

2/12/75

15
54

EArcher:dt 2/13/75

MEETING - WORKING SESSION NUMBER 3 (not a verbatim transcript)

E. Pangelinan - Before we proceed to regular business I would like Howard Willens to report.

H. Willens - The Commission agrees with your proposal regarding the timing of Joint Commission and the change in name. The Commission requests the Marianas delegation be enlarged to six, one from Rota, Tinian, Saipan, Territorial and Popular Parties and UCA. We understand if U.S. wishes to increase its representation the MPSC would be receptive.

- On separate administration, the Commission believes that the MPSC would be the best commission to handle separate administration. We do not believe the size is important. We believe that should /the five members of the COM/be made at large representatives to Marianas District Legislature at current rates of compensation. The enlarged MDL should be in session longer with increased staff to take care of the business involved in separate administration.

E. Pangelinan - Now we would like to go to war claims. Under the change of status we wish to assure the people that there will be no loss of revenue or claims.

Ambassador - I certainly wish to hear the views of this Commission on war claims; however, I wish to point out that I have no authority in this area although I am personally interested. As far as change of status is concerned, I personally do not see any way that the change of status will affect the war claims.

03 0341.30

I have here Mr. Holland of the War Claims Commission with Mr. Rice who will assist me in answering questions.

- P. Tenorio - I do not wish to go over issues which we discussed before. The people feel that status issues are involved. What we wish is some assurances that their claims will be promptly adjudicated. The people look forward to the new status with the expectation that these claims will be promptly adjudicated. The people have waited a long time, too long.
- Ambassador - I am in full agreement with you. It took far too long to get the Japanese to acknowledge any responsibility for these claims.
- E. Pangelinan - Many war claims cannot be resolved because of many residents of the Marianas who were subsequently naturalized cannot claim under the Commission.
- Mr. Holland - This is a problem which may require an amendment of the Act to place these people under the Claims Commission. This was an oversight on the part of the U. S. Congress.
- E. Pangelinan - Has the Commission done anything to change the Act.
- Mr. Holland - We are/ ^{an} adjudicatory body and cannot involve ourselves in changing our terms of reference. We can give an opinion but cannot initiate a change in the legislation.
- Ambassador - Perhaps the Department of Interior can ask your opinion.
- E. Rice - Yes. We could and submit the case to the Secretary of the Interior for a change in legislation.
- Mr. Holland - At present we place claims aside which have a nationality problem. In Saipan we have about 950 claims and we are

working on those we do not have a nationality problem.

We feel it is better to work on those which can be finally decided .

E. Pangelinan - Are Marianas claims given a lower priority?

Mr. Holland - Saipanese claims are more complex than others and we hope to have major decisions completed in a year. Mr. Rogers, the Chairman of the Claims Commission, has said that the major issue is values under Title II of the Act. The Commission will issue its decision soon. Once a decision is reached, a claimant acknowledges he has received the decision and has 30 days to appeal the decision. After 30 days, the claim is certified to the Department of the Interior. If the claimant appeals a hearing is held.

P. Tenorio - How many claims have been decided?

Mr. Holland - I don't have this information, we have about 60 Saipanese claims and I do not know now how many have been decided.

P. Tenorio - Mr. Rice, how would you go about speeding up the process?

Mr. Holland - We have about half of our staff working on Saipanese claims.

E. Rice - You may misunderstand, once the basic decision concerning the value of the Title II claims is made, then the staff will be involved in adjudicating. This decision should come in March.

J. Taimano - You say Saipanese, does this include Rota and Tinian?

Mr. Holland - I am mistaken. I should be saying Marianas.

O. Rasa - Who can address the problem of the Claims Commission charter for a change of legislation?

Ambassador - In my personal capacity I will address this to the Secretary of the Interior to look into the matter of changing the legislation.

O. Rasa - The legislation states that the Secretary of the Interior can determine the final level of payment. This does not guarantee that the remaining 84% can be paid.

E. Rice - Under the constraints of the amount of money - \$10 million, I don't see how the Secretary of the Interior can pay more until he knows the total value of the claims.

B. Santos - What about the new revised release?

Mr. Holland - I don't know.

E. Rice - They have not yet been issued.

B. Santos - I don't think this Commission can do anything about the money, the people deserve 100% of their claims. I believe that the Congress of Micronesia/^{should}appropriate the 84% necessary to fully adjudicate these claims. Some of these claims involve claims open since 1935 and 1941. The people have waited a long time for inadequate compensation. All these things are political and involve these negotiations. The U. S. has been generous to other peoples throughout the world, then why not to Micronesia? I foresee that the claims will not be paid out until 1979.

Mr. Holland - The U. S. Congress foresaw that 4 years was enough and as I said, we are an adjudicatory body.

B. Santos - You always say you are an adjudicatory body to avoid the issue of payment of adequate compensation claims.

E. Rice - I have some statistics. 152 claims in process which amounts to \$29,552 have been paid. The 16% as an initial payment and all these claimants should expect to receive a second check.

Mr. Holland - This would depend on the total number of awards under Title I.

B. Santos - Have you finished adjudicating Title I?

E. Rice - No, however it should be finished soon and perhaps all claims can be certified in another six months.

B. Santos - What per cent of this will be the final per cent?

Mr. Holland - We don't know. If the total amount of awards exceeds the \$10 million then a pro-rata award will be made. I can say this - between 1/3 and 1/2 of the awards are adjudicated, the total value is now \$9 million.

E. Rice - Given those figures the final payment will be more than an additional 5% but more like 50%.

B. Santos - Do you pro-rate Title II.

Mr. Holland - This is a decision not yet made. The law specifically states that Title I will be pro-rated but does not specifically state that Title II will be pro-rated. However, this is possible as the total claimed value at present under Title II is under \$100 million and we have authorized \$20 million for claims. The issue remaining is the value of the land damaged under Title II.

B. Santos - Seven months ago the Commission said that they would have a decision on this in a week.

- Mr. Holland - I was at that meeting. We sent a letter to you asking for your opinion on the value of land in the Marianas. We have not yet received that opinion.
- B. Santos - We answered that in a resolution.
- Mr. Holland - We need the data behind that resolution. We need to know how you arrived at your figures.
- We realize that this is an emotional issue as land on a small island is more precious than land elsewhere. People here may not place a value on the land because it is too precious. We must place a monetary value on this land in order to adjudicate the claim.
- E. Rice - The records show that there were sales of the land between Micronesians that were not forced sales. However, I will take this matter up with the Secretary of the Interior. I believe this is not a status issue and should be taken up at a later time.
- F. Palacios - To give someone 16% of his claim of say \$5,000 is unfair. Inflation cuts into this money and also a man will waste a small amount of money on his immediate needs whereas with the full claim he may buy a house. What we need here is to resolve the problem. The U. S. is a capable nation, capable of resolving the Okinawan claims, capable of spending \$200 million a day in Vietnam. Maybe this should be included in the Covenant. However, this is an issue that must be resolved.
- O. Rasa - If it is possible to place in the Covenant that the U. S. will allocate funds for other issues there exists the possibility of doing it for the claims. Maybe I am out of line in this.

- Ambassador - I think that the best approach is to request Mr. Rice to take this to the Secretary of the Interior.
- P. Tenorio - This is not a joke to bring this to your attention here. We need to know that this must be resolved.
- E. Rice - I did not realize how important this issue was and I will certainly make sure the Secretary understands its seriousness.
- E. Pangelinan - When the 16% issue came out no one knew what to do as the Claims Commission insisted it was an adjudicatory body. Perhaps we can work together to get the legislation changed.
- Ambassador - Thank you, Mr. Chairman, we understand the seriousness of the problem. I wish to comment on your response to our brief and informal presentation. I understand you have agreed to the timing of the Joint Commission and the change of name. I wish a little more time to look at the matter on change in the number of Micronesian representatives. Mr. Rice will discuss the matter of separate administration. However, I wish to commend you for your ideas on resolving the matter of what to do with current members of the Congress of Micronesia.
- E. Rice - Concerning your proposal, I feel that committee should be a working committee. It should not be unwieldy. I think that the Deputy High Commissioner should chair the Committee. the District Deputy/Administrator should be involved, a legal advisor and an economic adviser. I have no problem with the MPSC as an advisory committee. Also this committee will not be paid, the persons I recommended are already paid. I would like to

to emphasize that the government to be set up will be temporary.

E. Pangelinan - Will we have an input in this?

E. Rice - Yes. That is why I suggested the MPSC and the holdover committee be advisory. The committee could be instructed to consult with the MPSC in every step of the way. But we must get a report out by April 15.

B. Manglona - Yesterday I noted that this Committee should have representatives from Rota and Tinian.

E. Rice - Yes, these representatives will be in the MPSC and in the holdover committee.

J. Cruz - Frankly, I don't trust the Executive Branch to run this. I am very concerned. The Mayor should appoint the Chairman and other people or the MDL.

E. Rice - I again would like to emphasize that this will be a hard working committee to advise the Secretary on a temporary government.