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February 11, 1974

MEMORANDUM FOR MR. WILLENS

Re: Draft of Summary Report Regarding United States-Marianas Negotiations

I have read the draft which you sent, and I offer the following general comments. If you would like me to undertake any re-drafting on the basis of these comments or otherwise, I shall be happy to do so.

- 1. If the Report is to be used on the Hill, I suggest that a one-page cover sheet descriving the Marianas and giving a brief account of their history be prepared. The first few pages of the October 12, 1973, background memorandum could be summarized and used for this purpose.
- 2. I believe that the Summary would be more effective if organized as follows:
 - I. Political and Legal Nature of the Relationship.
 - II. Land and Military Requirements.
 - III. Economics and Finances.
 - IV. Transition Planning and Programs.
- 3. The Summary Report uses the term "status agreement" throughout. Are we committed to that term or do we want to use the term "Commonwealth agreement"?
 - 4. On page 2, the second line from the end of the first paragraph -- I would strike "however" as unnecessary and implying that maximum self-government is somehow inconsistent with a sovereign act of self-determination.
 - 5. On page 2, at the end of the fourth paragraph -- would not the federal courts be also competent to pass on the consistency of constitutional amendments with the status agreement?

- 6. On page 4, first paragraph -- one substantive problem: do I understand that persons born in the Marianas after the termination of the Trusteeship (and who therefore could be said to become U. S. citizens "pursuant to the status agreement") will be subject to federal income tax only on U. S. source income? Three non-substantive comments: It might be useful to alter the third sentence of this paragraph so as to name the other territories which are now treated in a similar fashion under the provisions of Section 932; it might be useful to alter the fourth sentence of this paragraph so it states that other U. S. citizens will be subject to federal income tax unless they meet certain qualifications, as is true in other territories; finally, it might be rhetorically useful to move the final sentence of this paragraph up so that it becomes the third sentence.
- 7. On page 5, on the fifth line of the third paragraph -- I would drop the phrase "including legal studies". Looks self-profiting.
- 8. On page 6, in the third paragraph -- I would add to the second sentence an example of other territories in which federal taxes are covered over to the local treasury; and the last sentence of the third paragraph seems to belong in the first paragraph on page 6 instead of where it is now.
- 9. On page 7, in the first paragraph -- I would make clear that the public lands in all of Micronesia not just in the Marianas are being returned.
- 10. On pages 7 and 8 I think the points can be made more effectively by reorganizing as follows: In place of the second sentence of the second paragraph on page 7, I would simply say: "There follows a summary of the issues relating to the particular areas which the United States proposes to use in the Marianas." I would then drop sub-paragraph 2(a) entirely, for the point is made elsewhere and 2(a) is the only sub-paragraph which does not discuss a particular geographic area. Then I would move the discussion of Tinian from 2(e) up to 2(a); it is plainly the most important military land issue, and ought to go first.
- 11. Three nitpicking questions on page 8: Does our client oppose the description of the park at Tanapag Harbor as "an American memorial"? Do you as well as your English secretary spell "honor" "honour"? And will the harbor facilities on Tinian be available for "joint" use by civilians and the military?

(If so, this should be made clearer because the use of the term "joint service military base" in what is now 2(e) leaves it somewhat confusing.)

12. On page 9 you might consider making the last line read "the people of the Marianas and the United States."

Michael S. Welfer