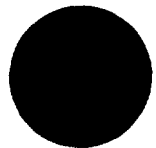




United States Department of the Interior

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OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240



POLITICAL STATUS CHANGES IN THE TERRITORIES

GOVERNMENT OF THE NORTHERN MARIANA ISLANDS

On March 24, 1976, the President signed into law a Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States (P.L. 94-241, 90 stat. 263). The area includes Saipan, Rota, Tinian and 18 other small islands. Currently, the Northern Mariana Islands is administered separately from the remainder of the Trust Territory of the Pacific Islands.

During this transition period, the Trust Territory Government headquarters in Saipan has continued to serve as the "state" agency for the Government of the Northern Mariana Islands for most federal programs. Also, during this period, the Northern Marianas have remained eligible for all programs that are made available to the Trust Territory. Following the Presidential approval of the Constitution which is expected in late August, 1977, and within 180 days after such approval, the Northern Marianas will become eligible for federal programs now available to Guam and other territories. When the Government of the Northern Marianas elects its own governor and its governmental infrastructure is in place, which is anticipated the first of next year, the Government of the Northern Marianas will also assume "state agency" responsibilities for most federal programs.

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FOLDER MARSHALL ISLANDS Folder #2
FY 1975-79
GENERAL CORRESPONDENCE

It should be pointed out that some U. S. laws will not apply to the Northern Marianas until it becomes a Commonwealth after the end of the Trusteeship which the United States hopes to terminate in 1981.

Sections 502 and 703 of the Covenant indicates the availability of more federal programs for the Northern Marianas. The Covenant will be discussed more thoroughly at a subsequent Committee meeting.

The Trust Territory of the Pacific Islands known also as Micronesia, is made up of the Districts of the Marshalls, Ponape, Truk, Yap, Palau, and Kosrae. Status negotiations with the Congress of Micronesia negotiating team representing these districts have been conducted for several years. In June, 1976, a nearly complete "Compact of Free Association" resulted from the negotiations. In essence, it provided for a unified Micronesia and for self-government internally; with the United States having responsibility for external or foreign affairs and defense of the islands. For a variety of reasons however, no formal negotiating sessions were held this past year. Instead of a united Micronesia, now the Marshalls and the Palau Districts have proceeded separately from the other districts and have sought separate negotiations.

Early this year, a policy review by the new administration in Washington was completed, and the Administration invited representatives from the Marshalls and Caroline Islands (all of the TT excluding the Northern Marianas) to participate in a round-table conference with the United States in Honolulu from 18 - 21 May to discuss a range of subjects of mutual interest. At that conference, the United States

reaffirmed its desire to find a mutually satisfactory basis for the termination of the Trusteeship Agreement by 1981, and pressed for an early resumption of formal negotiations. We expressed our belief that free association along the general lines negotiated over the past six years provides the most promising basis for enduring a mutually satisfying relationship between the United States and the people of the Marshall Islands and the Caroline Islands. We stated that our basic aim was to help the peoples of Micronesia to move rapidly and successfully towards a new status based on self-determination and that we had not excluded the possibility of talks leading to forms of government other than free association, including independence, if that were the expressed wish of the peoples of Micronesia. We expressed our belief that the interests of the peoples of Micronesia would best be served by the maintenance of some form of unity, and we concluded the Honolulu meeting with an agreement by all parties to meet again no later than July for further discussions.

A second Micronesian-United States Conference attended by representatives of the Congress of Micronesia; the Districts of Kosrae, Ponape, Truk, Yap, the Marshalls -- including the Marshall Islands Political Status Commission, and Palau -- including the Palau Political Status Commission, the Trust Territory Administration, and the United States Government was held in Guam July 25-27.

The U. S. delivered a proposal for a free association arrangement in terms of a two-tier relationship. Under the U. S. proposal, an

all-Micronesian tier would define authorities and responsibilities of the United States Government that would be uniform with respect to all districts or a group of districts acting jointly. The United States reaffirmed its goal that the Trusteeship be terminated by 1981.

The U. S. proposal involves a negotiation format which would include both multilateral and bilateral discussions. Under the U. S. proposal, multilateral negotiations would focus on those aspects of the relationship with the United States, such as defense, foreign relations and overall elements of the free association status, common to all six districts. The U. S. proposal further envisions bilateral negotiations between the United States and a district or group of districts addressing elements of the free association status which are special or local, such as specific defense matters and, in substantial part, provisions for U. S. financial assistance. Each district would determine its representatives for the multilateral negotiations and would also designate negotiators for the bilateral negotiations. Either function could be delegated by a district to the Congress of Micronesia or to its negotiating commission.

The participants agreed that the U. S. proposals would be carefully reviewed by the Congress of Micronesia during its August 15 Special Session, and by other appropriate entities, with the common objective of facilitating the resumption of negotiations in early fall in a manner satisfactory to the peoples of Micronesia. All the parties

further agreed that the U. S. proposal represented an important and realistic step toward the resumption of negotiations, and believe that it could form an acceptable basis for negotiations. At subsequent Committee meetings, we shall keep you posted on Micronesian political status negotiations because the outcome could affect programs administered by your agencies. For example, in the "Compact of Free Association," there is no provision for federal programs other than postal services, weather services, and FAA administrative services. Other federal programs may be provided at the request of the Micronesians and agreement of the U. S. government. Therefore, in the unlikely event that the Compact is agreed to, one could envision a major reduction of federal programs for the Trust Territory. In terms of priorities, from now until the end of the Trusteeship agreement, greater emphasis will be placed on economic development and on infrastructure in the Trust Territory than in the past.

American Samoa

American Samoa will elect for the first time its own governor and Lt. governor this fall, and the ^{NEWLY} ~~nearly~~ elected officials will take office after the first of the year. We would not anticipate any changes of delivery of federal programs or services to American Samoa. Interior expects to establish a Government Comptroller for American Samoa who would function in a manner similar to the Government Comptrollers of Guam and the Virgin Islands.

Guam

Currently, Guam is holding a Constitutional Convention, the product of which eventually could take (with Congressional approval) the place of the Organic Act. The Constitutional Convention is considering a variety of issues within 20 committees; such as elected representatives by districts to their unicameral legislature; whether to have an elected Attorney General and Fiscal Officer, and so forth. It is not anticipated that there will be any change of federal programs and services to Guam but we may need to review programs that Guam may seek to participate in.

The Virgin Islands

The territory of the Virgin Islands functions under an Organic Act and also a Federal statute. The Virgin Islands is considering whether to continue to function either under the Organic Act or under its own Constitution. Federal programs and services would be continued and would not be expected to change in the Virgin Islands.