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March 12, 1974

Senator Edward DLG Pangelinan
Chairman
Marianas Political Status Commission
P. O. Box 977
Saipan, Mariana Islands 96950

Dear Ed:

Jim Leonard and I attended another meeting of the Ad Hoc Committee yesterday. For the first time, Sol Silver was well enough to participate in our meeting. The discussion centered about a draft report of the Ad Hoc Committee prepared by the United States representatives on the committee. I am enclosing a copy of this draft report for your review. I think that you should know the following:

1. The U.S. representatives said that they had prepared this draft report after extended discussions with Ambassador Williams and Jim Wilson and that the draft, accordingly, reflects the Ambassador's views. They said that they had prepared it because of the March 15 deadline and the desirability of terminating the work of the Ad Hoc Committee as quickly as possible. I responded that we did not consider the March 15 date a feasible one and that I thought that we should plan our work in such a way as to produce a report by April 15. I pointed out that we had been handicapped in our work by Mr. Silver's illness and that, in any event, there was no particular need for our respective principals to have a report from the committee until shortly before the next session of negotiations. In addition, I said that I was in the process of securing

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some assistance from outside experts (on an uncompensated basis) and that this would not be available to me until April 1. I do not think that any of the United States representatives was particularly concerned by my request that the committee's work be extended until April 15, although I do gather that they are under substantial pressure from Ambassador Williams to conclude these deliberations.

2. With respect to the organization of the transitional planning and programs, this draft report incorporates many of the suggestions which we made on behalf of the Commission during the last meeting. However, there still are some significant differences between us:
 - (a) Ambassador Williams still insists on identifying all the members of the so-called Joint Commission on Transition and to identify the Chairman of the Marianas Political Status Commission as one of the Marianas representatives. We have taken the position that the Marianas District Legislature should have the responsibility of naming the Marianas members of the Joint Commission. In support of this proposal, we have emphasized that the Marianas Legislature is the most representative available body to appoint the Marianas representatives on such an important body and that, for all we know, our Commission will be disbanded by the Legislature upon the signing of a Status Agreement. In other words, although we think it is both desirable and inevitable that you be a member of the Joint Commission on Transition, we believe it would be more appropriate and more seemly if the decision on this matter were left to the District Legislature.
 - (b) Another difference between our positions is that the United States continues to believe that the Joint Commission should have only five members whereas we propose a Joint Commission of nine members. I think a larger group makes considerably more sense from a convenience and representation standpoint, but obviously would recommend that we try to compromise this issue out.

- (c) Another interesting difference exists regarding the participation in the Joint Commission of the District Administrator. It is our position that the District Administrator, as an appointee of the High Commissioner, should be counted as one of the United States representatives, whereas the United States believes that he should be included as one of the Marianas representatives.
3. We have no major problem with the draft report's description of the main functions of the Joint Commission, although we are proposing that no reference be made to a "covenant" and that some additional general language be added regarding the Joint Commission's disposition of any studies or recommendations received by it from the Secretariat.
 4. Regarding the draft report's discussion of the Secretariat, I think you will be interested to note that the United States has accepted our recommendation that the Secretariat consist of six (rather than four) professionals and that the current draft includes provision for a political scientist and a physical planner. This represents a substantial concession to us. We have some concern about the ambiguous language on page 4 regarding the provision of legal, administrative and other necessary support by the TTPI Government and I think it is likely that this sentence be eliminated. I think that the United States representatives agree that the Secretariat should have the authority, and some funds, to hire outside assistance on selected matters if the need arises and if the necessary services cannot be secured from the TTPI or the District Administration. I do think it is important, for example, that the Secretariat be able to solicit the advice of independent counsel on particularly important legal matters if they believe that it would be useful.
 5. In contrast with our draft on organization and management, the United States draft report makes no reference to a Mariana Islands Commission (the reference to such a Commission at the top of page 5 represents an error by the U.S. representatives). However, there appears to be no disagreement in principle to our proposal that the Secretariat also serve as the operating arm for those programs and studies which are being entrusted exclusively to direction by Marianas representatives, e.g., the constitutional convention, government planning effort, etc. In other words, we believe that the

Secretariat should be subject to direction by either the Marianas District Legislature or a Marianas commission appointed by the Legislature to supervise and conduct these various politically-oriented activities. The United States is apparently willing to see the Secretariat have this responsibility and a new paragraph will be prepared to reflect this fact.

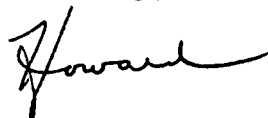
6. When we finally reached the substance of the planning effort we (but especially Jim Leonard) continued to be frustrated. Despite the reference in the terms of reference for the Ad Hoc Committee to the preparation of "a detailed work plan," Ambassador Williams has informed his staff that he disagrees with the term "detailed" and does not believe that the draft report should deal with the substance of the planning effort other than at a high level of generality. The United States representatives believe that the details of the studies should be left to the Joint Commission and the Secretariat. We have emphasized, on the other hand, that one cannot get a firm idea of the appropriate costs involved in any particular study unless there is preliminary agreement regarding the kind of work to be done as part of the study. On this very simple issue, we have spent endless hours and tempers have sometimes gotten short. Given the United States intransigence on this issue, it is very difficult to have any productive or professional exchange of views regarding the kind of planning to be undertaken as part of the transitional program.
7. The last page of the United States draft report sets forth a recommended budget for a Phase I transitional effort in the amount of \$1,275,000. This budget represents some very significant increases over the United States proposal presented during the last session of negotiations. You will recall that, putting the land cadastre and adjudication program aside, the U.S. during the last session recommended a planning and program budget of about \$850,000 whereas our compromise proposal included a budget of approximately \$1.7 million. The amount proposed by the United States in this draft report is really close to \$1.6 million when the following considerations are understood:

- (a) The United States is prepared to recognize that the transitional effort will be spread over approximately two years, but the administration costs set forth in their budget are only for a single year. Therefore, an additional \$225,000 for the second year cost of administering the transitional effort should be added to get a more accurate total.
 - (b) We also learned that the estimated personnel costs for the Secretariat reflected in this budget (\$165,000) was prepared before the United States agreed that the Secretariat should include six professionals rather than four. Consequently, the personnel costs of the Secretariat on an annual basis are likely to be in excess of \$200,000 and this sum, multiplied by 2, belongs in the grand total. In other words, we are making progress.
8. The United States budget includes an increase in the funds available for government organization planning. Both Mr. Loftus and I are in the process of securing additional advice from outside experts on this subject. I think it might be possible to increase this amount, but not by very much. We were given the definite impression that Ambassador Williams feels that this proposed budget represents the most that can be reasonably requested from OMB and the Congress, whether or not the merits of any particular study would justify expenditure of a larger sum.
9. Under economic and social planning, you will see a new item in the amount of \$50,000 for conducting research into various United States Federal programs and services. This is a new suggestion of the United States and we obviously do not have any objection to it. I informed the U.S. representatives that my office was already involved in a substantial effort along these lines because we contemplated that the Status Agreement would attempt to deal in general terms with this problem. I do not really know what they have in mind by this particular study, but I am sure that the \$50,000 can be used effectively in the Marianas.

10. As you can imagine, we spent a considerable time discussing the item for \$225,000 for physical planning. I am sure that you recognize what a breakthrough this really is, since it represents for the first time a concession by the United States that some money should be spent on physical planning during Phase I. Jim Leonard continues to be very disturbed by the United States failure to deal with his proposal for physical planning on a professional basis. At the same time, Jim commented to me after the meeting that he feels we have made considerable progress in this area and that this planning effort looks like a fairly decent one. Sol Silver makes two basic points about physical planning. First, he does not believe that as much physical planning as we contemplate could be completed within the two-year transitional period and he emphasizes that physical planning will continue to be necessary after the transitional period is over. Second, he disagrees with Jim's experts regarding the extent of detailed work which can appropriately be done by physical planners at an early stage. However, he concedes readily that he is not a physical planner. I think it is going to be very difficult to budge Sol or the Ambassador on this item. I will be trying to explore ways to get into the report of the Ad Hoc Committee some language regarding a commitment by the United States to fund such additional physical planning as is recommended by the Secretariat and approved by the Commission.

We did not discuss any of the other items included in the recommended budget. We made an official request that the United States bring Messrs. Sheehan and Chamberlain to Washington for consultation regarding need for physical planning in the Marianas. I expect that this request will be refused. We will plan to meet again with the United States representatives sometime next week. If you have any reactions or instructions regarding the position which Jim and I have taken on the Commission's behalf, please let me know.

Sincerely,



Howard P. Willens

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