

DEPARTMENT OF STATE

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Washington, D.C. 20520

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September 21, 1973

TO:

See Attached List

FROM:

L/EA - Oliver T. Johnson, Jr.

Enclosed, for your information and comments, is a copy of the latest draft agreement with the Marianas. Some changes have been made to reflect the progress of the negotiations on Saipan last May. I feel certain that other changes or deletions are desirable or necessary, so feel free to be unmerciful with your red pencil. I hope all will be ready to discuss the agreement, with a view to presenting it to the MPSC shortly, around the end of next week (September 27 or 28). You will be notified when a specific time has been set for a meeting.

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Ambassador Franklin Haydn Williams Room 3356 Department of the Interior

Mr. James M. Wilson, Jr. Room 3356
Department of the Interior

Mr. Adrian DeGraffenried Room 3356 Department of the Interior

Mr. Harmon Kirby
Room 3356
Department of the Interior

Col. Athol Smith
Room 3356
Department of the Interior

Capt Richard Scott Room 3356 Department of the Interior

Mr. Jim Berg Room 4313 Department of the Interior

Mr. John Dorrance EA/RA Room 5310 Department of State

Mr. Herman Marcuse Room 5224 Department of Justice

Col. William R. Kenty JCS Asia Branch J-5 Room 2E975 Pentagon

Capt. Edward Whelan OSD/ISA Room 4C826 Pentagon 8/22/73

MARIANAS FEDERAL

RELATIONS AGREEMENT

Agreement Sago

PREAMBLE

Whereas the Trust Territory of the Pacific Islands

was placed under the administrative authority of the

"United States of America by means of the Trusteeship

Agreement approved by the Security Council of the

United Nations on April 2, 1947, and the United States

of America on July 18, 1947; and

Whereas Article 6 of the Trusteeship Agreement provides that the administering authority shall:

"foster the development of such political institutions as are suited to the trust territory and shall promote the development of the inhabitants of the trust territory toward self-government or independence, as may be appropriate to the particular circumstances of the trust territory and its peoples and the freely expressed wishes of the peoples concerned"; and

Whereas the people of the Marianas District of the Trust

Territory have clearly, and for over 20 years, expressed their desire by petition and local referendum to achieve self-government in the context of a close and permanent political relationship with the United States of America; and

Thereford, whereas the Marianas Political Status Commission was by ______ created/pursuant to such petitions for the purpose of entering into negotiations with the United States , regarding said permanent political relationship;

The Marianas Political Status Commission and the Personal

Representative of the President of the United States

have agreed that the future political status of the Marianas should be that of a Commonwealth incorporated into the United States and established in accordance with the following General Principles and the attached Agreed Articles.

A & PORTO PRINCIPLES

1. The Marianas District of the Trust Territory of the Pacific Islands, should become a self-governing commonwealth under the sovereignty of the United States, to be known as "The Commonwealth of the Mariana Islands".

- 2. The people of the Mariana Islands should form a government for these islands pursuant to a constitution of their own adoption as provided in the attached.

 Agreed Articles.
- 3. The Government of the Marianas should be empowered to regulate the alienation of public and private lands so as to protect them from outside acquisition.
- 4. The Government of the United States should enjoy the right of eminent domain in the Marianas.
- 5. The people of the Marianas should be given the option of becoming citizens of the United States on, 18 Individual to choose, unkel Shots ha knowledged

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The Marianas Political Status Commission and the President's Personal Representative have further agreed that upon approval of this Agreement by the Marianas District Legislature, it shall be presented to the people of the Marianas for their consideration in a plebiscite to be held within six months and, upon the approval of a majority of those voting in the plebiscite, the United States Congress shall be requested to enact legislation consistent with this agreement in order that this agreement may be implemented and the Commonwealth of the Mariana Islands established.

Agreed Articles Regarding the Establishment of the Commonwellath of of the Mariana Islands

Article I

SEC. 101. The Marianas District of the Trust Territory of the Pacific Modernia, according to Islands, consisting of the islands administered by the United States of America pursuant to a Trusteeship Agreement with the Security Council of the United Nations (hereinafter "Trusteeship Agreement"), will upon termination of that trusteeship be a self-governing commonwealth under the sovereignty of the United States, to be known as "The Commonwealth of the Application of the United States, to be known as "The Commonwealth of the Application of the United States, to be known as "The Commonwealth of the Application of the United States, to be known as "The Commonwealth of the Application of the United States, to be known as "The Commonwealth of the Application of the Application of the United States, to be known as "The Commonwealth of the Application of the Appli

SEC. 102. The government to be established for the Commonwealth of the Mariana Islands by the constitution provided for in this Agreement shall have the powers set forth in these Articles, shall have power to sue, and with the consent of the legislature of the Mariana Islands may be sued upon any contract entered into with respect to, or any mort committed incident to, the exercise by the Government of the Mariana Islands of any of its lawful powers.

SEC. 103. The relations of the Commonwealth of the Mariana Islands with the United States shall be subject to the provisions of Article 4, section 3, clause 2 of the Constitution of the United States and shall be conducted through such agency or agencies of the United States as the President may designate, provided that the following provisions of this agreement may be modified only with the consent of the Government of the Commonwealth of the Marianas:

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ARTICLE II -- CONSTITUTIONAL CONVENTION

SEC. 201) The people of the Mariana Islands shall form a government for these islands pursuant to a constitution of their own adoption as provided in these articles.

shall call a constitutional convention to write a constitution for the Mariana Islands, the provisions of which shall be in accordance with these Articles. Each of the present electoral districts within the Mariana Islands shall be represented in the Constitutional Convention.

The Constitutional, Convention shall prepare a proposed constitution for the Mariana Islands which shall be submitted not later than one year after the convening of the constitutional convention to the High Commissioner for transmission to the Congress of the United States. the Congress of the United States finds that the proposed constitution is not contrary to the relevant provisions of the Constitution of the United States of America, legislation establishing the commonwealth pursuant to these articles, and any other relevant federal legislation, he shall so certify to the High Commissioner of the Trust Territory, who shall so advise the Marianas District Legislature which shall dissolve the Constitutional Convention. If the Congress finds that the proposed constitution does not meet the above criteria it shall so advise the High Commissioner of the Trust Territory of the Pacific Islands stating wherein in its judgment the constitution is deficient. The High Commissioner shall in turn submit such message to the Constitutional

Convention for further action. The revised document shall be returned to the Congress of the United States and the same procedure repeated until the constitution is certified by the Congress.

SEC. 204(a) Upon certification by the Congress of the United States to the High Commissioner of the Trust Territory of the Pacific Islands in accordance with Section 203 of this Article the High Commissioner shall, within thirty days after receipt of such certification, issue a proclamation for a referendum to be held not more than ninety days after the date of the proclamation to vote "yes" or "no" on the following proposition:

The people of the Commonwealth of the Mariana Islands hereby adopt the Constitution of the Commonwealth of the Mariana Islands as certified by the Congress of the United States.

(b) The High Commissioner of the Trust Territory of the Pacific Islands and the Marianas District Legislature shall, within thirty days, following the referendum, determine the results of that referendum and convey their determination to the President of the United States. If a majority of the qualified votes cast at the referendum are in favor of adopting the proposition, the President shall issue a proclamation so stating, and the Constitution of the Commonwealth of the Mariana Islands shall become effective upon the termination of the Trusteeship Agreement.

SEC. 205. Amendments to the Constitution of the Commonwealth of the Mariana Islands may be made from time to time as provided

in that Constitution. The courts of the United States shall be competent to pass on the consistency of such amendments with relevant provisions of the United States Constitution and of other federal law.

ARTICLE III -- THE CONSTITUTION OF THE COMMONWEALTH OF THE MARIANA ISLANDS

SEC. 301. The Constitution of the Commonwealth of the Mariana Islands shall contain provisions to the effect that --

- (a) The legislative power of the Commonwealth of the Marianas must be vested in a legislature, every member of which shall be popularly elected. All such members and all officers of the Government of the Commonwealth of the Marianas shall take an oath or affirmation to support the Constitutions of the Marianas and the United States.
- (b) The legislative power of the Commonwealth of the Marianas shall extend to all subjects of local application and may not be inconsistent with the Constitution of the United States or with those statutes enacted under the authority of the United States which are specifically applicable to the Mariana Islands, including such statutes as may be enacted in the future.
- (c) No law shall be enacted under the authority of the Commonwealth of the Marianas imposing any tax upon property of the U.S. or property of the Commonwealth of the Marianas. No import or export levies shall be imposed on goods imported into the Commonwealt or transported within of the Marianas from the United States or any of its territories/

the Commonwealth of the Marianas or any political subdivision thereof.

No taxes or export levies shall be imposed upon the exportation of goods of Marianas origin from the Commonwealth of the Marianas to the United States, its territories or possessions.

- (d) The final decisions of the courts of the Marianag not subject to further review in such courts shall be subject to review by the United States Court of Appeals for the Ninth Circuit as provided for line and Article IV, Chapter 2 of these Articles.
- (e) The jurisdiction and powers of such court or courts as may be established by the Congress of the United States for the Commonwealth of the Marianas.
- (f) No public indebtedness shall be authorized or allowed in excess of 10 per centum of the aggregate tax valuation of the real property in the Commonwealth of the Marianas. Bonds or other obligations of the Government of the Marianas payable solely from revenues derived from any public improvement or undertaking shall not be considered public indebtedness of the Marianas within the meaning of this section.
- (g) The rights of the United States to acquire property as set forth in Article IV, Chapter 4 of these Articles shall be recognized.
- (h) The rights, privileges, and immunities of citizens of the United States shall be respected in the Marianas as though the Mariana Islands were a State of the Union and subject to the provisions of clause 1, section 2 of article IV of the Constitution of the United States. This subsection shall not apply to the regulation of the alienation of real property or interests in real property for the purpose of restricting acquisition of such property or interests to persons of Marianas descent.

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ARTICLE IV - THE POLITICAL STATUS OF THE MARIANA ISLANDS

Chapter 1 - Citizenship

SEC. 411. All citizens of the Trust Territory of the Pacific Islands who are residents of the Marianas District at the time of the termination of the Trusteeship Agreement and who have taken no affirmative steps to preserve or acquire any foreign citizenship or nationality, shall be citizens of the United States as of that date.

SEC. 412. (a) All persons born in the Commonwealth of the Mariana Islands after the termination of the Trusteeship Agreement, and subject to the jurisdiction of the United States, are citizens of the United States at birth.

(b) Any person described in Section 11 of this Article who does not wish to be a citizen of the United States shall make a declaration under oath of such desire within one year after the termination of the Trusteeship Agreement, or within six months after attaining the age of 21 years, whichever comes later, said declaration to be in the form and executed in the manner to be prescribed. Having made such a declaration, any such person shall be held not to be a citisen of the United States.

Chapter 2 - Power of Federal Courts

SEC. 421.

SEC. 422. All final judgments or decrees of the highest court or courts of the Marianas in cases and controversies arising under the Constitution, treaties, and laws of the United States, not subject to further review in such courts, may be reviewed by the United States Court of Appeals for the Ninth Circuit by writ of certiforari in accordance with such rules as that Court may prescribe and shall be subject to such further review in the Supreme Court of the United States as is provided in title 28 U.S.C.

SEC. 423. The laws of the United States relating to removal of causes, appeals and other matters and proceedings as between the courts of the United States and the courts of the several states shall govern in such matters and proceedings between the courts of the United States and the courts of the Commonwealth of the Mariana Islands.

Chapter 3 - Fiscal Provisions

SEC. 431. The levy of duties on goods imported into the Commonwealth of the Mariana Islands is hereby reserved to the Government of the Commonwealth of the Marianas.

SEC. 432. All bonds issued by the Government of the Commonwealth of the Marianas or by its authority shall be exempt, as to principal and interest, from taxation by the Government of the United States or by the Government of any State, Territory, possession, the Commonwealth of Puerto Rico, or any political subdivision thereof, or by the District of Columbia.

SEC. 433. Effective on the first day of July following the termination of the Trusteeship Agreement, all customs duties and Federal income taxes of the United States derived from the Marianas, the proceeds of all taxes collected.

under the internal revenue laws of the United States on rticles produced in the Marianas and transported to the United States, its territories, or possessions, or consumed in the Marianas, and the proceeds of any other taxes which may be levied by the Government of the Marianas on the inhabitants of the Marianas and all quarantine, passport, immigration, and naturalization fees collected in the Marianas shall be deposited in the treasury of the Marianas and shall be expended for the benefit of the People of the Marianas as the Government of the Marianas may by law prescribe.

SEC. 434. Effective on the first day of January following the termination of the Trusteeship Agreement, the income tax laws in force in the United States of America and those which may hereafter be enacted shall be held to be likewise in Commonwealth of the force in the Marianas.

SEC. 435. Until such time as funds available to the Government of the Commonwealth of the Marianas pursuant to Sections 433 and 434 are sufficient to meet the obligations of the Government of the Commonwealth the Marianas, but in no event for more than _____ years beyond the date of termination of the Trusteeship Agreement, a sum up to \$____ million per year shall be made available as may be needed to pay such obligations.

Imports from the Commonwealth of the Marianas into the customs territory of the United States shall be subject to the same treatment and we he were explicit as those from Guem.

The Government of the Commonwealth of the Marianas shall SEC. 437. submit to the President of the United States or his appointed representative an annual report on the administration of the funds transferred to the Government of the Commonwealth of the Marianas pursuant to the provisions of this chapter. Such reports shall be transmitted by the President to the Congress of the United States.

Chapter 4 - Government Property

SEC. 441. (a) Upon termination of the Trusteeship Agreement the title to all real and personal property in the Marianas District owned by the Government of the Trust Territory of the Pacific Islands, and all interests in such property including rights of use and including all right, title, or interest of the Government of the Trust Territory of the Pacific Islands in tidelands, submerged lands, or filled lands in or adjacent to the Mariana Islands held by the Government of the Trust Territory of the Pacific Islands, shall be transferred to the Government of the Commonwealth of the Marianas. bloot about milit . drs

The term "tidelands, submerged lands, or filled lands"

hall have the meaning ascribed to it in Section 1(a) of

Public Law 83-183 (77 Stat. 338). This subsection shall not

apply to any interest in lands, which interest by local or

customary laws or rights is held in private-or communal

ownership."

(b) During the three-year period referred to in Subsection (c), nothing herein shall impair the existing agreements between the Trust Territory Government and the United States Government or any agency or instrumentality thereof insofar as they relate to land use and retention, and the Covernment of the Marianas takes all such land as set forth in subsection (a) above subject to such agreements; provided, however, that such retention and use will at all times be consistent with the public purposes of the United States.

(c) (1) Within three years from the termination of the Trusteeship Agreement, the retention and use rights of the United States Government covered by subsection, (b) shall terminate, unless, within that time the United States proceeds to acquire, in accordance with subsection (d) or (e) hereof whatever rights in such lands may be considered necessary for pull the public purposes of the United States.

(2) In any such acquisition, the amount to be paid for the property, or interest therein, shall be the current fair market value of the interest acquired, exclusive its of any improvements made by the United States or assigns, gratuitous and less any amount or amounts previously paid, gratuitous of any improvements made by the United States or assigns,

or herwise, therefor.

- (d) The United States Government its departments and agencies, are hereby authorized to, and may acquire for Commonwealth of the public purposes in the Mariana Islands property or any interest in property, including any temporary use, in accordance with this subsection and subsection (e). Such property, including that owned or controlled by private parties or the Government of the Commonwealth of the Marianas, may be acquired under this subsection by purchase, lease, exchange, gift, or otherwise under such terms and conditions as may be negotiated by the parties, subject to the limitations in Section 451 of this Article.
- (e) In the event the United States is unable to acquire property or an interest in property by negotiation in accordance with subsection (d), then it may acquire property or an interest therein in accordance with its Constitutional and future authority and presently established/Federal law and procedures with respect to the acquisition of real property or an interest in real property.
- communally-owned property is acquired pursuant to subsection.

 (e) and the owner or owners disagree with the fair market value and wish a further review, the United States shall proceed immediately in accordance with established Federal law and procedures to have the fair market value determined with the right of appeal under said Federal law and procedures to the United States Court of Appeals for the Ninth Circuit.