

DRAFT:SS:mm1: 5/3/74

Memorandum

To: E. E. Archer, State Adviser, OMSN

From: Solomon Silver, Economic Adviser, OMSN

Subject: Random Thoughts on Stonewall Eventuality

1. In the event the talks deadlock - but the Marianas remain committed to commonwealth - it will, of course, be necessary to go back for instructions.

- a. We are at our limit on financial assistance.
- b. We can not compromise on lands to the point where DOD requirements are not met.
- c. We cannot yield too much on the political arrangements without compromising our position vis-a-vis other territories - Congress wouldn't let us go too far.

If we get stalled on finance (an unlikely happening) we should first try to assure the Marianas that in joining the American family, they can be certain we will not abandon them. When a real pinch develops, we will come through. The amounts we are proposing seem to us to be not only fair and generous, but also in the Marianas own interest - i.e., hold down government spending and hiring of people as a necessary adjunct to developing the economy. Point to the large transition program for CIP.

If none of this works, then we could seek new instructions based on an analysis of their latest demands. If their demands are unreasonably high - in terms of absorptive capacity, need, or any other economic criteria then

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we should seek instructions to let them rejoin the other 5 districts. The independence option is a non-starter both from their and our standpoints.

2. If the talks deadlock and they don't want to, <sup>or</sup> ~~the MSS~~ cant, continue ~~the~~ <sup>the</sup> Commonwealth option, then we have no choice but to report <sup>to</sup> the President and seek instructions. What we will recommend to the President depends largely on the issue(s) on which the talks collapse. If its land, then we may have to continue the Trusteeship despite the political flak. If its just political without any specific <sup>main</sup> reason but they <sup>would</sup> be willing to make land available, then we <sup>would like</sup> ~~sounter~~ with a solution that permits the Marianas to rejoin the other 5 districts.

DRAFT:SS:mml: 5/3/74

Some Thoughts on the Selection of The Director of  
The Transition Secretariat

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I. The Phase I Program (ex-land cadaster)

A. Research and Planning

1. Political

- (a) Constitutional Convention
- (b) Government Organization
- (c) Legislation Program.
- (d) U.S. Federal Programs.

2. Economic and Social

- (a) Economic and Social Development .
- (b) Government Finance.
- (c) Infrastructure Development.
- (d) Relocation of Capital.

B. Scheduled Events and Other Phase I Programs.

- (1) Political Education.
- (2) Status Plebiscite.
- (3) Constitutional Convention.
- (4) Constitutional Referendum.
- (5) Election of new Marianas' Government.

II. The Role of the Transition Secretariat

a. Manage the Phase I Program on behalf of  
the Joint Commission - serve as Executive Agent.

b. Develop plans and schedules for carrying  
out the different elements of the Phase I Program

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c. Arrange employment of experts - either through hiring of individual experts, contract teams, or seconding of U.S. Government and TT Government employees.

d. Administer Phase I funds; issue quarterly progress reports on the program.

e. Generally assist the Marianas' representatives in implementing their own Phase I activities including the Constitutional Convention the Status Plebiscite and the Constitutional Referendum.

### III. The Selection of a Director

The Director of the Transition Secretariat is a generalist ; his function is to direct the experts on his staff in developing the specifics of the individual research projects in the Phase I Program, in determining the most efficient manner for carrying out the individual projects and fitting these into a time schedule designed to reinforce the utility of each of the projects. For example, the time phasing of the studies on economic development, physical planning, and fiscal planning is crucial to the development of a coherent and rational economic program. The interrelationships of the elements to each other requires careful attention to the sequence in which the different studies are performed.

Similarly, time phasing and scheduling will be of prime importance in the area of political and legal planning. Each element in the process will serve as a policy guide and framework for the succeeding elements.

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Failure to deal with the scheduling and sequence imperatives in an imaginative fashion (could well) lead to uncoordinated and disparate results in the whole Phase I exercise.

The Director of the Transitional Secretariat should be a very senior person, with a proven track record in administration. He will have to be an outstanding problem solver dealing with many and diverse points of view and areas of interest. He will have to decide which decisions are properly his to make, and which must be referred to the Joint Commission. He will thus be treading the narrow line that separates exceeding his authority on one side and overloading the Joint Committee on the other.

He will have to withstand the pulling and tugging of vested interest groups - some seeking political advantage, others economic gain. He will be in a vulnerable position for personal criticism.

On balance, it would probably be best to have someone trained in the law or in political science rather than in economics or the physical sciences.

The transition is fundamentally a political one - the most important and long lasting Phase I activities will therefore be in the area of Government organization, constitution drafting, development of a base point legal program, and the holding of referendum, plebiscite and elections.

This is not to say that the economic and social development planning is not important. This element of Phase I will also shape the direction of the future for the people of the Marianas. But in this area, the Director can get strong advisory assistance from his own staff and above all, economic and physical plans tend to evolve - they will be modified over time in fundamental ways as original assumptions and planning parameters become obsolete.