: Marianas Future Political Status

Ambassador F. Haydn Williams, your Personal Representative for Micronesian Status Negotiations, reported to you on December 31, 1974 concerning the fifth and most recent round of status talks with the Marianas Political Status Commission (MPSC). These talks, which recessed on December 19, resulted in virtual agreement on the establishment of a commonwealth relationship between the United States and the Northern Mariana Islands of the Trust Territory of the Pacific Islands. It is tentatively planned to resume the fifth round on February 3, 1975 for the purpose of reaching final agreement on the "Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America."

Agreement in some areas was reached on a provisional basis. In the area of the future financial relationship, Ambassador Williams' current negotiating instructions, as approved by former President Nixon on May 9, 1973, require minor amendment.

1. The Ambassador is presently authorized to negotiate sufficiently generous financial assistance for a reasonable

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period of time to make commonwealth status attractive to the Marianas. Based on his talks with the MPSC last May, as reported in his letter to the President of June 18, 1974, he recommended that this period be seven years. This recommendation is still valid.

2. Present instructions to Ambassador Williams limit the maximum level of financial assistance during the above period to \$12 million annually, in constant 1975 dollars. Based on the May talks and the most recent round, Ambassador Williams now recommends that this ceiling be increased to \$14 million annually in constant 1975 dollars.

The NSC Under Secretaries Committee has reviewed Ambassador Williams' report to you and has examined the above recommendations. The Committee believes that the recommendations are justified by the report. The Committee requests your approval of these recommendations to assure prompt and satisfactory conclusion of the current status negotiations with the MPSC early this February in order to adhere to the tentatively agreed timetable of events leading to the installation of a new Government of the Northern Mariana Islands by the summer of 1976.

In his report to you, Ambassador Williams also reports the tentative agreement which has been reached on the

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land required for possible military use on the islands of Tinian, Saipan and Farallon de Medinilla. As provided for in the Presidential instructions issued to Ambassador Williams on May 9, 1973, the Ambassador has agreed to acquisition by lease inasmuch as the preferred method of purchase has proved completely politically unacceptable to the Marianas. The tentative agreement also provides for a lump sum payment of \$19,520,600 to the new Government of the Northern Mariana Islands for lease of the land required. The Committee concurs in the price and method of acquisition provided for in the tentative agreement.

There are two land-related items that require your approval. First, within the overall lump sum payment of \$19,520,600 for land, approval is requested to seek a special appropriation of \$2 million to be paid to the Government of the Northern Mariana Islands for the establishment of a trust fund dedicated to the development and maintenance of an American memorial park on Saipan. Secondly, Ambassador Williams has asked that you instruct the Department of Defense to modify existing regulatory restrictions to permit leasing back and use of federal land not being used by the military in the Marianas. This is necessary to implement the terms of the tentative

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agreement which takes into consideration the scarcity of land for agricultural and other uses vital to the local economy. The Committee endorses the Ambassador's request and recommends your approval thereof.

The Committee further endorses Ambassador Williams' accelerated schedule of future events, recognizing of course that future developments could change our assessment of US interests and require a readjustment in the timetable. The timetable provides for the submission of the Covenant to the Congress for approval in July 1975. It is an ideal schedule permitting normal United Nations Trusteeship Council observation of the plebiscite following which the Mariana Islands District can be administratively separated from the rest of Micronesia. We agree with the Ambassador that lack of specific action on Guam future status should not delay the Marianas plebiscite which we will make every effort to hold in late June or early July. Postponing the holding of a UN-observed plebiscite beyond early July could work to the advantage of those opposed to separate status for the Marianas. These elements exist both within the Northern Marianas, within the Congress of Micronesia, and potentially in some parts of the UN membership. Hence the importance of a plebiscite held at a time when Trusteeship Council observers can witness it and attest to its validity.

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Ambassador Williams recognizes the difficulties ahead in presenting all aspects of the Marianas arrangement to the US Congress in a relatively short period of time. Since the "Covenant" is subject to the approval of the Congress, it is essential that the Congress be kept completely and accurately informed in a timely fashion. Coordination of this effort should be carried out by Ambassador Williams and the Office for Micronesian Status Negotiations.

In summary, the Under Secretaries Committee fully supports Ambassador Williams in his negotiations with the MPSC and recommends your approval of the following as requested by the Ambassador:

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. The issuance of instructions to the Department of Defense regarding exceptions to current regulatory restrictions to permit inclusion of a flexible leaseback

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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 or early July at the latest; and

5: The issuance of instructions to the several interested departments and agencies of the US government calling for a carefully coordinated presentation of all aspects of the Marianas arrangement to the US Congress.

Robert S. Ingersoll
Chairman

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