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June 25, 1974

MEMORANDUM FOR THE MARIANAS POLITICAL STATUS
COMMISSION FILE

Subject: Meeting with James Wilson

Howard Willens and Michael Helfer met on June 21, 1974 with James Wilson at his office in the Interior Department. Mr. Willens had requested the meeting primarily to discuss how the Joint Drafting Committee should proceed between now and the next round of negotiations.

Land Negotiating Committee: Mr. Wilson said that one of his priorities during the recess would be the Land Negotiating Committee. He stated that he would be in Saipan in early July, and hoped to arrange a meeting of this Committee on July 11 or 12. Two persons from the Defense Department are expected to assist Mr. Wilson, one from the Office of the Secretary of Defense, and the other from the Air Force. Mr. Wilson also stated that he expected that Emmett Rice would be made available to assist the United States in conjunction with the deliberations of the Land Negotiating Committee. Mr. Rice is expected to leave the Trust Territory Government in the fall and return to the Department of the Interior.

Phase I Funds: Mr. Wilson reported that he had discussed Phase I funding with OMB, and that the response was generally favorable. He is now in the process of pursuing the necessary formalities to gain OMB approval of Phase I funds. Mr. Wilson stated that in view of the progress of the negotiations, the United States would attempt to add Phase I funding as a separate item to the fiscal year 1975 Trust Territory budget. The alternative -- to seek a supplemental appropriation next spring -- might mean that there would be a delay of six months or more between the signing of a status agreement and the beginning of Phase I.

Public Land Legislation: Mr. Wilson stated that he had been spending some time assisting in the Department of Interior review of the public land legislation in the Congress of Micronesia. The Interior Department position is that unless the legislation directly conflicts with the policy statement, the Interior Department

will not oppose it. Mr. Wilson expected that the views of the Interior Department and the Trust Territory Government would be made known to the Congress of Micronesia before the beginning of the special session, and indicated these views could be made available to Mr. Willens at the same time.

Congressional Contacts: Mr. Wilson said that he and Ambassador Williams had spent a good deal of time briefing members of Congress in both houses on the progress of the negotiations. The response has been generally favorable. According to Mr. Wilson, Congressman Burton has repeated his concerns about the applicability of the federal income tax in the Marianas, and is adamant in his view.

Joint Drafting Committee: A discussion was held of the general procedures to be followed by the Joint Drafting Committee. Mr. Wilson said that he expected to appoint three lawyers -- Messrs. Marcuse, DeGraffenried, and Surena -- to assist him on this Committee. Experts in particular substantive fields would be called in as needed by the United States. Mr. Wilson stated that he would deputize one of these three lawyers to represent the United States Delegation in his absence, and suggested that Mr. Willens do likewise from his side. Mr. Willens gave to Mr. Wilson a copy of a memorandum briefly describing the major differences between the U. S. and MPSC status agreements.*/ Mr. Wilson said he would review the document and would have one of his lawyers call Mr. Helfer early next week to lay the groundwork for a meeting of the Joint Drafting Committee to be held next Friday at 2:00 p.m. Mr. Wilson expressed again the concerns of the United States with respect to the length and complexity of the MPSC draft, the exceptions it contains as compared to ordinary territorial practices, and the detail it contains in an effort to avoid the necessity of further enabling legislation. Mr. Willens stated that we were prepared to discuss these and other problems at the next meeting in a general way, but urged that we move as quickly as possible into the substance of the agreement, on a section-by-section basis. Mr. Wilson appeared agreeable to this suggestion, and proposed that we skip the introductory clauses and the Titles in the U. S. draft and proceed directly to the Articles. Mr. Willens said that to expedite the

*/ A copy of that memorandum is attached.

Committee's work, he would have a document prepared which displays the comparable provisions of the Covenant and the Commonwealth Agreement side-by-side.

Other: Mr. Wilson is leaving for Guam over the weekend of the 6th, and will return to Washington no earlier than the 16th.

Michael S. Helfer

cc: Senator Pangelianan
Mr. Willens
Mr. Leonard