## NATIONAL SECURITY COUNCIL

<u>CONFIDENTIAL</u> GDS

ACTION

July 11, 1975

MEMORANDUM FOR:

GENERAL SCOWCROFT

FROM:

JOHN A. FROEBE, JŔ

SUBJECT:

President's July 14 Meeting with Bipartisan Congressional Leadership

The memorandum at Tab I for your signature to Max Friedersdorf forwards talking points on the "Covenant to Establish the Commonwealth of the Northern Mariana Islands" for inclusion in the briefing memorandum for the President's meeting with the Bipartisan Congressional leadership group scheduled for Monday, July 14, at 8:00 a.m. in the Cabinet Room. The talking points assume that the Executive Branch has no objection to Congressman Burton's alternative Joint Resolution on the Marianas Covenant. (As you will recall, I recommended that you call OMB on this question.)

Most of the key committee chairmen involved are not included on the list for the Monday leadership meeting. Bud McFarlane said he would recommend to you that you ask Mr. Friedersdorf to invite the Chairmen of the House International Relations Committee and the Senate Foreign Relations Committee. Bud agreed that Presidential letters be sent to the other key committee chairmen. We are preparing draft letters.

## RECOMMENDATION:

That you sign the memorandum at Tab I.

Concurrence:

Cathie Bennett

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HR 9/20199

## THE WHITE HOUSE

WASHINGTON

CONFIDENTIAL GDS

MEMORANDUM FOR:

MAX FRIEDERSDORF

FROM:

BRENT SCOWCROFT

SUBJECT:

President's July 14 Meeting with

Bipartisan Congressional Leadership

I have attached at Tab A talking points on the Marianas Resolution for inclusion in the briefing memorandum for the President's meeting with the Bipartisan Congressional leadership group scheduled for Monday, July 14, at 8:00 a.m. in the Cabinet Room.

PHOTOCOPY FROM GERALD FORD LURARY

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## COVENANT TO ESTABLISH A COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

On July 1, you transmitted to the Congress a proposed Joint Resolution to provide for Congressional approval of the Covenant to Establish a Commonwealth of the Northern Mariana Islands. This will make the Mariana Islands, of which Guam is geographically a part, our first territorial acquisition since the Swains Islands in 1925. The House Committee on Interior and Insular Affairs will begin hearings on the Resolution on Monday, July 14. The full House is expected to vote on the Resolution on Monday, July 21. The Senate Interior Committee will take up the measure on July 23.

Both Ambassador Williams, your Personal Representative for Micronesian Status Negotiations, and Congressman Burton, Chairman of the House Interior and Insular Affairs Committee and our mainstay in the House throughout the negotiations, believe that your explicit support of the Resolution could prove decisive. During the last month, there has been increasing criticism in Congress and the press of the Marianas' acquisition, and passage of the Joint Resolution is no longer assured without some show of Presidential support. Charges of American neo-imperialism and of new and more permanent U.S. security involvement in Asia have been the focus of the opposition. The New York Times and the Washington Post, which since we signed the Covenant last February have tended to be neutral, have now joined the fray with critical editorials.

Late last week Chairman Burton introduced an alternate joint resolution (Tab B) on the Covenant which attached two provisions -- (1) authorization for payment of Marianas claims for World War II that have been adjudicated (the total is estimated at \$50 million); and (2) authorization for equal extension of Federal loan and assistance programs to principal U.S. territories (the cost of which is now being estimated by Interior and other agencies). The President's decision on amount would be subject to veto by either House.

-- OMB objects to both of these provisions on budgetary grounds, even though the proposed language only authorizes the President to take these actions. The budgetary impact could be substantial. You could suggest to Congressman Burton, whose support is important to House approval of the Covenant, that he meet with your representative to discuss the question.

- -- The Joint Resolution approving our Commonwealth Covenant with the Northern Mariana Islands -- and which would accept the Mariana Islands as a new U.S. territory -- will be the subject of hearings in the House beginning today and, I understand, will be voted on by the House on July 21. I understand further that the Senate will take up the Joint Resolution later the same week.
- -- I want you to know that I strongly endorse this Covenant, and ask you for your approval of the Joint Resolution on it. The U.S. has a clear interest in the Northern Mariana Islands, of which Guam is geographically a part. They are important to our forward defense posture and our interests in Asia and the Pacific.
- -- I understand Congressman Burton has proposed an alternate joint resolution that attaches two provisions -- authorization for payment of Marianas' claims from World War II that have been adjudicated, and authorization for equal extension of all Federal programs providing grants, loans, or assistance to principal U.S. territories. Both these provisions raise budgetary problems. In addition, I am concerned over the section providing for a single house veto over the benefits to be extended under the agreement. (To Congressman Burton) Phil, in light of these budgetary and constitutional questions surfaced by our preliminary analysis, would you be willing to meet with my representative to discuss these issues?