

February 21, 1973

NRPD/Interior Branch

Clearance of transmittal letter for Interior draft bill to authorize appropriations for the Civil Government of the Trust Territory beyond fiscal 1973

Mr. Hyde

We have already made our recommendation that the draft bill not authorize appropriations either as to a specific amount or for specific fiscal years; however, we believe there are a considerable number of changes required in the transmittal letter and our recommendations for those changes are described below. We made recommendations for changes on page 1 of the transmittal letter in our February 2, 1973, memorandum concerning our recommendations about the basic provisions of the draft bill.

On page 2, the first paragraph:

The Office of Micronesian Status Negotiations has recommended that the following sentences be deleted:

There seems, however, to be a reluctance on the part of the Congress of Micronesia to go ahead and complete the compact. Some members of that Congress now favor independence. Moreover, the people of one of the Districts, the Mariana Islands, have just entered into formal negotiations with the United States, seeking to bring about their long expressed desire for a close and permanent association with this country.

They recommend that the following sentences be substituted in lieu thereof and we concur in their recommendation. The Department of State also objected to the Interior draft at the same point and proposed alternative language (see State views letter for text); however, the Office of Status Negotiations objected to State's proposed alternative language. We recommend the Office of Status Negotiations proposed substitute because they are most directly involved in the status negotiations and presumably, therefore, can best advise as to what should and should not be said about them at this time.

19- 424138

On page 2, the second paragraph:

The Office of Micronesian Status Negotiations has recommended that the first two sentences of this paragraph, which read as follows, be deleted:

"It is possible that agreement on an association of the Marianas with the United States may develop rather quickly, which could result in interim budgetary and administrative arrangements for that district. Likewise, there may be developments in our negotiations with the rest of Micronesia which require budgetary and administrative flexibility."

They recommend that the following sentences be substituted in lieu thereof:

"It is possible that agreement on an association of the Marianas Islands with the United States may develop rather quickly. We hope in another year to be in a better position to relate budgetary and program matters to the political future of the territory."

We concur in their recommendation for the same reason cited above.

Page 3, the entire page.

NRPD staff recommend that this entire page of the draft letter be deleted and the following paragraph be substituted in lieu thereof:

"Appropriations will be requested as necessary and will reflect the relative priorities within those amounts for continued progress in providing support for elementary, secondary and post secondary public education; for dental, mental, preventative, and environmental public health programs, including expansion of water and sewerage systems; and for increased electric power generation and improved communications."

We believe Interior's draft is far too specific about the definition of goals/standards for the provision of government services and the timetable for achieving them. This

is especially true in light of the increasing uncertainty about what the future political relationship(s) and, consequently, what the level of U.S. financial support will be for the Marianas District and the other five districts of the Trust Territory. Also, there is the question of when such changes in the relationship(s) may occur. Finally, there are no reliable estimates of the amounts which would be required to achieve those goals/standards within the times specified in the Interior draft. In light of all these problems, we believe the general statements in our recommended substitute paragraph, while rather vague, will be less troublesome than Interior's draft page 3.

On page 4, the third paragraph.

NRPD staff recommend that this entire paragraph be deleted. This is because OMB has not given clearance for a reprogramming that Interior has proposed to fund the next steps toward implementing a new financial management system. OMB has questioned whether the proposed system is too elaborate to be of practical use in the Trust Territory.

Recommendation

If the transmittal letter is amended as outlined above, and Interior agrees to the amendment we earlier proposed in the draft bill, we recommend that the bill be given an "in accord" clearance.

Larry D. Cardwell
Interior Branch
Natural Resources
Programs Division

cc:
NRP Records (Int.Br.)
Mr. Crabill
Mr. McKittrick ✓
NRPD:LDCardwell:ew 2-21-73

19- 424140

Attachment

The Office of Micronesian Status Negotiations recommended substitute language for inclusion in the first paragraph on page 2, is as follows:

"Other areas of the relationship have yet to be resolved, but future negotiations are expected to outline the framework of the obligations and commitments between the United States and Micronesia in greater detail. A part of the status negotiations will focus upon the financial commitment from the United States to Micronesia that will replace the current administrative financial burdens now held by our government."

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