



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

INTERNATIONAL SECURITY AFFAIRS

16 October 1974

MEMORANDUM FOR MR. HARRY ALMOND, OGC (3E987)
CAPT J. SMITH, USA, ARMY JAG (2D443)
MAJ W. GEHRING, NAVY JAG (2D343) ←
MR. BOYD ALLEN, AIR FORCE JAG (4C931)

SUBJECT: Draft Marianas Agreement

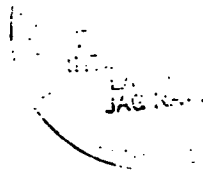
Attached are additional and replacement sections of the current Draft Marianas Agreement, a copy of which was circulated last week by Mr. Barringer.

At a meeting on 10 October the DOD representative indicated that Article Eight was unacceptable, in several sections, particularly the emasculated eminent domain procedure. Alternative versions are being drafted.

It is requested that a review of the entire Agreement be completed and comments provided to the originator by COB 21 October. As significant concerns develop over specific points in the Draft Agreement, it would be helpful if these concerns could be provided telephonically as they develop prior to 21 October.

E. C. WHELAN
Captain, USN
Asst for TTPI

Attachments



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DRAFT
October 9, 1974

AGREEMENT ESTABLISHING A
POLITICAL UNION BETWEEN THE PEOPLE OF THE NORTHERN
MARIANA ISLANDS AND THE UNITED STATES OF AMERICA

Whereas, the Charter of the United Nations and the Trusteeship Agreement between the Security Council of the United Nations and the United States of America guarantee to the people of the Northern Mariana Islands the right freely to express their wishes for self-government or independence; and

Whereas, for over twenty years, the people of the Northern Mariana Islands, through public petition and referendum, have clearly expressed their desire for political union with the United States; and

Whereas, the United States supports the desire of the people of the Northern Mariana Islands to exercise their inalienable right of self-determination; and

Whereas, the people of the Northern Mariana Islands and the people of the United States share the goals and values found in the American system of government based upon the principles of government by consent, individual freedom, and democracy;

Now, therefore, the Marianas Political Status Commission, being the duly appointed representatives of the people of the Northern Mariana Islands, and the Personal Representative of the President of the United States have entered into this Agreement in order to establish a self-governing commonwealth for the Northern Mariana Islands within the American political

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system and define the future relationship between the Northern Mariana Islands and the United States, recognizing that approval of this Agreement by the people of the Northern Mariana Islands will constitute on their part a sovereign act of self-determination.

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October 9, 1974

ARTICLE VI

Revenue and Taxation Provisions

Section 601. [Awaiting proposals from MPSC Counsel on application of the Internal Revenue Code in the Marianas].

Section 60[2].

(a) The Northern Mariana Islands will not be included within the customs territory of the United States.

(b) The Government of the Northern Mariana Islands may, in a manner consistent with the international obligations of the United States, levy duties on goods imported into its territory from any area other than the United States, its territories or possessions.

(c) The Government of the Northern Mariana Islands will have the [exclusive] authority to impose duties on exports from its territory.

(d) To the extent such treatment would be consistent with the international obligations of the United States, exports from the Northern Mariana Islands into the customs territory of the United States, will be subject to the same treatment as exports from the Territory of Guam into the customs territory of the United States. The United States will, if necessary in order to extend such treatment, endeavor to obtain appropriate waivers or modifications of its international obligations.

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(e) The United States will seek to obtain from foreign countries favorable treatment for exports from the Northern Mariana Islands, and will encourage other countries to consider the Northern Mariana Islands a developing territory. Section 60[3].

[(a) The United States may levy excise taxes on goods and services manufactured, sold or used in the Northern Mariana Islands in the same manner and to the same extent as such taxes are applicable within the several States.]

[(b) The Northern Mariana Islands will have the authority to impose excise taxes upon goods manufactured or sold within its territory or upon goods imported into its territory, provided that such excise taxes imposed on goods imported into its territory must be consistent with the international obligations of the United States.]

Section 60[4]. (a) All bonds issued by the Government of the Northern Mariana Islands or by its authority will be exempt, as to principal and interest, from taxation by the United States, or by any State, territory or possession of the United States, or any political subdivision of any of them.

(b) For so long as the United States Government provides direct financial assistance pursuant to Article VII of this agreement, the Government of the Northern Mariana Islands will authorize no public indebtedness (other than bonds or other obligations of the Government payable solely from revenues

derived from any public improvement or undertaking) in excess of ten percentum of the aggregate assessed valuation of the property within the Northern Mariana Islands.

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ARTICLE IX

Resident Commissioner and Consultation

Section 901.

(a) The Northern Mariana Islands may maintain in Washington, D.C. a Resident Commissioner who will be entitled to receive official recognition by all of the departments and agencies of the United States Government upon presentation, through the Department of State, of a certificate of [election from] [appointment by] the Governor of the Northern Mariana Islands.

(b) The Resident Commissioner will have a term of two years and will be [elected at the first general election to be held in the Northern Mariana Islands following the effective date of this section by the people qualified to vote for the members of the legislature, and subsequently at such general election every second year thereafter.] [appointed by the Governor of the Northern Mariana Islands by and with the advice and consent of the upper house of the Northern Mariana Islands legislature.]

(c) No person will be eligible for [election] [appointment] as Resident Commissioner who is not--

(1) a bona fide citizen of the Northern Mariana Islands, provided that any Resident Commissioner [elected] [appointed] after the termination of the Trusteeship must be a citizen of the United States; and

(2) at least twenty-five years of age.

(d) In case of a vacancy in the office of Resident Commissioner by death, resignation, or otherwise, the Governor, by

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and with the advice and consent of the upper house, shall appoint a Resident Commissioner to fill the vacancy, who shall serve the remainder of his predecessor's term and until his successor is [elected and] qualified.

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[(e) The Resident Commissioner will receive a salary payable monthly by the United States Government, and shall receive the same salary and allowances for stationery, clerk-hire, and transportation expenses as allowed members of the House of Representatives of the United States. He will be allowed the franking privileges as such members.]

Section 902. The United States Government and the Government of the Northern Mariana Islands will consult regularly on all matters affecting the relationship between them, and if any special issues should arise, the President of the United States and the Governor of the Northern Mariana Islands will each appoint a special representative or representatives to consider such issues and make recommendations thereon. Special representatives shall be appointed in any event to consider and make recommendations regarding future financial assistance to the Northern Mariana Islands pursuant to Section 701, to meet at least one year prior to the expiration of the initial seven year period of such assistance.

Section 903. Nothing herein shall prevent the presentation of cases or controversies arising under this Agreement to courts established by the United States. It is intended that any such cases or controversies will be justiciable in such courts, and that the undertakings

by the United States Government and the Government of the Northern Mariana Islands provided for in this Agreement will be enforceable in such courts.

Section 904.

(a) The Government of the United States will give sympathetic consideration to the advice of the Government of the Mariana Islands on international matters directly affecting the Northern Mariana Islands.

(b) The United States will assist and facilitate the establishment by the Northern Mariana Islands of offices in the United States and abroad to promote local tourism and other economic or cultural interests of the Northern Mariana Islands.

[(c) The United States will support membership by the Northern Mariana Islands in regional or other international organizations concerned with social, economic, educational, scientific, technical and cultural matters of concern to it, to the extent such organizations will permit such membership. The Government of the Northern Mariana Islands, with the approval of the Secretary of State, may negotiate and sign agreements with any international organization of which it is a member, provided that those agreements apply only to the Northern Mariana Islands and not to other parts of the United States.]