

ELECTED GOVERNORS -
GUAM & VIRGIN ISLANDS

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

February 27, 1967
Monday - 3:00 p. m.

*File
Territories*

Return to Ruth

File

FOR THE PRESIDENT

The Budget Bureau needs your guidance on two issues contained in bills presented by the Interior Department and heard last week. Budget has not yet submitted its views on these bills.

The bills deal with the relationship between the Federal Government and Guam and the Virgin Islands. They would provide for the election of the Governor in each place.

The bills do not authorize the President to remove an elected Governor for cause, as proposed last year by the Administration; and they would repeal the President's existing authority to veto enactments of local legislatures under certain circumstances.

Last year the House passed a bill providing for elected Governors removable only on impeachment for, and conviction of, high crimes and misdemeanors. The Senate passed a bill which provided for the Governors' removal only by recall. Final legislation was not adopted.

The basic question underlying both the authority to remove Governors and the veto authority is the scope of the power which should be retained by the President to protect the Federal interest in the territories, and the countervailing need to grant a larger measure of democracy to the Islands.

The Interior Department is against retaining Presidential authority to remove elected Governors, and to veto local legislation, because it believes that such authority is inconsistent with the development of local self-government. It argues that there is an adequate remedy for wrong-doing in the Congress' authority to withdraw the Islands' right to elect a Governor.

The Budget Bureau believes that the Federal Government must not be put into a position in which it has no authority to carry out its responsibilities -- in which an irresponsible Governor cannot be

removed, or legislation contrary to the national security cannot be overridden. Budget would like to urge --

(1) that the President be authorized to remove an elected Governor for certain causes;

(2) that the present veto authority be repealed but that the President be authorized to disapprove local laws for certain causes (in other words, changing the general veto power to a limited one);

(3) both of these authorities would be limited so that the President could remove a Governor or disapprove a law only if he or it adversely affects the security, foreign relations, property and interests of the United States.

My own inclination is to give up the power to remove a Governor, but to retain the veto power.



Harry C. McPherson, Jr.

 Let Budget go ahead (retain modified removal and veto power)

 Tell Budget to support Interior (give up both removal and veto power)

 Tell Budget to go your route (retain removal power but give up the veto)

 See me

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503

February 24, 1967

MEMORANDUM FOR MR. McPHERSON

Subject: Elected Governors in Guam and the Virgin Islands

Attached is the memorandum discussing the two issues --
Presidential removal power and Presidential veto -- with
respect to S. 449 and S. 450, which I discussed with you
last Saturday.

Your early advice would be greatly appreciated. The Senate
Committee held hearings on the bills on last Monday, and
it would be desirable for us to get our report up as soon
as possible, particularly if we are going to recommend
amendments along the lines proposed in our memorandum.



Wilfred H. Rommel
Assistant Director for
Legislative Reference

Attachment

copy to Hopkins 2/24

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

FEB 24 1967

MEMORANDUM FOR MR. HARRY C. McPHERSON, JR.

Subject: Bills to provide for elected Governors in Guam and the Virgin Islands

Two issues are presented by bills -- S. 449 and S. 450 -- which the Senate Interior and Insular Affairs Committee is considering to provide for elected Governors in Guam and the the Virgin Islands.

- They do not authorize the President to remove an elected Governor for cause, as originally proposed by the Administration, and
- They would repeal the President's existing authority to veto enactments of the local legislatures under certain circumstances.

Background. At present, the Governors of Guam and the Virgin Islands are appointed by, and serve at the pleasure of the President. Under the bills proposed by the Administration in 1965, the Governors (and Lieutenant Governors) would have been elected for four-year terms but would have been subject to removal by the President for cause or by recall by the electorate. In 1966, the House passed the bills with changes providing for two-year terms and removal only on impeachment for, and conviction (by a Federal court) of, high crimes and misdemeanors. In 1966, the Senate Committee reported out bills which, like S. 449 and S. 450, provided for four-year terms and removal only by recall.

With respect to the veto power, the organic acts of Guam and the Virgin Islands both contain provisions under which, if the local legislature repasses a bill over the original veto of the Governor, the Governor is required to present such bills to the President if the Governor does not then approve them. The President then has the final authority to approve or disapprove the bills presented to him or to let them become law simply by taking no action within the 90 days authorized for action.

The Guam and Virgin Islands organic acts go on to require all laws of the territories to be reported to the President and to the Congress, but only in the case of Guam does the law specifically reserve to the Congress the

power and authority to annul such territorial laws within one year of their receipt by the Congress. Such annulment authority formerly existed with respect to the enactments of the municipal councils of St. Thomas and St. John and of Saint Croix but was dropped in the Virgin Islands Organic Act of 1954. The Interior Department nevertheless is certain that Congress has the authority to annul Virgin Islands laws. The Congress has never exercised its authority over either territory.

In its 1966 report to the Senate Committee the Bureau recommended that the President be given the authority to remove elected Governors for cause and that the present authority for Presidential veto of local legislation not be changed.

Discussion. The basic question underlying both the authority to remove Governors and the veto authority is the nature and the scope of the power which should be retained by the President and the Congress to protect the Federal interest in the territories and to enable the Federal Government to carry out its responsibilities for their government.

The arguments against retaining Presidential authority to remove elected Governors and to veto local legislation which the Interior Department makes are:

- Such authority is inconsistent with, and will dilute the concept of home rule and the development of local self-government. The Federal Government will appear to be taking away with one hand that which it is giving with the other.
- The people of the territories are mature enough to be depended on to remove an unsatisfactory Governor or correct unwise legislation by taking action against the legislature at the next election.
- There is adequate remedy in the Congress' authority to withdraw the authority to elect a Governor, to limit the authority of the legislature, and to correct deficiencies in the plan of self-government.

The arguments in favor of retaining certain Presidential authority are:

- The elected-Governor bills will not alter the status of Guam and the Virgin Islands or diminish the responsibilities of the President and the Congress under Article IV, section 3, of the Constitution with respect to making and executing rules and regulations with respect to United States territory. Guam and the Virgin Islands would remain unincorporated territories of the United States basically governed by Federal law in the form of their organic acts.

- In many respects, Guam and the Virgin Islands are analogous to cities in our States. They are the creatures and, hence, the responsibility of the United States just as cities are the creatures of the States.
- The United States will continue to be accountable to the United Nations for the protection and welfare of the territories and their inhabitants. It will be morally obligated to provide necessary financial support for their governments.
- Despite the proposed change in their method of selection, the elected Governors will have a responsibility not only for the execution of local laws but also for the execution of certain Federal laws applicable to the territories. Chief among the latter are the organic acts themselves.
- Because of the above circumstances, the Federal Government cannot put itself in a position in which it has no authority to carry out its responsibilities, in which it cannot take action to remove an irresponsible Governor or bar an enactment of the local legislature which is contrary to the national security or Federal interests.
- The need for such authority could be critical in Guam because of its importance to the national security.
- The congressional authority to annul local enactments is only a partial and, at best, cumbersome procedure for dealing with the problem and would be completely unworkable in emergencies or when Congress is not in session.

On balance, we continue to favor retaining certain Presidential authorities because of the need to insure that the Federal Government's basic responsibilities can be carried out.

Recommendations. That the Bureau of the Budget, in its report to the Senate Committee urge:

- That the President be authorized to remove an elected Governor for certain causes. (The report would be silent as to whether elected Governors should also be subject to removal by impeachment or recall.)
- That the present veto authority be repealed but that the President be authorized to disapprove local laws for certain causes within sixty days of receiving notice of their enactment.

(This would be a change from our previous position but one which we believe is necessary on further consideration. With an appointed Governor, the President could always exercise some control over the laws which such a Governor approved. With an elected Governor, that will no longer be the case. It would not be feasible to rely on the present authority which brings to the President's attention only certain bills passed over the Governor's veto, or to rely on the cumbersome process of congressional annulment. In our view a Presidential disapproval authority, if properly limited and if exercised in a reasonable period of time, is no more repugnant to the concept of local self-government than congressional annulment and is much more workable. It is certainly not more repugnant than the retention of a Federal comptroller in the Virgin Islands.)

-- That the above Presidential authorities be limited by law so that he could remove a Governor or disapprove a law only if he or it adversely affected the security, foreign relations, property and interests of the United States. (Such a limitation would probably make the retention of the authorities more acceptable. Executive Order No. 11010, dealing with the Ryukyu Islands administration, provides a precedent for such a limitation.)



Wilfred H. Rummel
Assistant Director for
Legislative Reference

February 27, 1967

MEMORANDUM FOR

**Mr. Wilfred H. Rommel
Assistant Director for
Legislative Reference
Bureau of the Budget**

**As to the Virgin Islands-Guam bills, Budget
should proceed in the manner you outlined in
your memorandum -- for a bill that would
retain a modified removal and veto power.**

**Harry C. McPherson, Jr.
Special Counsel to the President**

File

June 16, 1967

MEMORANDUM FOR HARRY McPHERSON

SUBJECT: Guam and Virgin Islands Governors

The Guam bill passed the Senate on May 9 as reported by the Interior Committee -- and without the amendments recommended by Bureau of the Budget for Presidential veto or removal of the governor. The Virgin Islands bill has been reported out in the same form and should be passed by the Senate soon.

McNaughton at Defense thinks there is no real security problem -- they don't care what we do.

Wilf Rommel at Budget thinks we should continue to propose the amendments -- although he concurs that the President's residual powers nullify most of the apparent risk. He would be willing to give up our position if we could get anything in return -- but doubts that this has sufficient clout to do so.

Absent some quid pro quo, I think we should continue the amendments for the following reasons:

- We have already been terrible "wobblers" on the bill -- we let Interior testify in favor of it and then had BOB ask for amendments. This didn't sit well with the Senate Committee. Why back down again?
- Nullifying action taken by the territorial governor or legislature in national security cases by inherent authority would be messy -- although feasible. Given our defense needs, we can make a case for erring on the side of safety.
- This is also an authority struggle between the Executive and Legislative Branches and it is bad psychology to throw in the sponge without need to do so.

- 2 -

If you concur, I'll tell Budget to send in the same report -- without fanfare -- if they are requested to do so. But I see no need to volunteer the report in the absence of a request.

What do you think?

DeVier Pierson

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EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON 25, D. C.

APR 28 1967

MEMORANDUM FOR MR. McPHERSON

Subject: Guam and Virgin Islands Governors

The Senate Interior Committee held further hearings on Wednesday on S. 449 and S. 450, bills to provide elected Governors for Guam and the Virgin Islands. Harold Seidman appeared before the Committee to present the Bureau's views on amendments we had proposed to authorize the President to annul local laws and to remove an elected Governor when necessary to protect the national security, foreign relations or property of the United States. (A copy of my memorandum to you, dated February 24, and a copy of Harold Seidman's testimony on this matter are attached.)

The hearing was rough, with Senator Church leading the attack on the Bureau's amendments on the grounds that they would improperly limit local self-government and constitute a reassertion of American colonialism at a very poor time. Senator Church indicated he would prefer the status quo (i.e., appointed Governors) to a proposal containing our amendments. The Guam legislature took the same position.

The Committee later reported out the bills without our proposed amendments.

The problem now is what to do in the House (assuming the Senate passes the bills as reported). One alternative would be to do nothing -- our views have not been requested so far. The other alternative would be to put our recommendations before the House Committee either in a voluntary report or by having Interior (which has been asked to report) present the amendments.

We recommend continuing to push for the amendments in the House. Do you agree?

Wilfred H. Rommel

Wilfred H. Rommel
Assistant Director for
Legislative Reference

Attachments

Virgin Islands

Senate passed Guam bill - May 9

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EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON 25, D.C.

APR 28 1967

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We recommend continuing to push for the amendments in the House. Do you agree?

(Signed) Wilf Rommel

Wilfred H. Rommel
Assistant Director for
Legislative Reference

Attachments

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
Washington, D. C. 20503

FOR RELEASE ON DELIVERY
Expected at 10:00 a.m.
Wednesday, April 26, 1967

STATEMENT OF HAROLD SEIDMAN
ASSISTANT DIRECTOR FOR MANAGEMENT AND ORGANIZATION
BUREAU OF THE BUDGET
BEFORE THE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS
ON S. 449 AND S. 450, BILLS TO PROVIDE FOR THE POPULAR
ELECTION OF THE GOVERNORS OF GUAM AND THE VIRGIN ISLANDS

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to testify before this Committee on several amendments which the Bureau of the Budget has proposed to S. 449 and S. 450, bills to provide for the popular election of the Governors of Guam and the Virgin Islands.

Our report to this Committee on the bills was submitted on March 3 and, in response to the request of Senator Burdick and your staff during a meeting on March 14, we also furnished specific language to carry out our recommendations in a letter dated March 18.

At the outset, I want to stress as strongly as I can that we want Guam and the Virgin Islands to enjoy the fullest measure of local self-government, and we therefore strongly endorse the objectives of S. 449 and S. 450. The citizens of Guam and the Virgin Islands have clearly demonstrated their capacity to govern local affairs. They deserve to have their abilities recognized and their basic rights achieved.

The intent of the amendments we are recommending is not to diminish or limit the concept of local self-government. Rather, our intent is to assure that the President has the limited authority needed to carry out

continuing Federal responsibilities under the Constitution for the proper execution of Federal laws applicable to Guam and the Virgin Islands.

We have recommended, with regard to matters involving the security, foreign relations and property interests of the United States, that the President be authorized to remove an elected Governor and to annul local laws. We believe these are areas of legitimate Federal concern. In matters of purely local concern, the President cannot and will not act.

The President's powers should and would be exercised only in extraordinary circumstances. They certainly would not be exercised capriciously or without sound reason.

With the enactment of the elected-Governor bills, Guam and the Virgin Islands will continue to occupy a unique place in our system of government. Clearly, they will not have the status of States and will not be subject to the responsibilities and limitations placed on States by the Constitution. In many respects, their relationship to the Federal Government is analagous to that which exists between a State and its local governments. Their organic acts are similar to State charters for local governments which prescribe generally their form of organization, rights and powers. Just as the States retain a responsibility for their local governments, so the Federal Government retains a responsibility for Guam and the Virgin Islands.

In a number of cases, the States have retained authority over local governments which is analagous to what we are recommending. For example, under section 33 of the Public Officers Law, the Governor of New York

may remove the chief executive of any city and city's police chief merely upon notice of charges and an opportunity to be heard. Under Article XI, section 6, of the Maryland constitution the Mayor of Baltimore may be removed by the Governor upon conviction in a court of law or for neglect of duty or misbehavior.

The Governors of Guam and the Virgin Islands will be responsible not only for the execution of local laws but also for Federal laws applicable to their territories. The latter include, of course, the organic acts themselves. We believe this combination of a continuing Federal responsibility and a situation in which the Governors of the territories are responsible for the execution of Federal laws, makes our amendments necessary and appropriate.

Last year, in its reports on similar bills, this Committee also recognized the need for a reservation of certain Federal powers. It proposed that an elected Governor could be removed by recall only upon approval by the President stating: "The approval of the President was felt necessary by the members of the committee in light of the Governor's duty to enforce all applicable Federal laws in Guam (and the Virgin Islands) and in light of the substantial responsibility and interest of the Federal Government in the affairs of the territor(ies)."

We do not believe that your Committee's approach of restricting the President's role to that of approving or disapproving the recall of an elected Governor accomplishes our mutual objective. It could result in a situation in which a Governor who has completely lost the support of the people of the territory is retained in office against

the will of the people. On the other hand, it does not provide any means of protecting vital Federal interests except in those instances in which the electorate has chosen to recall a Governor.

Similarly, we do not believe that the retention by Congress of the right to annul local laws -- explicit in the case of Guam and implicit in the case of the Virgin Islands -- adequately provides for meeting potential problems. There may be territorial enactments when Congress is not in session of serious consequence to Federal interests. And, even when Congress is in session, there could be serious delays in the congressional annulment process.

Viewed from another point, we do not believe that the authorities we are recommending for the President are any more limiting on local self-government than the Congress' authority to annul local laws or the concept of a Federal comptroller in Guam and the Virgin Islands. We have no objection to such comptrollers if the provisions for those officers are amended as suggested in the Department of the Interior's letter of March 17, 1967. However, the concept appears to us to be more limiting than what we are proposing.

Again, let me stress that we are talking about unusual, rare situations. The authorities we are recommending be given to the President are limited to matters of major concern to the Federal Government. There is no intent or authority to interfere in purely local matters.

Prior to my appearance, we received a copy of Resolution No. 188 (1-S) of the Guam Legislature dated April 7, 1967. We have carefully

and sympathetically studied the resolution which opposes our recommendations. We cannot agree with many of its major points. First, the resolution states that the proposed Presidential powers would cripple local self-government and be a giant step backwards. Again, we would stress that the proposed amendments are needed only in connection with continuing Federal responsibilities. The President's powers would be exercised, if at all, only in rare cases and never in connection with purely local matters.

Second, the resolution states that the elected Governor would be put in the impossible situation of serving two masters -- the people of the territory and the President. In fact, however, the Governor does indeed have a dual role in executing both local and Federal laws. Our amendments recognize this dual role and some means of insuring that he carries out his basic Federal responsibilities in a manner which does not adversely affect basic Federal interests. Third, the resolution states that United States property interests are already adequately protected. In general, we would agree. However, we are concerned not about direct action against Federal property but potential indirect actions. Fourth, the resolution states that State governors do not possess authorities comparable to those proposed for the President. As I noted above, some State governors do have authority to remove local officials. Nor can we agree, for reasons I have stated, with the final points that the authorities retained by Congress are adequate to protect Federal interests or that the situation in a State should be analagous to that in one of the territories.

In summary, we believe that the amendments we have recommended will, on the one hand, permit the full development of local self-government and will, on the other hand, permit the President, in matters affecting vital United States interests, to carry out continuing Federal responsibilities with respect to Guam and the Virgin Islands.

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FEB 24 1967

MEMORANDUM FOR MR. HARRY C. McPHERSON, JR.

Subject: Bills to provide for elected Governors in Guam and the Virgin Islands

Two issues are presented by bills -- S. 449 and S. 450 -- which the Senate Interior and Insular Affairs Committee is considering to provide for elected Governors in Guam and the the Virgin Islands.

- They do not authorize the President to remove an elected Governor for cause, as originally proposed by the Administration, and
- They would repeal the President's existing authority to veto enactments of the local legislatures under certain circumstances.

Background. At present, the Governors of Guam and the Virgin Islands are appointed by, and serve at the pleasure of the President. Under the bills proposed by the Administration in 1965, the Governors (and Lieutenant Governors) would have been elected for four-year terms but would have been subject to removal by the President for cause or by recall by the electorate. In 1956, the House passed the bills with changes providing for two-year terms and removal only on impeachment for, and conviction (by a Federal court) of, high crimes and misdemeanors. In 1966, the Senate Committee reported out bills which, like S. 449 and S. 450, provided for four-year terms and removal only by recall.

With respect to the veto power, the organic acts of Guam and the Virgin Islands both contain provisions under which, if the local legislature repasses a bill over the original veto of the Governor, the Governor is required to present such bills to the President if the Governor does not then approve them. The President then has the final authority to approve or disapprove the bills presented to him or to let them become law simply by taking no action within the 90 days authorized for action.

The Guam and Virgin Islands organic acts go on to require all laws of the territories to be reported to the President and to the Congress, but only in the case of Guam does the law specifically reserve to the Congress the

power and authority to annul such territorial laws within one year of their receipt by the Congress. Such annulment authority formerly existed with respect to the enactments of the municipal councils of St. Thomas and St. John and of Saint Croix but was dropped in the Virgin Islands Organic Act of 1954. The Interior Department nevertheless is certain that Congress has the authority to annul Virgin Islands laws. The Congress has never exercised its authority over either territory.

In its 1966 report to the Senate Committee the Bureau recommended that the President be given the authority to remove elected Governors for cause and that the present authority for Presidential veto of local legislation not be changed.

Discussion. The basic question underlying both the authority to remove Governors and the veto authority is the nature and the scope of the power which should be retained by the President and the Congress to protect the Federal interest in the territories and to enable the Federal Government to carry out its responsibilities for their government.

The arguments against retaining Presidential authority to remove elected Governors and to veto local legislation which the Interior Department makes are:

- Such authority is inconsistent with, and will dilute the concept of home rule and the development of local self-government. The Federal Government will appear to be taking away with one hand that which it is giving with the other.
- The people of the territories are mature enough to be depended on to remove an unsatisfactory Governor or correct unwise legislation by taking action against the legislature at the next election.
- There is adequate remedy in the Congress' authority to withdraw the authority to elect a Governor, to limit the authority of the legislature, and to correct deficiencies in the plan of self-government.

The arguments in favor of retaining certain Presidential authority are:

- The elected-Governor bills will not alter the status of Guam and the Virgin Islands or diminish the responsibilities of the President and the Congress under Article IV, section 3, of the Constitution with respect to making and executing rules and regulations with respect to United States territory. Guam and the Virgin Islands would remain unincorporated territories of the United States basically governed by Federal law in the form of their organic acts.

- In many respects, Guam and the Virgin Islands are analogous to cities in our States. They are the creatures and, hence, the responsibility of the United States just as cities are the creatures of the States.
- The United States will continue to be accountable to the United Nations for the protection and welfare of the territories and their inhabitants. It will be morally obligated to provide necessary financial support for their governments.
- Despite the proposed change in their method of selection, the elected Governors will have a responsibility not only for the execution of local laws but also for the execution of certain Federal laws applicable to the territories. Chief among the latter are the organic acts themselves.
- Because of the above circumstances, the Federal Government cannot put itself in a position in which it has no authority to carry out its responsibilities, in which it cannot take action to remove an irresponsible Governor or bar an enactment of the local legislature which is contrary to the national security or Federal interests.
- The need for such authority could be critical in Guam because of its importance to the national security.
- The congressional authority to annul local enactments is only a partial and, at best, cumbersome procedure for dealing with the problem and would be completely unworkable in emergencies or when Congress is not in session.

On balance, we continue to favor retaining certain Presidential authorities because of the need to insure that the Federal Government's basic responsibilities can be carried out.

Recommendations. That the Bureau of the Budget, in its report to the Senate Committee urge:

- That the President be authorized to remove an elected Governor for certain causes. (The report would be silent as to whether elected Governors should also be subject to removal by impeachment or recall.)
- That the present veto authority be repealed but that the President be authorized to disapprove local laws for certain causes within sixty days of receiving notice of their enactment.

(This would be a change from our previous position but one which we believe is necessary on further consideration. With an appointed Governor, the President could always exercise some control over the laws which such a Governor approved. With an elected Governor, that will no longer be the case. It would not be feasible to rely on the present authority which brings to the President's attention only certain bills passed over the Governor's veto, or to rely on the cumbersome process of congressional enactment. In our view a Presidential disapproval authority, if properly limited and if exercised in a reasonable period of time, is no more repugnant to the concept of local self-government than congressional enactment and is much more workable. It is certainly not more repugnant than the retention of a Federal comptroller in the Virgin Islands.)

-- That the above Presidential authorities be limited by law so that he could remove a Governor or disapprove a law only if he or it adversely affected the security, foreign relations, property and interests of the United States. (Such a limitation would probably make the retention of the authorities more acceptable. Executive Order No. 11010, dealing with the Ryukyu Islands administration, provides a precedent for such a limitation.)

(Signed) Wilf Rommel

Wilfred H. Rommel
Assistant Director for
Legislative Reference

CG
OLR
CLR chron
Dir. chron
Mr. Seidman
Mr. Schnoor ✓
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retyped 2/23/67

FOR THE PRESIDENT

The Senate has passed companion bills providing ~~for~~ more self-government for Guam and the Virgin Islands. The bills provide for elected governors for four year terms and repeal the President's existing authority to veto inactments of local legislatures. At

At your direction, the Budget Bureau testified in the Senate hearings in support of amendments authorizing the President to remove the elected governor or veto local laws in instances adversely affecting the security, foreign relations, property and interests of the United States. The bills were reported out of committee without the amendments and were passed by the Senate by voice vote.

The House Interior Committee held hearings on the Virgin Islands bill. The Budget Bureau was not asked to testify -- although its position on the amendments before the Senate committee was a matter of record. However, Budget was advised that the committee intended to hold field hearings in both places after adjournment and would not take action until next session.

Now the committee has decided that further hearings are not necessary and they intend to proceed this session. The ~~Guam~~- Virgin Islands bill has been reported out of sub-committee Friday in the same form passed by the Senate -- and without the amendments for removal of the governor or Presidential veto. The bill is scheduled to be marked up by the full committee Wednesday. There is no doubt that the Virgin Islands bill will serve as the prototype for the Guam bill in the House.

Now we are faced with the problem of whether we ~~should~~ Budget should reassert its sponsorship of the proposed amendments to the bill and attempt to stop mark-up by the full committee.

The theory behind the Budget Bureau position is that the President needs the rights of removal and veto to protect the federal interests in the territories. However, in view of the Senate and House action, you may wish to consider the following:

- The amendments are very unpopular with Congress -- Senator Jackson was particularly disturbed by them. There was no support for them in the Senate and appears to be none in the House.
- Budget Bureau was not asked to testify in the House hearings. This would be an eleventh hour effort.
- Defense does not regard the self-government bills as a security problem -- even for Guam. They think you have plenty of residual authority if there was any incident there contrary to U. S. interests.
- The amendments dilute to concept of home rule and local self-government -- they are unquestionably not popular with the people of the territories.
- There is an adequate remedy if a problem arises in the Congress's authority to withdraw the right to elect a governor.

Even if Budget Bureau makes a statement in support of the amendments, it is quite likely that the House Interior Committee will report the bill in the Senate form. It would be an up hill fight to get the amendments added in the Rules Committee

or on the floor.

Interior has supported the Senate bill. Neither Budget Bureau nor Defense are concerned about its effect. I don't think it is worth a hassle with Congress on this issue and recommend that we don't force the issue by trying to delay the mark-up. I recommend that we take no further action on this legislation.

WDP

Take no further action as per recommendation. _____

Delay mark-up. _____

Have Budget Bureau present statement. _____

See me. _____