

Subject: Ad-Hoc Committee Report on Phase I Transition in the Marianas

### Introduction

Attached is a new version of a draft report of the ad-hoc committee on Phase I plans and programs. It reflects several tentative agreements reached during the meetings of the committee and comments by Messers Wilson and Silver, following the last meeting of the committee on March 11, 1974.

### Highlights

Per the terms of reference agreed to on Saipan last December, the joint ad-hoc committee was directed to study and make recommendations regarding the "scope, organization and timing of studies and programs necessary to an orderly transition to self-government in the Marianas". These terms of reference called for a "detailed work plan" covering a number of specific study tasks and events, plus recommendations on "an appropriate organizational structure...". This committee has met several times but is far from agreement, mainly because the representatives of the MPSC-Willens and Leonard-are holding out for a report that will entail the expenditure of funds far in excess of what we are prepared to justify to the OMB, etc. We are also split over the membership of the Joint Commission, particularly the role of the DISTAD and who he represents. We need to break the deadlock over this report and get on to more important matters.

### Discussion

It is fairly evident that our attempt to sell a draft report along the lines of the attached, Tab A, based on Ambassador Williams instructions, will not succeed. Willens and Leonard, in particular, are insisting that we provide a detailed rebuttal of their proposals of last August and

October, or that we agree to a draft that would reflect more fully their concept of a detailed Phase I program--i.e. one that might justify the expenditure of some \$2 million dollars on studies, etc. during Phase I.

In particular they want a larger - 9-man- Joint Commission, with a Marianas majority (they also refuse to accept the DISTAD as a representative of the Marianas\* and they want substantially more money earmarked for planning, particularly in the physical planning area. They have not, however, made any specific counter-proposals to the amounts contained in our proposal.

It is obvious that Willens' and Leonard's, particularly the latter's, vested interests in this program preclude "objective" bargaining or a compromise that we would stand any chance of getting through OMB, etc.

Even in the area of government planning, it is clear that their approach is indefensible -- far in excess of what really needs to be done. (Dean Wheeler of Hollins College has provided expert testimony on this.)

#### Recommendations

1. That you persuade Senator Pangelinan of the merits of our proposed draft, i.e. that the amounts represent a reasonable compromise and that the detailed workplan should be left for the Secretariat to submit to the Joint Commission; you might also mention our willingness to consider additional requests during Phase I;

2. That you make clear our view regarding Willens' and Leonard's special interests - their lack of bona fides as qualified representatives of the MPSC, i.e. our unwillingness to accept their obviously biased and inflated claims.

3. That you emphasize the importance of reaching an early agreement on this matter one that we can sell to the OMB and on the Hill, so that we can concentrate on more pressing issues in the negotiations.

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*\*Tab B is a copy of their position on organizational matters.*