



DEPARTMENT OF STATE

Washington, D.C. 20520

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NSC UNDER SECRETARIES COMMITTEE

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January 25, 1975

TO: The Deputy Secretary of Defense
The Assistant to the President for
National Security Affairs
The Director of Central Intelligence
The Chairman of the Joint Chiefs of Staff
The Deputy Attorney General
The Under Secretary of Interior
The Director, Office of Management and
Budget
Mr. James Wilson, Jr., Office of Micronesian
Status Negotiations

SUBJECT: Marianas Future Political Status

The Chairman has forwarded the attached memorandum to the President. A copy is provided for your information.

Wreatham E. Gathright

Wreatham E. Gathright
Staff Director

Attachment:

As stated

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REVIEWED by BA3 DATE 7/25/89

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NSC UNDER SECRETARIES COMMITTEE

January 25, 1975

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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." As discussed below, the Ambassador's recommended timetable looks toward a UN-observed plebiscite in the Northern Marianas and presentation of the Covenant to the Congress this summer.

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 President Nixon on May 9, 1973, require amendment.

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1. The Ambassador is presently authorized to negotiate sufficiently generous financial assistance for a reasonable period of time to make commonwealth status attractive to the Marianas. He has recommended that this period be seven years.

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. Ambassador Williams 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 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 unacceptable politically 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.

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

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of a trust fund dedicated to the development and maintenance of an American memorial park within the land reserved for defense contingency use on Saipan. The Committee considers it fitting and appropriate to establish an American memorial park on Saipan where the Japanese have already placed a number of memorials.

The Ambassador has agreed that we would lease back to the new Government of the Northern Mariana Islands substantial portions of the land we are acquiring, on condition that such land be used only for purposes compatible with possible future military use. The Department of Defense has the necessary authority to implement this commitment and agrees that it will institute a program in the Northern Marianas which will satisfy fully the lease back provisions of the Covenant and its supporting Technical Agreement.

The Committee fully 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 United States Congress in July 1975 for its approval. 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's future status should not delay the Marianas plebiscite which we will make every effort to hold in late June, recognizing that circumstances in the UN may cause a delay until 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. It is therefore important that a plebiscite be held at the earliest possible time when Trusteeship Council observers could witness it and attest to its validity.

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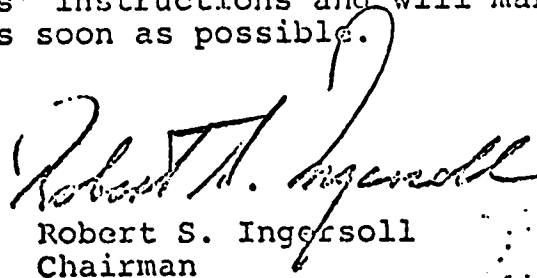
Ambassador Williams recognizes the difficulties ahead in presenting all aspects of the Marianas arrangement to the US Congress in a relatively short period of time. Since the "Covenant" is subject to the approval of the Congress, it is essential that the Congress be kept completely and accurately informed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

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

1. A new ceiling of \$14 million annually in constant 1975 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.

OMB reserves comment on the recommended changes in Ambassador Williams' instructions and will make its recommendations as soon as possible.


Robert S. Ingersoll
Chairman

Attachment:

Ambassador Williams' Report to
the President of December 31, 1974.

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