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June 11, 1975

NRD/Cardwell

Alternative drafts of a legislative proposal to obtain approval by the Congress for the Mariana Islands Commonwealth Covenant.

Mr. Hyde/LRD

Mr. Sitrin/NSD

Mr. Sanders/IAD

Mr. McOmber/BRD

I. Timing:

The goal still is to transmit the Mariana Islands Commonwealth proposal to the Congress between June 25 and July 8, 1975, assuming it is approved in the plebiscite to be held on June 17 in the islands. Ambassador Williams' staff currently estimates that there are 5,500 eligible voters and that something like 60% to 65% of them probably will vote to approve the Commonwealth proposal negotiated by the U.S.

II. Responses to May 30 request for views on alternative legislative vehicles and subsequent follow-up.

A. In response to our May 30 memorandum, I received the following comments:

1. The detailed Federal Relations Act alternative would require considerable legislative drafting work and could not be accomplished simply by transferring the provisions of the negotiated Covenant into draft bill form.
2. The simple resolution alternative could not be adequately evaluated because a draft of such a proposal was not available at that time.
3. The view was expressed that it may be necessary to provide sections in any simple resolution which would at least result in specific enactment by the Congress of the appropriation authorization provisions of the Covenant even though

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19- 424017

specific enactment of its other detailed provisions concerning availability of Federal programs, dedication of Federal income and other tax revenues, relations to the U.S. judicial system, etc., etc., could await drafting a detailed Federal Relations Act.

B. After receiving the comments outlined above, we requested the Ambassador's staff to prepare alternative drafts of what they might propose as a simple resolution. They did prepare three such drafts (copies attached) and have also taken the following steps on their own initiative:

1. Informally requested reactions from the staffs of the House and Senate Interior Committees to the alternative drafts they prepared, especially with regard to Option C. As of June 10, they had not received any responses.
2. Have circulated the alternative drafts to the staffs of the other member agencies of the Interagency Working Group (IAG) including Justice, Interior, Defense, State, NSC, and OMB, with a request for comments by this Friday, June 13.

III. Specific Point for Consideration

1. The largest single budgetary commitment made by the U.S. in the negotiations was the amount (\$19,520,600) to be paid by the U.S. for lease of property for defense purposes (see Sections 802 and 803).
2. In my May 30 memo, under III B.5., I indicated it might be necessary to include a section for an appropriation authorization for the lease payment in any single resolution. However, the Ambassador's staff have pointed out that under the terms of the Technical Agreement (see Part 1, 2. Acquisition, paragraphs 2 and 3), the U.S. agreed to make payment "... as soon as practicable after appropriation of funds by the Congress." But "should payment not be made within five years ... then both parties will be released from all liability or obligations created by this Agreement and Sections 802 and 803 of the Covenant."

3. The Ambassador's staff conclusion is, therefore, that no appropriation authorization for payment of the leases has to be included in any proposed simple resolution at this time.

IV. Request for views

1. Please review the three alternative drafts prepared by the Ambassador's staff of a possible simple resolution and provide me with your comments about as well as any proposals for specific changes in any of them which would be necessary in your view in order to:
 - a) clearly constitute congressional approval of Commonwealth status for the Mariana Islands;
 - b) satisfy the requirements of the Congressional Budget Act;
2. Please provide me with your views by noon, Friday, June 13.

Larry D. Cardwell
Interior Branch
Natural Resources Division