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June 25, 1979

The Honorable James A. Joseph
 Under Secretary
 U.S. Department of the Interior
 Office of the Secretary
 Washington, D.C. 20240

Dear Mr. Secretary:

I recently obtained a copy of your letter to Governor Camacho requesting narrative answers and comments on the six (6) broad subject matters on territories. I noted that the comments are due on May 25, and while this submittal is late, I hope that comments herein would be useful and hopefully incorporated in the final recommendations of the Presidential Task Force.

The following are my views and comments on the six general and specific areas listed on the attachment to your letter. My comments are confined in most instances to matters with respect only to the Northern Marianas.

Question 1

The primary aim of the United States in the Northern Marianas should be to fulfill the objectives of the Covenant in all respect, and to ensure that such objectives are accomplished as agreed upon. Under the Covenant (P.L. 94-241), the United States is obligated to extend full internal self-government to the Commonwealth of the Northern Marianas. I cannot help but feel that the U.S. is not living up to this commitment. The current intervention of the U.S. Government Accounting Office (GAO) personnel over our internal fiscal affairs is a reverse of such commitment. Is the Northern Marianas to continue to look forward to such a paternalistic attitude and treatment by the U.S. The Commonwealth's operation is to be protected politically and be assisted economically by the U.S. under the terms of the Covenant. The status agreements are quite specific and any deviation from it must be consistent with the overall desires of our people.

The Honorable James A. Joseph
June 25, 1979
Page 2

Question No. 1 addresses the issue of national security objectives. Under the Covenant, lands are committed for contingent use of the U.S. for defense purposes. Such lands represent an invaluable sacrifice on our part, foregoing the economic advancement and well being of the Commonwealth in the interest of national security. The lands reserved at the option by the U.S. for a five-year period was not meant to be left idled for the next three and one half years of the option period. It was the declared intent and agreement by the status negotiators that the U.S. exercises the lease option as soon as practicable, and not wait until the end of the option period (1983) to do so.

While we recognize the national security interest of the U.S. and the vital role that our lands will play, we believe that we are delaying economic development by letting the lands idle or not having the opportunity to start investing the expected funds from the lease payments. The Presidential Task Force should be appraised of this potential economic setback. The NMI has close to six and one half years under P.L. 94-241 to develop itself toward economic self-sufficiency. It must therefore do what it could within this time to come up with unique and innovative economic development approaches to obtain such goal. But with a multitude of U.S. laws and regulations inhibiting our progress, it is impossible to do too much.

U.S. laws and particularly those preventing the territories from moving forward must be revised. This process is provided for in the Covenant via the U.S./Marianas Joint Commission of Federal Laws, but such commission has not been established. The Task Force should consider as its priority the establishment of the Joint Commission on Federal Laws.

Question 2

To start with, the U.S. must be completely committed to the territories both in terms of financial assistance and technical expertise if it expects to develop the territories to the level of the Japanese era or a respectable degree of self-sufficiency. We see too many programs as handouts which discourages our people from maximizing their talents and resources to achieve an independent and self-sufficient status, economically. While we lack major commercial resources, we possess sufficient resource which when exploited would at least provide basic

The Honorable James A. Joseph
June 25, 1979
Page 3

economic needs for the islands. The primary aim of the U.S. should be to assist the territories exploit their resources, first for their own use, and only afterward should the territories be thinking in terms of export. The NMI cannot even support itself with its fishery and agricultural products. We are misleading ourselves if we continue to think that a "pot of gold" can be had via our exporting produce. We see a serious lack of interest on the part of private U.S. investors in developing our economy. It is a shame that the U.S. continue to be passive about development of our islands by foreign nationals. One begins to question whether or not U.S. companies are seriously interested in actually investing on our islands at all. While our resources are scarce, and our population is small, given proper assistance from the U.S., the NMI should be able to be less dependent on U.S. handouts by developing its resources even if just to feed its population. Our great distances from suppliers and markets make it difficult to compete economically with other nations in exports not to mention the fact that we do not have that much exports to speak of. This is more the reason to think small at this time. Production should be geared for local consumption first.

Question 3

I strongly believe that it will be to the best interest of the territories if financial aids are planned out over several years with full commitment rather than on a piece-meal basis. In the case of the NMI, the U.S. has a legal commitment under the Covenant to provide NMI with the necessary funds for practically all aspects. The entire financial commitment over several years should be made available to NMI for its administration and with full flexibility to manage such funds in accordance with its development plans. I cannot help but feel that the U.S. continues to "spoon-feed" the NMI in this aspect. We are somewhat dismayed at the U.S. paternalistic and colonial attitude toward NMI when it comes to internal self-government. My feeling is that if we make mistake, it is our own and we should correct it. The U.S. interferes too much when it comes to financial and fiscal responsibilities. I feel that the spirit of the Covenant and the concept of full internal self government have been breached by the U.S.

I do not believe that the annual budgetary appearances in front of the U.S. Congress accomplishes any more than a good gesture. We feel that Covenant funds are already justified by the Agreement itself. Non-Covenant funding requests should be the only requests that the U.S. Congress should be addressing.

James A. Joseph
President of N.O. Islands

The Honorable James A. Joseph
June 25, 1979
Page 4

Question 4

A special type of grant application procedure must be developed for the territories. None now exists and this is the reason for the confusion and abuse. I feel that the U.S. law providing for consolidation grants is excellent for the territories, but the grant forms must be simplified. The purpose of the federal grants is to effectively assist the territories, and territories cannot function practically if they continue to be treated like beggars in their efforts to justify grants or in their efforts to implement programs.

Question 5


The Office of Territories should be divorced from the principal Department of Interior. We have seen over several decades the ineffectiveness of the Department in accomplishing its mission in the Territories. The Office of Territories should be given complete responsibility as a liaison office between the territories and the U.S. Congress. Also branch offices should be located in the Territories in order to be effective. Such creation of local offices will prevent potential problems during post-trusteeship period for the U.S. trust islands. I feel that there are far too many federal agencies calling the shots in the territories, particularly with respect to Micronesia and NMI.

Question 6

Yes, federal presence is needed but as I mentioned earlier, its function should be principally liaison. When it comes to monitoring of federal grants, i.e. auditing, program evaluation, such services should be extended only upon official requests so as to minimize the resentment that most territories have against U.S. government agencies who in most cases seem to be deliberately giving us the impression that their primary mission to the territories is to find people to throw in jail.

I hope the comments herein are useful and that they are seriously considered by the Task Force.

Sincerely yours,


Lorenzo I. Guerrero
President of the Senate