## Covenant

Paragraph following Title X: Move to Article VIII as section 801. Renumber the other sections of Article VIII. Omit in new section 801 the last subsection: "The provisions of the Covenant, etc."

<u>Section</u>	
102	Should the Covenant provide how the consent of the GoNM is to be obtained?
103	New Article? Note change in section 103(a)(1).
301	"Will" to "shall."
403	(b), (c).
703(a)	When U.S. acquires property from private source it shall give notice to consult with require the consent of the Government of the Northern Marianas.
703(b)	Last sentence should apply not only to eminent domain but all manners of acquiring property in the Northern Marianas.

## Article VIII

New title.

Approval of Covenant, Effecte Date and Transitional Provisions.

New section 801 (from end of Titles). Renumber section 801, section 802. Renumber section 802, section 803.

I would move section 803 to Title IV as section 404 and renumber sections 404 and 405.

## Still to be Considered by U. S.

Section	
103	Review citizenship provisions as drafted.
401	Check on jury trial provisions in criminal cases.
403	Review text of this section. Add subsection which will list statutes which shall not apply to N.M. pending enactment of legislation envisaged in cld
601	Check whether gift taxes are progressive.
<b>5</b> 02Ъ	Check what are the taxes imposed by Chapters 2 or 21 of the Internal Revenue Code. Get reference to IRC rather than USC.
703	Review Mariana proposal on eminent domain. Provisions of Go NM control over acquisition of land from individuals seem to be acceptable. The rest highly questionable.

Check on way IRC defines Puerto Ricans not subject to U.S. income tax on non-U.S. generated income.

Shall section 872(b)(4) be continued indefinitely or terminate upon establishment of Commonwealth?

Do excise taxes on wine and liquor apply to territories? (Cf. Communique, p. 6, #6). Exclusive authority to enact excise taxes.

Check whether the 50% provision of headnote 3 can be lowered to 25%.

802.

## To be Considered by Joint Legal Working Group

- 1. List of provisions of Status Agreement to which the mutual consent requirements will apply.
- 2. General applicability of the Immigration and Nationality Act to N.M., and <u>e.g.</u>, shall nationality of children born abroad to persons domiciliated in N.M. be governed by that Act or to special provisions. Shall residence in Marianas be counted toward residence in U.S. for naturalization purposes?
- 3. Formula to govern interim applicability of federal laws in N.M. and list of exceptions.

Page 4--Formula D1 would subject to U.S. income tax on Mariana income those residents of Marianas who already are U.S. citizens;  $\underline{e}.\underline{g}.$ , Eddy's boys and Tojata Sablon.

- 4. Shall E Bond exemption be continued indefinitely or terminate upon establishment of Commonwealth?
- 6. Shall N.M. authority to impose excise taxes be exclusive?
- 7. Eminent domain problem.