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NOTES

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EAST ASIA

US NEGOTIATES NEW STATUS FOR MICRONESIA

The United States has been engaged in two sets of negotiations on the future status of the Trust Territory of the Pacific Islands, which is currently administered by the United States pursuant to a Trusteeship Agreement with the UN Security Council. With the Joint Committee on Future Status of the Congress of Micronesia, we have been exploring the possibility of a new relationship of "free association" between Micronesia and the United States. Since December 1972, in response to repeated requests from the Mariana Islands District Legislature, we have also been engaged in negotiations with the Marianas Political Status Commission to establish, upon termination of the UN Trusteeship, a self-governing Commonwealth of the Northern Mariana Islands in political union with the United States.

Draft Covenant for Northern Marianas Achieved

The Marianas negotiations appear on the verge of a successful conclusion. Negotiations conducted in Saipan, December 5-19, by Ambassador F. Haydn Williams, the President's Personal Representative for Micronesian Status Negotiations, culminated in an agreement on a draft Covenant to establish a Commonwealth of the Northern Mariana Islands. The agreement is provisional, subject to a final technical review by both parties which will include further consultations with the US Congress and the Marianas District Legislature. Negotiations are scheduled to resume in Saipan on February 3 and are expected to result in the formal signing of the Covenant by the negotiators. The Covenant would then be submitted for approval to the Marianas District Legislature, to the people of the Northern Mariana Islands in a plebiscite at which we expect a UN presence, and then to the US Congress.

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Agreement Reached on US Military Requirements

In the December negotiations, agreement was reached for the first time on the price and method of acquisition for US military land requirements which total 18,182 acres, mostly on the island of Tinian. The land will be made available to the United States under a 50-year lease with an option to renew for another 50 years. The US will make a single lump sum payment of \$19,520,600 for the rights it will obtain under the lease including the optional renewal period. Substantial portions of this land will be available for lease-back for the nominal sum of one dollar an acre. It was agreed that a technical agreement regarding US land use would be executed along with the Commonwealth Covenant.

US Postpones Base Construction

Ambassador Williams informed the Marianas Political Status Commission on December 10 that a review of US defense plans has necessitated adjustments in the plans and timetable for a military base on Tinian. In the near term, the major planned use for the land on Tinian is for ground, sea and air training exercises. After obtaining Congressional approval, the harbor at San Jose will be rehabilitated and West Field will be upgraded. No permanent structures are now planned for Tinian, and there are no plans for stationing permanent military personnel on Tinian in the near future. Plans for further development of the Tinian base are being reviewed. Over the long term, the land on Tinian may also be used for ammunition storage and forward logistics, with an operational joint services airfield and a developed harbor.

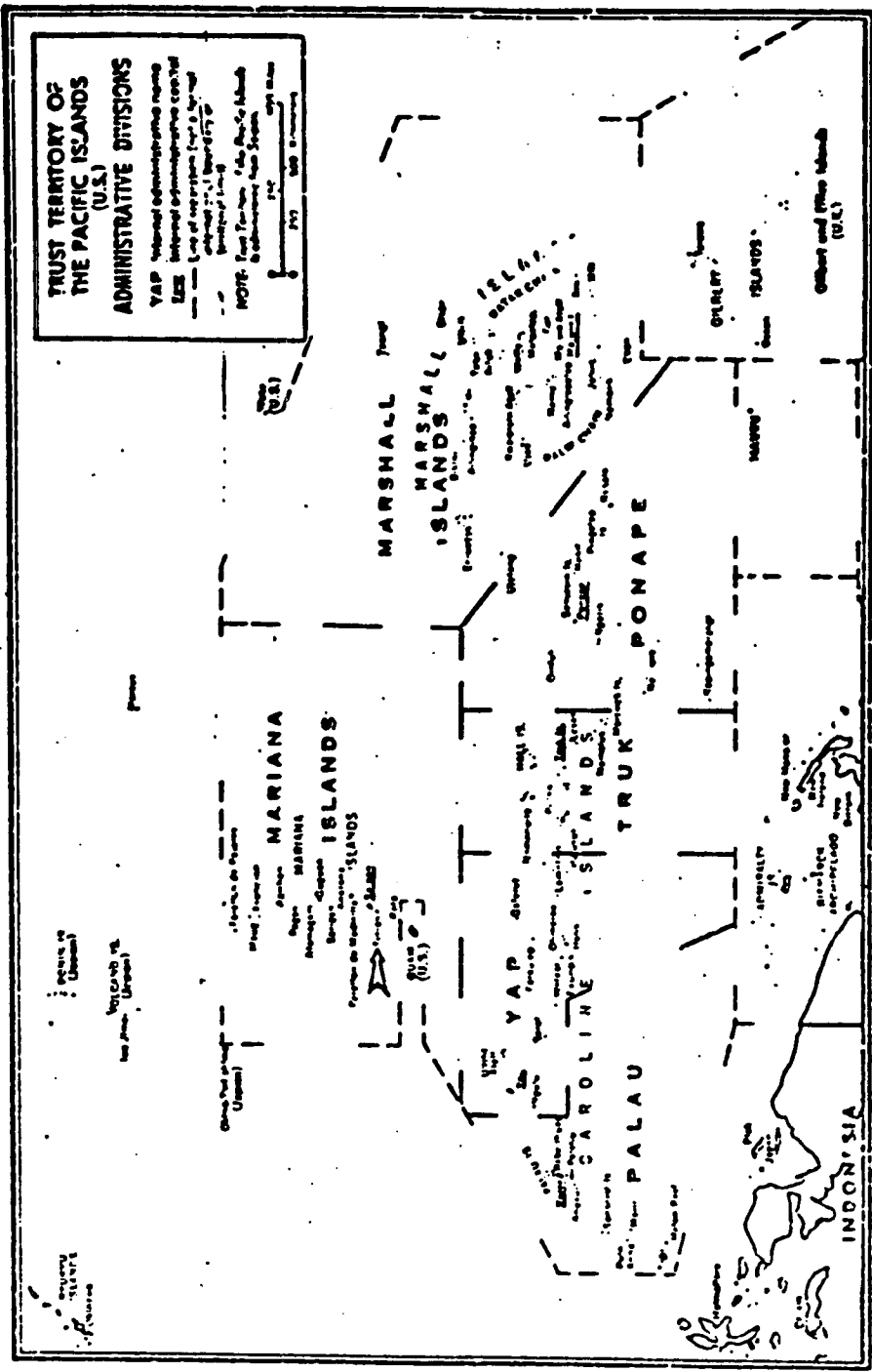
To compensate for the reduction in the revenues of the Northern Marianas Government and in employment opportunities that will result from the US decision to postpone construction of a military base on Tinian, the draft Covenant provides for an increase in the proposed US grant of financial assistance over a 7-year period from the previously agreed level of \$13.5 million to \$14 million.

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US Will Acquire Land for Military Use on Tinian (Marfance)

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Agreement on Caroline and Marshall Islands Snagged

Prospects for concluding an early agreement with the Congress of Micronesia on the future status of the rest of the Trust Territory (the Caroline and Marshall Islands) are uncertain. Ambassador Williams and Senator Lazarus Salii, chief negotiator for the Congress, have reached agreement on a draft Compact of Free Association on an *ad referendum* basis. We are now waiting for the Palau District Legislature to establish an entity with which we can negotiate detailed arrangements for land options required for possible future military purposes. We maintain these arrangements are an integral part of the Compact and must be worked out before a Compact is concluded.

In the background is the longtime opposition of Senator Salii and other Congress leaders both to our negotiation of a separate Commonwealth status for the Northern Marianas and to the return of public lands to Micronesian ownership and control by order of the Secretary of the Interior (rather than Congress of Micronesia legislation). In mid-December, in an effort to forestall a Secretarial order on public lands (which was later issued on December 27,) Salii threatened to recommend to the Joint Committee on Future Status that negotiations be suspended indefinitely. It remains to be seen whether Salii will carry out his threat, how his Joint Committee and the Congress will react, and whether and when the Palau District Legislature will take the necessary action on the Palau land options. (CONFIDENTIAL)

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