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March 7, 1974

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

Dear Ed:

On Tuesday I met for approximately 30 minutes with Congressman Clausen, the ranking Republican on the House Subcommittee on Territories and Insular Affairs, and Tom Dunmire. Congressman Clausen expressed his regrets at not being able to visit the Marianas and generally indicated that he was very interested in our negotiations and appreciative of my efforts to keep him informed. In view of his limited time, I tried to concentrate the discussion on a few selected issues which have arisen in the course of our negotiations.

1. I advised the Congressman regarding the prospects of completing a formal Status Agreement sometime this year, probably after two more sessions of negotiations. I said that, although Ambassador Williams might be more optimistic, I did not believe that a formal agreement could be presented to Congress until sometime in early 1975, at the beginning of the next session of Congress. Congressman Clausen indicated that it would not be advisable to bring a matter such as this before Congress in the few months before an election and generally approved of the timetable which I had outlined.

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2. With regard to the nature of the political relationship being initiated, I alerted Congressman Clausen to our concern that the agreement might be opposed by Guam or other territories on the grounds that it gives a "preferred" status to the Marianas. I explained that we were in communication with Mr. Won Pat on this subject and generally believe that the interests of the other territories could be best achieved if they supported, rather than opposed, the kinds of provisions which we are trying to negotiate. I advised Congressman Clausen of the tax relationship which we have tentatively negotiated with the U.S. Delegation and he gave no indication of being troubled by this relationship along the lines expressed by Congressman Burton. I made reference to the problem areas of the immigration and maritime laws as areas where we had identified problems of some importance to Guam and were trying to develop solutions which could be advanced in the course of our negotiations. Although Congressman Clausen was somewhat noncommittal on this subject, I got the general impression that he would be willing to listen with a reasonably open mind with regard to any arrangements we negotiate in these areas and not be overly troubled by the possibility that other territories might seek comparable provisions at a later date.

3. In the area of financial support, I advised Congressman Clausen of the \$14.5 million offer made by the United States and informed him that we currently had this proposal under study. Congressman Clausen is very strong on self-reliance and is clearly going to look at any proposal for direct financial assistance from the United States with a skeptical eye. I tried to outline to him some of the issues raised by the U.S. proposal, such as the rate of growth which could be anticipated in the Marianas during the next decade, the current and proposed levels of per capita income in the Marianas, and the disparity in per capita income between the Marianas and Guam. When he started questioning me more closely on this subject, I emphasized the expressed willingness of the Commission on behalf of the people in the Marianas to shoulder an increasing tax burden and your awareness that Congress would not look with sympathy upon a request for direct financial assistance unless it is persuaded that the people of the Marianas are carrying their full share of the financial responsibilities for self-government. In the course of the ensuing discussion, I stressed the importance of developing financial institutions in the Marianas which could be controlled by the people and enable them to participate in the future economic development of the islands. After concluding

a short peroration on this subject, Congressman Clausen smiled and asked me if I was a Republican. When I responded that I was a Democrat, he stated that my philosophy on this subject was identical to his and that, indeed, he could run me for Congress in his district. He went on to suggest that I use my party affiliation in my dealings with Burton but that I emphasize my philosophy in my dealings with him. For better or worse, in short, I believe that I have established a decent rapport with Congressman Clausen.

4. On the subject of the U.S. military requirements, I was fairly outspoken about our disappointment with the justification offered by the United States in support of its request for two-thirds of Tinian. Both Congressman Clausen and Mr. Dunmire, who was in the service for 20 years, recognized the problem and were sympathetic. I emphasized the political sensitivity of this issue in the Marianas and the need for the members of the Commission to be able to persuade their constituents that they had agreed to the use of Tinian for military purposes only after the most vigorous negotiations. I stated that I believed the United States should and could provide additional information regarding its proposed use of land on Tinian without breaching national security and that, indeed, the United States could cut back to some extent on the amount of land needed. Congressman Clausen asked me to discuss this matter with Mr. Dunmire further and indicated that he would see what could be done to deal with this problem. He mentioned in this connection that I should not discuss this problem with Congressman Burton, but rather leave it to Congressman Clausen "since it is his administration." I will be pursuing this with Mr. Dunmire in the near future, and regard this as a very significant offer of assistance from Congressman Clausen.

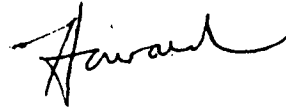
5. The only other issue which we really discussed was the need for government planning in the Marianas during the transitional period. I learned that Congressman Clausen has some seven years experience in municipal and county government in California and retains a considerable interest in this kind of effort. He seemed very interested in getting knowledgeable people from California into a government planning process in the Marianas, at least to the extent of coming out there and talking to you and others as to the kinds of problems you should anticipate in establishing and operating your new government. When I saw how interested he was in this subject, I referred to the lack of appreciation of the importance of this area among the members of the U.S. Delegation and our current

difficulties in the Ad Hoc Committee in getting sufficient funding for this purpose. The mention of money somewhat dimmed the Congressman's enthusiasm for this subject.

In summary, the meeting was very amicable and useful. Unlike Congressman Burton, Congressman Clausen gives the impression at least of listening to what you have to say. There is no question, however, that he is fairly conservative, especially on questions of money. His general receptiveness to discussing these matters with me, however, seems to justify our continuing efforts to keep the Members of Congress informed regarding our negotiations. I will be meeting with three additional members of the House Subcommittee in the next few weeks.

Best personal regards,

Sincerely,



Howard P. Willens

bc: Mr. Helfer