

M. Wilson

JOINT U.S./MPSC MEETING 1000, 12 DECEMBER 1973
MUNICIPAL COURT BUILDING SAIPAN, M.I.

The meeting opened with some general comments on Phase I with reference to the MPSC opening statement on transition.

Howard Willens: Feels there is a substantial area of agreement in Applicability of Laws. There may have been some misunderstanding on the study of this subject by the Lawyers Working Group.

With regard to IV-3-2, the MPSC will submit some comments. Believes there is substantial agreement and the MPSC agrees to explore the mutual consent provisions. There is not much difference in principle between the two sides.

The MPSC will prepare draft communique language on these items.

Ambassador Williams: Interested in any comments or preliminary views the MPSC might have on the draft covenant.

Eddie Pangelinan: The MPSC will review the covenant and comment in due course.

Ambassador Williams: Presented U.S. position on Phase I. Followed outline, subsequently provided to MPSC. He concluded with two observations.

1. The U.S. is in complete agreement on the need for orderly transition and economic development goals.

2. The U.S. is committed to assist and will study the MPSC request for grant assistance.

He then invited comments/questions from the MPSC.

Joe Cruz: The U.S. Delegation should be conscious of a problem - a disease that has been present from the very beginning of the TT, from the very inception of the TT agreement. The main problem of concern has been that the Micronesians have been constantly reminded that they



are not capable, not ready to handle the problems of government, even though Micronesians are more familiar with them. The time has come for the U.S. to respect Micronesian needs and goals. What we are discussing here today directly affects our people. I will disagree with any people who say Americans are the most capable to govern us. I would say that Micronesians are most qualified to judge their own needs and determine how to solve them.

Ambassador Williams: Thinks we are in agreement. The U.S. does want the Mariana Islands involvement. We want the Mariana Islands to take the lead.

Herman Guerrero: We cannot understand that the U.S. should make a plan for transition and yet the Mariana Islands should accept TT plans. TT plans are inadequate, obsolete, worthless. The Mariana Islands has had very bad experience in the past with these plans. The people have never been consulted on plans for power or water. We are the ones who are now suffering and we want to be involved in this planning.

Ambassador Williams: Nothing that has been said means that TT plans and decisions will be imposed on a new government. The new government will make its own plans and policies.

In physical planning, water is of great importance as is sewage control. Here is a study on water recently prepared by the District Administration - do we throw this out because it was prepared by the TT Government. The study is useful as a reference point. There should be no misunderstanding that we are forcing the future government to carry on with TT planning and there is no gain to refer back to 1947 as examples of poor planning. We are talking about a new chapter.



Herman Guerrero: We don't intend to throw out the studies. We plan to review them as appropriate but we don't think the money provided in the U.S. proposal will be sufficient.

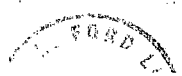
Jim Leonard: The water plan prepared by the TT is adequate now but will be inadequate by 1980 when there are 25,000 people in the Marianas. The Marianas plan to take care of the water problem in the transition planning. The MPSC has no criticism of the current plan except that it does not project future needs.

Ambassador Williams: There is complete agreement that plans must look to the future, especially planned growth in population. What is the most desirable population growth for the Marianas?

Jim Leonard: Believes the MPSC proposal for physical planning covers population growth. However, there is no control over growth in numbers of hotels nor is there any consultation by the HICOM prior to granting leases to concerns for hotel construction.

Ambassador Williams: The HICOM has a commitment to consult with the MPSC and its Chairman prior to granting any long term leases. The HICOM will give this commitment in writing before he leaves the island in a few days.

P. Tenorio: Agrees that Saipan is moving ahead in physical planning - but only in the private sector. TT plans are not totally inadequate, but 1968 plans are obsolete. There are some areas of improvement but the people disagree with some of the recommendations since they were not involved in the planning process. The TT physical planning projects are carried out by TT funds. The type of work recommended by TT would extend through 20 some years at \$2.5 a year. Following TT plans, it would be 1993 before the Marianas could be fully developed, assuming that



funds would be forthcoming to update the studies.

The Marianas want to accelerate development. They need a viable plan now for accelerated development. They can't expect the TT to give them more money. Believes the consultant's report on physical planning is a good one and hopes that the U.S. will reconsider its position.

Ambassador Williams: There is complete agreement that in the future there should be a wide involvement by the local people in physical planning. We feel that, on a selective basis, there should be a review and updating of past plans and it is assumed that the new government will insist on such updating. We feel that our review of physical planning needs is good. Physical planning will have to take place, but where does it fit into the timetable?

We have talked with TT Public Works people on water and our understanding is that the water distribution system is being upgraded. Also, during Phase I, these plans will be reviewed.

P.Tenorio: The community supposed to benefit from the planning will not benefit.

Ambassador Williams: If that is so, the plan should be corrected. The money for this physical planning can come from the \$300,000 in the U.S. plan and from the TT.

Eddie Pangelinan: That is very little money for physical planning. We have to rely on experts and they cost money. Experts from the government say there is no money to compensate for their services.

Ambassador Williams: TT officials charged with planning should be able to help. We are not saying that there shouldn't be more done but hope that the MPSC keeps its expectations for money within reasonable limits - there is some pie-in-the-sky thinking on the amount of money the U.S. should provide for physical planning. Our proposal is not a blue sky proposal.

Eddie Pangelinan: Expressed regret that the MPSC proposal was in such strong tones. However, in starting a new government, they want to do things right and it costs money to hire the experts. The TT hasn't been effective with their physical planning; for example, the loss of \$13 million in CIP funds last year because the TT had not made plans for using the money.

Without the \$1.2 million for physical planning, the Marianas can't do adequate planning for CIP. They consider the money request to be very reasonable.

Ambassador Williams: We are not ruling out using funds the U.S. makes available for physical planning.

Dr. Palacios: It appears that there may be a financial crisis as well as an energy crisis. We should look very closely at need for physical planning, review the planning already done and then reassess the need. The dollar figure presented by the U.S. for physical planning seems too low to do the job. We should do things for ourselves but it seems confusing when the Ambassador's statement on the make up of the Joint Commission on Transition puts the U.S. on equal terms with the Marianas.

Ambassador Williams: Once we have agreement, there will still be a need for continuing consultation during the implementation. The Joint Commission/Secretariat is this mechanism. The U.S. doesn't want to act unilaterally, although it is a U.S. responsibility to oversee a successful transition. It will take administrative action, executive action on the part of the U.S. to separate the Marianas, but we want to do this in coordination with the Marianas.

Phase I planning is in two parts.



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Part I.

A. Areas within Marianas purview - constitutional convention, political education, referendum.

1. The U.S. is not proposing joint action here .

B. Organization of a new government. This is also a Marianas responsibility even though the final plan must be approved by the U.S.

Part II

A. Economic/Social Infrastructure Planning.

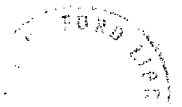
The Marianas must take the lead. The U.S. would like to participate since we have to go to the U.S. Congress to get funds. We are volunteering to assist. The Joint Commission/Joint Secretariat are not decision making bodies. The U.S. will not interfere.

As in the U.S. Government/State Government relations where the two work on equal levels, as the Marianas approach self-government we would hope the same relationship would develop.

Dr. Palacios: An orderly process is very essential. However, looking at the MPSC plan, it might not be too orderly. Since there is some schematic planning already in existence, we should reassess our plans (hotel planning cited at this point as a poor example of planning). We need more detailed planning in Phase I. A new government needs to know how to go on taxes, customs, etc. Disturbed that unless they have plans or legislation that can be adopted the Marianas will not get off to a good start.

Ambassador Williams: Does not disagree. What are MPSC views on Phase I.

Herman Guerrero: Would like U.S. to fund Marianas proposal as soon as possible. The ^{people of the} Marianas are ready to accept the responsibility.



Ambassador Williams: The U.S. is prepared to try to find funds and move ahead on Phase I, when agreement is signed. It is not easy to get things through OMB and Congress before some kind of agreement is reached. Agreement means when the Ambassador and Chairman, MPSC have signed the Covenant. The question is how far down the road is a signed agreement.

Joe Cruz: The TT government is not responsive to the needs of the Marianas. Please give up Phase I planning money. It will be difficult to explain to our constituents why there are no funds. Phase I is the main event. The TT is not doing a good job - land surveys are a good example. We don't want to go back to the old system.

Ambassador Williams: We should be looking forward - no real purpose in reviewing the past. It might be worthwhile to look at other areas of the world to see what per capita assistance is provided.

The U.S. wants to involve the Marianas people. If we just have disagreement on money levels that is not bad faith on our part.

Eddie Pangelinan: With regard to timing - as soon as practicable, MPSC concern is when they will get money for Phase I. - Will U.S. give money when agreement signed or will they just go in for it?

Ambassador Williams: When an agreement is in sight, we can ask for funds on a contingent basis.

MEETING RECESSED UNTIL 1400, 12 DECEMBER 1973

B. Santos: Understand that the \$1.6 million will take care of public lands. Will TT survey private lands.

Ambassador Williams: Yes - regular budget for private lands.

B. Santos: Will same TT personnel continue survey of private lands or will it be contracted out.



Ambassador Williams: Unable to answer. This is a TT and DISTAD responsibility.

B. Santos: Afraid that public land survey will be completed prior to completion of cadaster for private lands and this could cause confusion in settling of war claims.

Could the \$1.6 million be increased to handle private lands as well?

Dr. Palacios: The land cadaster program might leave the Marianas disappointed. He suggested a deadline for completion of the cadaster. He was hesitant to conclude an agreement while the land problem remains. There should be an agreed date from completion of the cadaster and a Land Commission created to oversee the cadaster.

Ambassador Williams: The responsibility for the cadaster rests with Interior. A deadline has been set for the public land cadaster - two years for the survey and one for adjudication. Each district must set up its own land commission.

Salas: Does the adjudication process cover all lands?

Ambassador Williams: Primarily for public lands and where the boundary falls between public and private lands.

Manglona: What is the basis for \$1.6 million cadaster cost?

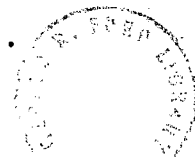
Ambassador Williams: Based on estimate of TT Administration.

Manglona: Is the MPSC proposal for land cadaster reasonable?

Ambassador Williams: Explained the U.S. proposal in Phase I and how cadaster costs were not included since the TT had included as a necessary step in implementing the U.S. land policy.

Manglona: Resolution of public lands is most important to Marianas.

Ambassador Williams: Discussed military retention lands, covering point that U.S. had returned a lot of these lands over the last few years.



Emphasized that we need to make surveys first in order to return public land.

Manglona: Shouldn't we survey the private land first since it only comprises 10% of the land?

Ambassador Williams: If public land cadaster is done by contract services, TT surveyors will be free to finish up private land cadaster. Also, private land could be surveyed using surveyors paid for by private land owners - such as is done in the U.S.

Eddie Pangelinan: Asked Jim Leonard to discuss physical planning.

Jim Leonard: Aware of the timing for Phase I. The MPSC should not start detailed physical planning on day one. Referred to his 29 August paper which set out schedule for planning over 18 months in Phase I.

Ambassador Williams: Believes there should be some physical planning in Phase I, but most of it will come in Phase II. The difference is one of magnitude. See no reason to pay for new master plans when one is already in existence. Proposed that both sides get together right away to review Phase I. The U.S. is willing to move forward as soon as possible on Phase I budget, planning and timing.

Eddie Pangelinan: Concerned that the Saipan Master Plan is not up-to-date.

Rabauliman: Requested summary of today's presentation and then asked about provisions for political education.

Ambassador Williams: Explained that there was money for education for self-government program in TT budget. He then talked about a political education program for the Marianas as a joint approach after an agreement is signed, similar in approach to the program advocated by the JCFS.

P. Tenorio: Concerned with what kind of guarantee the MPSC can be given that the TT will proceed with cadaster on private lands.

Ambassador Williams: Asked for time to look into this matter.

P. Tenorio: If the \$1.6 million for the cadaster is not enough, will they get more. We also need some assurances on having enough money for physical planning.

Ambassador Williams: It is possible that after review by the Joint Commission proposed by the U.S., this question may be raised and more money will be suggested. Of course, we can't guarantee a commitment by the U.S. Congress.

B. Santos: Concerned that concentration on public land will detract from private lands surveys. He believes he is more of an expert on land than the TT officials.

J. Pangelinan: How much in dollar value will the U.S. Government provide to assist the Marianas over and above the \$2.4 million in the U.S. Phase I package.

Ambassador Williams: Difficult to quantify. It depends on the level of assistance and the number of people involved. It is difficult to assess the value of an expert's time. We won't try to impose "experts" on the Marianas, but they will be available and could be seconded if desired.

Herman Guerrero: How can we control the use of federal services - i.e., the extent and kind of services.

Ambassador Williams: This will be a function of the Joint Commission/ Joint Secretariat.

Herman Guerrero: If the Marianas need a certain expertise, what assurances are there that they can get it when needed.

Ambassador Williams: Referring to his Presidential instructions, said that he can get support as required. Noted that several members of the U.S. Delegation are from U.S. Government Departments and are experts in their field.



Herman Guerrero: Stated that he would like to have the present system changed by participating in their own studies and hiring their own experts.

J. Pangelinan: What will the Ad Hoc Committee consist of?

Ambassador Williams: It would be a small committee - 2, 3 or 4 people. It would be charged by the U.S. and Marianas delegations for a detailed plan of action for Phase I and to make recommendations on how to get Phase I off to a good start.

E. Pangelinan: What level of funding is envisioned for the Ad Hoc Committee?

Ambassador Williams: A small amount of money - enough for 2, 3, or 4 people. The U.S. would pay for costs - admin, travel, per diem. Salaries would not be included if it turned out to be a double salary but would be paid if the committee members were precluded from doing their regularly assigned work (private sector).

J. Pangelinan: The Marianas figure for Phase I includes money for a private land cadaster. With regard to the Joint Commission, there is no objection to U.S. participation. Who pays for this and how often will it meet.

Ambassador Williams: It would be a small commission - three from the Marianas and two from the U.S. The U.S. members would be fairly high level, e.g., Ambassador and DOTA. Marianas participation is up to you. Commission members would keep in touch but would not meet too often. The Joint Secretariat would handle most of the work and would be responsive to whomever designated.

There would be no salaries for commission members except for out of pocket expenses.

The Head of the Joint Secretariat would be some prominent citizen of

the Mariana Islands. He and other members would be salaried. The Secretariat could draw on the resources of the TT, U.S. Government and employ private consultants. The Secretariat would provide a "collective, pluralistic response to your needs".

J. Pangelinan: Has problems with no pay for Joint Commission members, especially if he is from the private sector. This would be a big personal sacrifice.

Could the Joint Secretariat get advice from mayors, legislators or other local government officials?

Ambassador Williams: This proposal encourages a wider response from the community and would be all right.

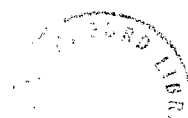
J. Pangelinan: Why does the budget officer on the Joint Secretariat have to be an American?

Ambassador Williams: We have to satisfy the U.S. Congress on accountability of funds. An intern training program could be started with special training in budget and government work as well as formal education in college.

J. Pangelinan: Expressed concern that they won't get the amount of cooperation from the TT executive needed to make the program a success. What enforcement measures will be available to ensure this cooperation.

Ambassador Williams: If the Secretariat did not get cooperation, the Joint Commission could iron out the problems as complaints are received. We are looking at a new "chapter in the book".

B. Camacho: The cadaster needs the right man for the job. We wanted to change the old system to a workable new system. There have been many bad experiences with the TT and many problems with all the TT Departments.



Muna: Does the Ambassador mean that Congress would not consider Phase I favorably?

Ambassador Williams: Believes that funds will be forthcoming.

Muna: Could Phase I be presented to the U.S. Congress now?

Ambassador Williams: It would have to be cleared with the Executive Branch first and then the Marianas Delegation would be requested to make a presentation to Congress.

Muna: Could this be similar to the Micronesian War Claims issue - it seems that it would be. A Marianas cooperative effort with the TT Government will not work.

Ambassador Williams: We are not talking about a program that the TT would be deeply involved in or have control over. The TT may contribute or be asked to help.

Muna: Any chance that U.S. Phase I proposal will be changed and money be added for physical planning?

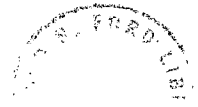
Ambassador Williams: Suggested ~~dropping~~ ^{shifting} fiscal and revenue planning to planning for Commonwealth Government and use that money for physical planning.

Muna: How many people in the Joint Secretariat - five people?

Ambassador Williams: The U.S. proposal is for four plus secretaries.

Cruz: Anecdote about Marianas and four powers that have ruled with the moral of the story being that they need help to become part of the U.S. family. "Mr. Ambassador, please give us Phase I planning because we need it".

Eddie Pangelinan: Where does support come from for the Secretariat's legal support. Will the Secretariat get involved in legal research?



Ambassador Williams: The Secretariat will get involved in certain studies - government planning, constitutional convention. No lawyer is contemplated for the Joint Secretariat. If legal problems do arise, the Secretariat could call on legal counsel.

Eddie Pangelinan: Why was \$500,000 for legal planning omitted in the U.S. plan, especially the judiciary planning?

Ambassador Williams: Judiciary planning would come under government planning and organization. The new Constitution would provide for the judiciary.

Eddie Pangelinan: How does the U.S. justify its costs? How will the Judiciary review of laws, criminal law, etc. be compensated?

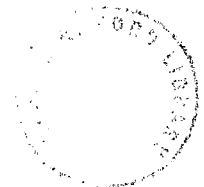
Ambassador Williams: Plan to utilize resources in Marianas, USG, and private counsel. The Office of the District Attorney in District Headquarters and Justice Department could help in codification of laws, plus use of the Legislative reference service in U.S. Congress. This is a unilateral effort - not joint.

Dr. Palacios: Sees many areas of agreement; the only disagreement is on money. He proposed that Jim Leonard and Sol Silver get together and compare notes. Leonard would present man hour requirements, etc. We need a written report showing rationale for adding or eliminating functions.

Ambassador Williams: Agrees. This is the reason the U.S. proposed forming an ad hoc group to report before the next session. Sol Silver will be involved on our side for economics. The U.S. would provide 2 people.

J. Pangelinan: Could the Marianas retain U.S. counsel and would the U.S. fund retaining counsel for the Marianas?

Ambassador Williams: Not sure.



Herman Guerrero: Would U.S. reconsider certain funds for government reorganization?

Ambassador Williams: (Reviewed MPSC proposal of 31 Oct.)

Cruz: Expressing concern that talks might conclude before getting to land, he asked about moratorium on Tinian, homesteading and business.

(E. Pangelinan assured him we would get to land.)

Herman Guerrero: What about funds for cadaster for public and private lands?

Howard Willens: (Asked to speak by Pangelinan) - He is not an expert on government planning; however, he has identified 3 major issues:

1. Research on applicability of Federal Laws. Is there some room for research on this subject? This accounts for a \$500,000 difference.

2. Difference in costs for a government organization study.

U.S. - 50,000	150,000 difference
MPSC - 200,000	

Thinks 200,000 is on the low side, \$50,000 does not buy the kind of talent the Marianas need to prepare for Constitutional Convention. It is doubtful the MPSC could get government assistance.

Ambassador Williams: The expenses of the Joint Commission on Applicability of Laws would be covered in Phase II. The U.S. hasn't considered the costs of the study. The U.S. has an honest conceptual difference with the MPSC on Phase I. We believe that as the Marianas leaders move toward self-government, they should be more self reliant and assume a good part of planning for the new government and transition phase. If plans are made by the indigenous people they might be a source of pride and accomplishment to the Marianas leaders. More participation by the Municipal Council and District Legislature does not rule out using Counsel.



Eddie Pangelinan: We have a different view. We are ready to make the decision but lack the expertise to put our ideas in a proper framework. The TT Government is not responsive. We could recruit lawyers from the Peace Corps or OEO, but this is not what we think the U.S. wants. Locals do participate in making decisions but we need experts to set up the machinery for a new government. It is very difficult for us to present our case but it was necessary. The big problem is the language barrier and our educational system is so poor. We want to avoid the pitfalls of other new governments.

J. Pangelinan: We are telling our consultants what to do, not vice versa. The MPSC is tired of being told what to do. The MPSC has been working hard and will continue to do so.

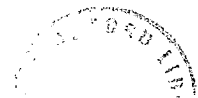
P. Tenario: We don't have the experts, especially legal. The MPSC feels very comfortable having consultants who can be told what to do. If we used government lawyers, we would be put in a position of being told what to do.

Cruz: The people of Tinian regard every inch of land important. We are trying to convince the people to sacrifice their land for military land. If the people get the idea that Phase I is not generous, it will be very difficult to get people to give up their land. We just have to have it. If the MPSC doesn't get Phase I money it will make things very difficult for the members.

Camacho: Similar plea for Phase I.

Eddie Pangelinan: The MPSC will reserve its judgment on Phase I and will hope to explore further.

Ambassador Williams: We hate to break this discussion off and leave it dangling. We propose that we proceed with discussion of organization and funding for Phase I. It isn't necessary to reach agreement on structure or mechanisms for Phase I, but we do offer for your consideration that an ad hoc



committee be named to submit a report before the next session.

The U.S. is committed to provide funding for the transition phase. Just because we cannot accept MPSC funding proposals for Phase I doesn't lessen U.S. resolve to help the Marianas.

The U.S. has to justify this request to the U.S. Congress and Executive Branch. We do not want to fund things already funded by the U.S. We can expect questions such as - are the Marianas ready to plan for their future government. As a suggestion, we should set down and work out before the next session and settle the question of timing.

We would like to get onto Phase II.

Meeting adjourned.

