

Draft/MSH
November 12, 1975

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Dear Senator Percy:

We are writing to clarify the status of the discussions between representatives of the Congress of Micronesia and representatives of the Mariana Islands concerning the issues raised by the administrative separation of the Marianas from the remainder of Micronesia following congressional approval of the Covenant.

An Ad Hoc committee was established in the Trust Territory to work on these problems. Its report was submitted to the Secretary of Interior. Several issues, however, were not resolved by that Report. Accordingly, representatives of the Marianas and of the Congress of Micronesia have been meeting in Washington during the last few weeks to discuss these issues. A great deal of progress has been made during these discussions, and all of us are convinced that the problems that remain to be discussed will be resolved to the complete satisfaction of all concerned. Once we have reached agreement on the various issues we have been discussing, we will submit recommendations to the Secretary of Interior, who has ultimate responsibility for issuing the necessary orders to effect separate administration of the Marianas in a manner which protects the interests of all of the peoples of Micronesia.

We have discussed and have reached agreements in principle concerning the mechanics of dividing the Trust

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Territory social security retirement fund, the effect of separate administration on Congress of Micronesia funded programs in the Marianas and tax payments by the Marianas to the Congress of Micronesia; diplomatic immunity; the levying of import and export taxes; and the division of the economic development loan fund.

The principal matter with respect to which further discussions will be taking place is the extent of the application of Marianas laws to the property and personnel of the Trust Territory government on Saipan. Even on this issue, however, there is agreement in principle, although the most appropriate legal mechanism for dealing with these problems requires additional study and discussion. In any event, however, these problems are temporary in nature, for we all support the request of the Congress of Micronesia representatives for U.S. funding of a new Micronesian capital outside the Marianas.

We urge the Senate Foreign Relations Committee to vote promptly and favorably on the Marianas Covenant. We do not believe that the few remaining issues that we are discussing pose any serious problem that would warrant delay of Congressional approval of the Covenant. We fully expect that our recommendations will reach the Secretary of Interior very soon and we undertake to urge our respective principals to take whatever action is required to implement the recommendations which we have agreed upon here in Washington.

Sincerely,

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