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March 7, 1974

MEMORANDUM FOR THE
MARIANAS POLITICAL STATUS COMMISSION FILE

Subject: Meeting of the Ad Hoc Preparatory Committee on
Transition, March 1, 1974

A meeting of the Ad Hoc Preparatory Committee on Transition was held on the morning of March 1, 1974, in the offices of Wilmer, Cutler & Pickering for approximately two hours. Representing the United States were Richard Scott and Steven Loftus; also present for the United States was James Berg. Representing the Marianas Political Status Commission were Howard Willens and James Leonard; also present for the MPSC were William Bozman and Michael Helfer. The following is a summary of the meeting.

Congress of Micronesia

Captain Scott reported that the Congress of Micronesia would probably adjourn without passing land legislation or appropriations for the districts. Mr. Berg stated that the High Commissioner could call a special session and direct consideration of certain matters, and that a short special session could begin on March 5. Mr. Leonard raised the question of the effect of the failure to appropriate funds to the Districts on the Marianas negotiations. Captain Scott stated that the possibility existed that for lack of funds there might be no negotiations this spring.

Organization and Management of Transition

Captain Scott said that the United States had no paper to present on this topic, though the matter had been discussed with Ambassador Williams. He said that the United States proposal on organization and management would contain these elements:

1. A Joint Commission of five members, three from the Marianas (the Chairman of the MPSC, the President of the District Legislature and the District Administrator), and two from the United States (the President's Personal Representative, and a representative of the Interior Department);
2. A Transition Office to be located in Saipan and to be composed of four persons: a Director and Executive Officer from the Marianas, and an economist and public administration specialist from the United States (no budget officer is included because funds will be funneled through the TT Government, which will handle budget details);

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3. A budget organization as follows:

- Administration (overhead and Transition Office)
- Research and Planning for Government Organization (including constitutional convention planning, research on government organization, and initial legislative program);
- Economic and Social Research and Planning (including physical infrastructure planning, fiscal and revenue planning, analysis of the availability of Federal programs and services, and study of the impact of the relocation of the capital);
- Programs (including plebiscite on status, holding constitutional convention, constitutional referendum, political education, installation of new government).

Captain Scott also said that the United States did not consider it necessary to identify all expenses of the Joint Commission and Transition Office in detail at this time. The United States anticipates that funds for Research and Planning for Government Organization would be granted directly to the District Legislature, and that the Joint Commission and the Transition Office would not be involved in the administration of such funds. Finally, Captain Scott said that the Interior Department's responsibility to Congress, and its difficulties with OMB, would affect the level of funding available for this project. He added that the United States will seek funds in a supplemental appropriation if there is an Agreement during this fiscal year.

Mr. Leonard presented a draft proposal on organization and management on behalf of the Commission. There was a discussion of these major differences between the draft proposal and the stated United States position:

1. The MPSC draft, in addition to proposing two Commissions rather than one and having more members, did not designate by office the persons who would be members of the Commission. Mr. Loftus agreed that this provided some desirable flexibility in view of the fact that the MPSC may not continue to exist after a Status Agreement is reached.

2. The MPSC draft contemplates that the Joint Secretariat will service both the Joint Commission and the Northern Marianas Islands Commission, while the U. S. position is that the Transition Office would not be involved at all in matters of government planning for the Commonwealth Government. Captain Scott said that Ambassador Williams felt strongly that the United States should not involve itself in planning for the local government; Mr. Willens replied that the MPSC draft contemplated that the decision-making authority on government planning matters would remain in local hands, but that the Northern Marianas Commission could call on the Joint Secretariat for assistance.
3. The Joint Secretariat, under the MPSC draft, would have a physical planner and a liaison officer not included in the stated U. S. position.

It was agreed that the United States would review the MPSC draft and prepare a paper in response. Captain Scott is to call Mr. Willens on this matter during the middle of the week of March 4.

Funding of the Ad Hoc Committee

Captain Scott said that he had received a justification from Senator Pangelinan for a \$45,000 budget for the Ad Hoc Committee. Neither Mr. Willens nor Mr. Leonard had seen the justification.

Military Lands

Captain Scott said that a referendum on Tinian had been proposed by local officials for April 7 on the amount of land which should be made available for military purposes, and on the view of the people toward relocation.

The Marianas District Administrator, whose approval for the referendum had been sought, has stated that he will not approve it without Senator Pangelinan's permission. The Senator, added Captain Scott, had had a difficult public meeting on Tinian on February 9. Captain Scott said that a "fact sheet" had recently been given to Senator Pangelinan by the United States which explained the United States military proposals in more detail than had been done at the negotiations. The United States wants the Senator to translate the fact sheet into Chamorro and make a radio statement on the basis of it. Captain Scott viewed the situation as serious because "without Tinian there is no Commonwealth."

Mr. Willens asked to be sent a copy of the fact sheet, and stated that there were many reasons for the move toward a Commonwealth besides the military base on Tinian, including the obligations the United States has as Administering Authority. Mr. Willens asked whether the Defense Department had prepared the terms of reference for military land needs, to which Captain Scott had referred at the meeting of January 18 at Mr. Wilson's office. Captain Scott was not certain, but thought they probably had not been completed. Mr. Willens asked if Captain Scott anticipated having technical discussions about military land issues before the next round of negotiations, as had been promised in the Joint Communique. Captain Scott said he thought not. Mr. Willens stated that he was making a formal request for such discussions and asked that his request be communicated to Captain Scott's principals.

Government Planning

Mr. Willens asked how the United States suggested that the Committee proceed with respect to Government Planning issues. Captain Scott said that he needed to meet with the Ambassador on this topic; that they had located no relevant expertise in the Federal government; and that they didn't see the need to break down into any significant detail the tasks involved in Government Planning. Mr. Willens replied that without breaking down the tasks, it was impossible to determine the costs; he also stated that he had contacted two independent non-profit institutions -- Institute of Public Administration and Public Administration Service -- for their help in this area.

It was agreed that the next meeting of the Committee should address the Government Planning issues. Mr. Loftus said he expected to have cost figures by that time.

Michael S. Helfer

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