

PRELIMINARY PRESENTATION TO MARIANAS DELEGATION-Saipan, May 9, 1973

JMW Chou

I. INTRODUCTION

A. Nature of presentation.

1. Factual exposition of principal elements of U.S. position.
2. Follow-on from Washington presentation in April of topics for discussion.
3. Not a negotiation - that begins next week with arrival of FHW and remainder of U.S. Delegation.
4. Will try to answer as many factual questions as possible and will get answers to questions we don't have now.
5. Will be available during rest of week for this purpose and welcome questions after Marianas delegation has had an opportunity to review present presentation.

B. Areas to be Covered.

1. Political status.
2. Land settlement questions.
 - a. Return of public land to Marianas.
 - b. Protection against land alienation.
 - c. U.S. military and civilian requirements.
3. Financial and economic arrangements.
4. Nature of agreement to be reached - may depend largely on status selection.
5. Transitional arrangements and measures for interim implementation.

C. What we would like in return.

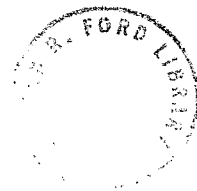
1. Exposition of principal elements of Marianas position for consideration by full U.S. delegation.
2. Preliminary reactions of Marianas delegation.
3. Preliminary identification of issues.

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Authority: J. Schauble Ltr. 3/17/88

By HR NLF Date 9/21/99



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D. U.S. position - Good news/Bad news - Mostly good

Mostly not news to those following discussions since 1969.

to in terms of specific components of the overall future relationship.

- a. Degree of self-government.
- b. Applicability of U.S. Constitution and laws.
- c. Applicability of federal programs and services.

2. Our assumptions.

- a. That Marianas still want a close association.
- b. That Marianas want a relationship giving maximum benefits with minimum fuss.
- c. That relationship should be as simple and straightforward as possible, all other things being equal.
- d. That relationship will be one U.S. Congress can approve without difficulty; i.e. a pattern with which U.S. Congress is reasonably familiar.
- e. That we both want a relationship that will be most susceptible to approval by the United Nations as part of the process of terminating the Trusteeship for Micronesia as a whole.

3. Available names to describe relationship.

- a. A form of Commonwealth (Instrument would be agreement with annexes - legislation later.)
- b. "Territory" (Organic Act).
 - (1) Unincorporated. (Incorporated not available).
 - (2) Organized or unorganized.

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- c. Relationship with Guam - now or later. (No special legislation).
- d. Other.

B. Major elements of U.S. Position.

1. Amenable to almost any label subject, however, to views of Congress and U.S.
2. Should fall within broad legal concept of "Territory."
 - a. Legal case history important.
 - (1) Automatic application of U.S. program benefits.
 - (2) Other benefits; e.g. citizenship.
 - b. Article IV, Section 3, Clause 2 of U.S. constitution of basic importance legally as it defines power of U.S. Congress.
3. Goes without saying that U.S. sovereignty would apply after ending of trusteeship.
4. From Congressional standpoint unification with Guam the easiest and quickest. (Recent close consultation with U.S. Congress).
 - a. But we recognize problems within both Marianas and Guam regarding desires of the people.
 - b. Could be longer range objective, however, and administratively close ties very desirable in early stages as well.
 - c. Possible phased unification over period of years with safeguards during early period to protect Marianas during incubation period.
5. From U.S. standpoint great degree of self-government is desirable, together with evidence that this truly represents views of substantial majority of the people expressed in act of self-determination. U.N. would also like this.

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6. Given these factors U.S. favors a form of "commonwealth" arrangement.
 - a. Local constitution essential as providing maximum degree of self-government.
 - b. Marianas would have maximum degree of control over internal affairs consistent with overall powers of federal Congress under Article IV, Section 3, Clause 2 of Constitution.
 - c. Federal responsibility for defense and external affairs as in case of states of the union.
 - d. This may -- in due course, if people so desire, -- lead to some kind of future arrangement with Guam as well.

C. Other Basic Considerations

1. Marianas Constitution:

- a. Should not be in conflict with U.S. Constitution. *A suggested*
- b. Should provide for fundamental rights of man.
- c. Should provide for republican form of government with separation of powers.
- d. *Agreements of U.S. President should be in conflict with those of*

2. Citizenship:

- a. Believe it would be advantageous from all points of view to have Marianas citizens American citizens.
- b. Will be prepared to spell out benefits under present legislation when full delegation arrives.
- c. Possible disadvantages considered minimal.
 - (1) On land alienation question (see below).
 - (2) Other questions to be examined in detail with experts on delegation.

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3. Federal Legislation:

- a. Past experience - Guam Commission 1950's - Alaska/Hawaii Omnibus bills.
- b. Experts on U.S. delegation will explore specific legislation which would be made applicable to Marianas with acquisition of territorial status and citizenship. (Preliminary list of those that apply to TTPI and to Territories from U.S. Code herewith - Tab I).
- c. So far as legislation is concerned would appreciate preliminary list from Marianas delegation on what they would like to see applied and those they would not.
- d. Note that lists will vary if a different status from "Commonwealth" is selected (e.g. integration with Guam where all applicable Guam legislation would automatically apply).

4. Federal Regulations and Administrative Rulings:

- a. List of possibly applicable items to be provided by experts.
- b. Desired regulations and rulings need to be spelled out and agreed. This will take time.

5. Local legislation and rulings:

- a. TTPI and District both involved, *and con. family is essential*
- b. Need to be worked out by panel of experts.

6. Judicial System:

- a. U. S. Federal Court System would apply.
- b. Marianas would be joined with Guam in "Western Pacific" Judicial District with appeal through Ninth Circuit Court all the way to U.S. Supreme Court.
- c. Other attributes of Federal judicial system - to apply as



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well (e.g. U.S. marshalls)

7. Federal Representation:

- a. A matter for U.S. Congress to determine, but there are now no voting representatives outside the 50 states.
- b. Will be prepared to discuss Marianas desires with Congress.

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III. Land Issues

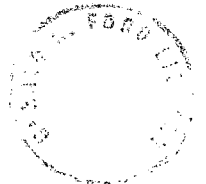
A. Return of Public Lands

1. U. S. agrees public lands must be returned to people of Marianas.

Question is to whom and when. (Ref. to Williams/Salii release).

- a. On "to whom", U.S. position flexible, but there must be some sort of legal entity in whom title to public land can be vested, to serve as trustee for the people, e.g., a public corporation established by district legislature. There also should be established system for settlement of outstanding claims. We would like to discuss with you ways and means for making an equitable distribution of remaining public lands for homesteading, public use, etc. and for protecting the interests of the people.
 - b. On "when", U.S. prepared in principle to make turn over as soon as possible after firm arrangements worked out which will assure U.S. military requirements and provide safeguards above. This will take time to study through and work out.
2. Means must also be found to satisfy TTPI administration and COM interests in Marianas public lands during the remaining period of trusteeship - perhaps as part of JCFS efforts in this regard, perhaps by amendment to Secretarial Order, or both.
 3. Submerged lands would vest in Future Marianas Government under new agreement, as in the case of states and other territories.
 4. MSC letter to FHW on homesteading: No problems in principle, just takes money.

B. Eminent Domain:



1. Federal government would expect to be able to exercise same powers of eminent domain in Marianas as in the 50 states and other territories after termination of trusteeship, i.e., with full safeguards.
2. Prior to trusteeship termination arrangements must be made to have eminent domain power or its equivalent vested in some central authority like HICOM.

C. Protection Against Land Alienation

1. U.S. most sympathetic to Marianas concern and willing to help to greatest possible extent. Believe, however, easiest and most effective solution within power of Marianas itself.
2. As first step suggest legislation by District Legislature which would (a) preclude or limit holdings of interests in land by persons who are not of Marianas ancestry and (b) limit the future acquisition of interests in real estate to persons (and their heirs) who are local residents at the change in status and who will become U.S. citizens at the time.
3. U.S. Department of Justice believes such legislation permissible under U.S. Constitution, especially if inhabitants of Marianas become U.S. citizens.
 - a. Precedents indicate this would be constitutional.
 - b. History of Indian legislation and Hawaiian Statehood Act and derivative legislation confirm it.
4. Legislation could take many forms
 - a. Title to public lands to be conveyed only to persons descended from eligible persons, but land could be leased to others. (Seneca Indians/Salamanca, N.Y. story).

- b. Deeds could contain covenants to prevent evasion of restrictions against the holding of interests in land by other than eligible persons.
 - c. Could follow pattern of Hawaii legislation and provide that all or a part of public lands could be leased only to eligible persons and limit acreage any individual might hold, or
 - d. Public land could be controlled by legal entity acting as trustee for benefit of such persons alone; private land as above.
5. Basic provisions could also be included in new constitution and in instrument of agreement (as in Hawaiian precedent). Submitted to U.S. Congress and Marianas for approval.

D. U. S. Military Requirements

1. Present needs.

a. Limited to three islands

- (1) Farallon de Medinilla
- (2) Saipan
- (3) Tinian

b. Farallon de Medinilla

- (1) Uninhabited island almost inaccessible.
- (2) All public land with no outstanding claims.
- (3) Need for fleet target area and bombing range.
- (4) Safety precautions to be enforced should protect against any incidents (briefing to be provided during official talks).

c. Saipan

- (1) Naval logistics facility, airfield use rights and logistics facilities to be utilized in event of future contingencies- these much less than current holdings in military retention lands.
- (2) Requirements



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(a) Isley Field

- Joint use agreement to permit U.S. military landing rights and access to air facilities of civil airport at Isley Field.
- Return of 700 acres (out of 1189.35 acres currently in Isley retention area) and retain 500 acres to accommodate ancillary activities and support relocation of industrial training and supply facilities currently located in other areas.

(b) Tanapag Harbor:

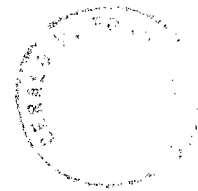
- Return of 320 acres (out of 640.23 acres currently in retention area) and retention of 320 acres to support future development of Isley Field and relocation of industrial and supply facilities currently located in other countries.
- Exact areas south of Pier C. is negotiable to permit civilian development of Micro Point.

- (3) Both areas represent contingency requirements at the moment, are to some extent dependent on degree to which military requirements in Tinian can be met and will be subject of detailed discussion during official talks regarding other possible accommodations to local economic development needs.

d. Tinian

- (1) U. S. security obligations and interests in the Pacific necessitates facilities on Tinian. Will be prepared to elaborate during main discussions.

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- (2) Plans call for an integrated homogenous basic area consolidating most U.S. defense activities on Tinian Island. The activities encompass a Joint Service basing facility, which would include an airfield, port facility, logistics complex and a joint service maneuvering and training area. We will be prepared to spell these requirements out in greater detail during the formal discussions beginning next week, but visualize a situation in which the facilities would be developed over a phased plan in seven stages, ending with a complement of some 2600 military and civilian personnel (excluding dependents) and additional direct hires of at least 300 local employees. Indirect hires (non-appropriated funds) would be over and above this figure. The development plan extends over several years.
- (3) These facilities require a great deal of real estate, both for the activities themselves and for safety margins, and what we would like is for as much of Tinian as possible to be under military control. Indeed, if it can be done, we would like to see the entire island under military control.
- (4) This does not mean, however, that we would have to have exclusive use of the whole thing. We do need exclusive use of a large part - 18,500 acres including the port area, but the remaining 7,700 acres in the southeastern section would be available for leasing on a long-term basis to the present inhabitants under controlled conditions and

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Smith Map



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subject to incorporation in the main area in the event of emergency.

- (5) We are, moreover, prepared to provide generously for the present inhabitants of Tinian and will describe this in detail next week. In general: (a) Those who would have to be moved out of the exclusive use area would be given the option of a cash payment for their present holdings, resettlement in the southeastern section of the island with replacement housing and land provided at U.S. expense or resettlement on military retention lands in Saipan in the Isely Field area under the same conditions.
- (b) San Jose village and the Marpo Valley settlement could be reconstructed at the U.S. expense to HUD approved standards at an agreed location in the southeastern section complex with roads, sewers, certain utilities, etc. and with land prepared for agricultural purposes.
- (c) No additional permanent residents ^{on} of Tinian would be permitted without express consent of the military authorities.
- (d) If they so desired inhabitants would be given first priority consideration for hire on the base commensurate with their work skills. Training programs will be offered.
- (e) The inhabitants would also benefit directly from military facilities constructed primarily for military benefit, such as roads, power, water, etc.

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(f) The entire project will be undertaken with complete regard for ecological considerations and safeguards.

(g) A reliable ferry system would be established to provide ready access between Tinian and Saipan perhaps under contract with a local firm.

2. Method of Land Acquisition

a. Pre-trusteeship termination

(1) TTPI government or Marianas district to acquire privately owned land included within base area.

(2) U. S. military to lease from TTPI Government/Marianas District for duration of the trusteeeship all public trust and military retention lands plus former privately owned lands.

(3) We are open to other suggestions and recognize the problems involved.

b. Post Trusteeship Termination

(1) U.S. would prefer to purchase all lands for lump sum from previous lessor.

(2) Perhaps best means of handling would be lease with option to purchase for agreed sum upon termination of trusteeeship.

c. Amounts to be negotiated in formal discussions.

3. Future Requirements:

a. Pre-trusteeship termination to be handled as above ⁱⁿ agreement with district government, with trusteeeship agreement provisions also applying in emergency.

b. Post-trusteeship termination to be handled as they are



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handled in the states and territories of the United States.

E. Federal Civilian Requirements

1. Present needs (Post Office, Coast Guard, Weather, OEO, etc.)
 - a. Current holdings to be continued so long as needed to carry out agreed programs and services.
 - b. New needs based on any new programs and services to be met as at present by lease, but with option to purchase after end of trusteeship as necessary.
 - c. Coast Guard Loran A requirements to continue as long as Loran A is operational in the area.
2. Future Needs: Same as military, above.

F. Escheat

1. Answer to earlier question provided in Q&A in April meeting, i.e., in principle same as states, but states vary and this is most complicated question.
2. Will be prepared to discuss in depth with experts during formal meetings.

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IV. Financial and Economic Questions

A. Approaches to be followed

1. Programatic Methodology
2. Additional benefits to be considered
3. Transitional economic problems
4. Identification of long-term needs

B. Application of Federal Programs and Services

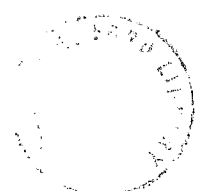
1. Programs that presently apply.
 - a. List of programs presently applied herewith (Tab II) for TTPI as a whole.
 - b. Valued currently at \$2.5 million (FY 73)
2. Additional programs and services which could apply with territorial status
 - a. List herewith (Tab III) of what applies in other territories.
 - b. Value depends on what Congress does from year to year, but a substantial sum.
3. Additional programs and services which might be extended to Marianas if Marianas so desired.
 - a. To be negotiated.
 - b. Value can't be determined but clearly additional to present benefits.

C. Additional Benefits

1. Military expenditures

a. Direct benefits

- (1) Leases of property during trusteeship period - need to be discussed by experts but a large annual sum.
- (2) Capitalization of lump sum purchases considerable.



(3) Salaries of local hires.

(a) Construction Phases

- Estimate as many as 810 local hires.
- At peak could come to over \$3 million in one year, and almost \$14 million over 7-year period of construction.

(b) Operational phases

- Up to 300 local direct hires under full operation.
- Over 300 more indirect hires (exchanges, special services, etc.)

(4) Construction of Facilities

(a) Construction material purchased locally.

- Up to \$21 million over 7-year construction period.
- Up to maximum of \$8.4 million in any one year.
- Depends to some extent on what is available.

(b) Total construction (including salaries and locally purchased materials) up to \$40 million impact on local economy over 7-year construction period.

(5) Relocation Costs

- (a) - ^{precise}No estimate yet of economic impact but considerable.
- (b) - Local purchases plus local salaries of workers, etc.

b. Indirect benefits

(1) Continuing impact after construction phases completed (rough estimation).

- (a) - Over \$15 million annually.
- (b) - Multiplier factor: 2.5-3X



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- Experience ^{Factors} ~~labors~~ elsewhere.
- Applies also to construction phase.

(2) Other fall-out from military presence.

- (a) New business and services.
- (b) Tourism, visitors, etc.

2. Civilian benefits

a. Grants in aid

(1) Present level FY 73: \$7.1 Million annually as Marianas share of TTPI total.

(2) Future to be discussed in formal session, but Marianas ^{will} not ^{be} worse off (see below).

b. Other economic benefits.

- (1) Business expenditures.
- (2) Foreign Trade and Investment.
- (3) Tourism.

D. Transitional economic problems.

- 1. TT HQ expenditures apportioned to Marianas - \$2.2 million in FY 73 which will end.
- 2. Costs incidental to removal of TTPI Capital (buildings, equipment, etc.) - Mostly a problem for TTPI Administration and COM but a probable cost to U.S. (\$30 - 40 MM).
- 3. Loss of employment due to removal of capital recognized along with broader socio-economic impact and would like to work together to find means of minimizing impact over period of years.

E. Identification of Long-Term needs.

- 1. Standards and criteria to be discussed in formal negotiations in depth.

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- a. Economic development goals.
 - b. Planning criteria.
 - c. Need for economic planning model jointly developed.
3. In this area we need thinking of Marianas delegation and opportunity for joint examination.
 4. Caveat regarding Congressional approvals and annual appropriation process.

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V. Nature of the Agreement

A. Available alternatives.

1. Legal instrument
 - a. No "compact" - too confusing.
 - b. "Agreement" - between whom.
 - c. "Articles" - perhaps.
2. Draft legislation
 - a. Organic Act
 - b. Other bills
3. Depends in part on choice of status.

B. Preferred U.S. Position

1. Based on "commonwealth" status.
2. Agreement rather than legislation.
3. Agreement between delegations establishing new status, subject to approval by U.S. Congress and Marianas District Legislature and plebiscite of the Marianas people, which sets forth principles governing new relationship with annexes covering technical details.

C. Lawyers to work out as we go along.

VI. Transitional Arrangements

- A. For items to be covered see April talking points paper.
- B. Defer subject until further into discussions since so much will depend on what is agreed to.
- C. Basic principles.
1. Trusteeship must be ended simultaneously for all TTPI districts at once.
 2. Can have separate administration before that time.
 3. U.S. prepared to put just as much of new separate status into effect as possible just as soon as agreement has been approved by people of Marianas in plebiscite and as soon as ^aMzrianas has approved new constitution and ready to put it into effect smoothly and with minimum disruption.
- D. Congressional Action:
1. U. S. Congress will have its own views but is expected to cooperate in passing necessary legislation.
 2. Favorable to early action on enabling legislation with final action or termination by Presidential proclamation and executive order.
- E. What are Marianas views re separate interim administration?

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