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Office of the Resident Representative to the United States

Northern Mariana Islands

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June 10, 1986

The Honorable Ronald Reagan
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

I have viewed with great dismay the increasing level of rhetoric associated with the negotiations on issues relative to section 902 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands. These negotiations are of critical importance to both our governments. They are supposed to resolve problems which have arisen since the signing of the Covenant and to perfect the union between the Commonwealth and the United States.

Instead, I fear that personality clashes, personal attacks, emotionalism, and innuendo have led to increased polarization of the positions of your special representative and the special representative of the governor of the Northern Mariana Islands (NMI). The negotiations seem more to be conducted in the media than at the bargaining table. This is destructive of the purpose of the negotiations and is pushing the two sides further apart, rather than bringing our peoples closer together.

I am concerned that all parties have lost sight of the mandate of section 902 that the special representatives make a report and recommendations to you and the governor respecting designated issues affecting the relationship between the Northern Mariana Islands and the United States. After receiving the report and recommendations, it is up to you and the governor to determine how to proceed under the terms of the existing Covenant and, as appropriate, according to the constitutional processes of each entity. In fact, the submission for Congressional approval of the "agreement" reached by the special representatives on continued multi-year financial assistance

The Honorable Ronald Reagan
June 10, 1986
Page 2

demonstrates the need to respect such processes and the overall government-to-government nature of the Covenant. Perhaps if the special representatives would recognize that it is not part of their charter to reach a binding executive agreement, there would be less need for the unfortunate posturing which has so far marred the negotiations.

I am also concerned that the position of your special representative from the start has been to return the Northern Mariana Islands to the direct control of the Secretary of the Interior, rather than of the Congress as guaranteed by the self-government provisions of Article I of the Covenant. This is, perhaps, understandable, given the institutional loyalty expected by an Interior Department official. However, as your special representative, he speaks for you, not the Secretary, and must respect the integrity of the basic relationship agreed to by the people of the Northern Mariana Islands.

In approving the Covenant, the Congress retained NMI oversight under Article IV, section 3, clause 2 of the U.S. Constitution. There is no provision for the Congress to delegate this authority to the Secretary, and Congressional oversight has been effective and incisive. Indeed, the Congress went even further and agreed to limit its own authority so that our self-government would not be infringed upon. Under section 105 of the Covenant, its Article I is among the fundamental provisions which cannot be altered without the consent of the Government of the Northern Mariana Islands. In the same way that the Government of the United States cannot consent to such a change without a vote of the Congress, approval by vote of our legislature, and possibly a referendum of our people, would be necessary.

I believe that continued erosion of NMI self-government by increased control of our activities and decisions by the Secretary of the Interior would, on a cumulative basis, effectively modify Article I. Whether this is accomplished by U.S. statute or by Executive action alone, it is likely to result in endless and destructive litigation. I urge you to help reduce the level of tension by clarifying to all parties that it is not your intention to place our people and government once again under Secretarial orders, decisions, vetoes, and other tokens of domination.

The Honorable Ronald Reagan
June 10, 1986
Page 3

I am also very much troubled by the apparent lip service being given by Administration officials to NMI self-reliance and economic privatization. Some of the most vitriolic and emotional public statements within the scope of the Covenant negotiations have related to our successful attempts to attract foreign investment and fabricate commercial goods for entry into the United States under Headnote 3(a) of the Tariff Schedule. I am convinced that a clear and dispassionate review of the issue will demonstrate the value of these commercial activities to both the Northern Mariana Islands and the United States. However, such a constructive review is impossible when the battles are fought in the press instead of at the bargaining table.

I believe that the Northern Mariana Islands will have no real opportunity to become self-reliant until the private sector is seen as the primary means by which wealth is created. Government, on the other hand, must be seen as a user, and not a supplier of this wealth and the benefits which flow therefrom. Privatization of the government's proprietary services will help, but will not contribute to the economic growth needed to balance imports and encourage local savings and investment.

We must do more in the Marianas than merely sell imports to each other. However, our land, our population, and our capital are not sufficient resources to support enough private development to overcome dependence on the government. We do, however, have three important incentives to development: our locational advantage near the Pacific rim, a stable government and legal system under the American flag, and (or so we thought) preferred access to U.S. markets through Headnote 3(a).

We cannot greatly expand the land area which can be devoted to private development. However, with additional inputs of labor and capital from abroad, we can reach the economic potential which the above incentives make possible. By effectively destroying Headnote 3(a), current and proposed statutes or regulations would remove one of the three legs of our ability to attract capital. Our development efforts must then fail. Similarly, even with favorable treatment under traditional interpretations of the Headnote, all the capital in the world will sit idle and unproductive if there is insufficient labor to run the machines.

Unfortunately, your special representative has made emotional statements to the media and the Congress which pander to the basest instincts of protectionism and run directly counter to

The Honorable Ronald Reagan
June 10, 1986
Page 4

the free trade commitment of the "Reagan Revolution." If free trade is to have any meaning, especially to the Northern Mariana Islands with our small labor force, it must include the relatively free movement of labor from where it is in surplus to where it is needed. The public rhetoric complaining of a "stampede" of "unwarranted" alien labor stealing jobs from garment workers on the mainland ignores the objective facts and basic reality of the situation.

First of all, no alien worker can enter the Northern Mariana Islands without government certification that the position has been advertised and cannot be filled by an available local resident. This is the same standard used in the United States. In addition, the garment manufacturers each have training programs to teach required skills to residents--to the extent that they can find residents available to participate in such programs. Any restriction on the percentage or absolute number of alien workers which may be used in the garment industry, therefore, will result in lower production, idle equipment, and a decrease in private sector growth. It will not result in any significantly greater use of resident workers, nor will it protect mainland jobs.

On the other hand, the establishment of manufacturing in the Northern Marianas creates jobs, profits, taxes, and purchasing power in our territory, under the American flag. No American jobs are lost. This is unlike the situation, all too common these days, where the flight of domestic firms across borders or oceans results in a direct loss of American jobs.

The rhetoric also ignores the fact that the vast majority of alien workers are in heavy construction jobs, and not in the garment industry at all. It also double-counts aliens when one replaces another during a given year. This adds hyperbole to the emotionalism already being applied to the issue.

As you are aware, developments elsewhere may make necessary the intensive development of American military bases on lands leased from the Northern Mariana Islands pursuant to the Covenant. There is no possibility that the Northern Mariana Islands would be able to supply sufficient resident labor to construct and support such facilities and their operation. It is also unlikely that budget constraints would permit the military to import thousands of civilians from the mainland for this purpose at high salaries and even higher benefits. It would be ironic indeed if the United States Government were to deny us the labor



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The Honorable Ronald Reagan
June 10, 1986
Page 5

needed to privatize our economy, increase our tax base, and in time reduce or eliminate U.S. financial assistance, while at the same time importing thousands of aliens for its own public sector construction and operations.

Unless the real purpose of the United States is to ensure our perpetual dependency on handouts from the American taxpayer, we must be allowed to develop our private sector without artificial impediments imposed by Washington. We must be able to make maximum use of the few resources and advantages we do have and to take maximum advantage of available inputs from abroad when our own are insufficient. In this way, we too will be able to contribute to the Reagan Revolution, rather than hinder its success.

If all parties could agree that the collateral Covenant negotiations should proceed within a framework designed to encourage private sector growth while respecting the principle of self-government guaranteed to our people, they would have a large chance for success. I think, however, that a cooling off period is needed so that tempers can cool and objectivity can replace emotion. Perhaps after several months the same or different special representatives could take a fresh look at reality and fashion recommendations for growth and stability.

Mr. President, I am finally hopeful that in a few short weeks you will proclaim the end of the Trusteeship and the full establishment of the Commonwealth of the Northern Mariana Islands. At that time my people will all become Americans. If they are not forever to be second-class citizens of their chosen country, the Covenant must serve as an agreement of dignity and comity, not of oppression. The success of the current round of Covenant negotiations, or the lack of it, will be a major factor in determining the degree of stability of the union of our peoples. I urge you most strongly to assure that the talks proceed with these thoughts in mind.

Thank you.

Respectfully yours,

Froilan C. Tenorio
Resident Representative

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JUNE 24, 1986

TO: DEPARTMENT OF THE INTERIOR
ATTN: RICK MONTOYA

ACTION REQUESTED:
DRAFT REPLY FOR SIGNATURE OF:
WHITE HOUSE STAFF MEMBER

DESCRIPTION OF INCOMING:

ID: 405522
MEDIA: LETTER, DATED JUNE 10, 1986
TO: PRESIDENT REAGAN
FROM: THE HONORABLE FROILAN C. TENORIO
RESIDENT REPRESENTATIVE
TO THE UNITED STATES
NORTHERN MARIANA ISLANDS
2121 R STREET, NW
WASHINGTON DC 20008

2353 '86 JUN 24 P2
DEPT OF INTERIOR
EXECUTIVE

SUBJECT: WRITES REGARDING ISSUES RELATIVE TO SECTION
902 OF THE COVENANT TO ESTABLISH A
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN
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UNDERSIGNED AT 456-7486.

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SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
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DATE RECEIVED: JUNE 12, 1986

NAME OF CORRESPONDENT: THE HONORABLE FROILAN C. TENORIO

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COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

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| | | ACT CODE | DATE YY/MM/DD | TYPE RESP | C COMPLETED D YY/MM/DD |
| KAE RAIRDIN | | ORG | 86/06/12 | | C 86/06/20 TR |
| ANDY CARB | REFERRAL NOTE: | A | 86/06/23 | | S 86/06/23 TR |
| RICK MONTROYA | REFERRAL NOTE: | D | 86/06/24 | | / / |
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