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June 4, 1975

MEMORANDUM FOR HONORABLE ROYSTON C. HUGHES
Assistant Secretary
Department of the Interior

Subject: Possible early decision for separate administration
of the Mariana Islands District of the Trust
Territory of the Pacific Islands

We understand that consideration currently is being given to the question of when to announce that the Mariana Island District will be separately administered. Ambassador Williams reportedly is considering this question but we assume he will be talking with you and others in the Interior Department about it before reaching any conclusion.

We believe that any such decision will need to take into consideration its probable effect both on the on-going negotiations and on congressional review of the Commonwealth proposal, assuming that the plebescite will approve it. With regard to these considerations, we generally will defer to the judgements by the Ambassador and you as to when the announcement should be made.

We do have a requirement, however, to be certain before any announcement for separate administration for the Marianas that specific approval has been obtained for any proposals for amendments in the 1976 Budget amounts, development of separate budget accounts, or any other budgetary or financial reporting changes that would need to be in place in order to effect actual separate administration. We understand from Territorial Affairs staff that a detailed study of the steps needing to be taken to achieve separate administration for the Marianas District has been prepared by Trust Territory staff. It would assist us in working with you to have a copy of that study together with any current papers describing budgetary or financial changes which would require approvals by the President, OMB, Treasury, GAO, Appropriations Committees, or the new Budget Committees, under the new Congressional Budget Act.

cc: Mr. Crabill

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Wesley K. Sasaki
Chief, Interior Branch

6/4/75

L Cardwell 6/4/75

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