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03

MAJOR PROVISIONS OF THE COVENANT TO
ESTABLISH A COMMONWEALTH OF THE
NORTHERN MARIANA ISLANDS IN POLITICAL
UNION WITH THE UNITED STATES OF
AMERICA

FEBRUARY, 1975

ARTICLE I -- POLITICAL RELATIONSHIP

- A. NORTHERN MARIANAS WILL BECOME SELF-GOVERNING COMMONWEALTH UNDER UNITED STATES SOVEREIGNTY UPON TERMINATION OF TRUSTEESHIP.
1. RELATIONS BETWEEN NORTHERN MARIANAS AND UNITED STATES WILL BE GOVERNED BY COVENANT.
 2. RIGHT OF LOCAL SELF-GOVERNMENT OF PEOPLE IS EXPLICITLY RECOGNIZED.
 3. NORTHERN MARIANAS UNDER U. S. SOVEREIGNTY AS ARE ALL STATES, TERRITORIES AND COMMONWEALTH OF PUERTO RICO.
 4. APPLICABLE PARTS OF U. S. CONSTITUTION AND FEDERAL LAW, INCLUDING COVENANT, WILL BE SUPREME LAW, AS IN ALL STATES, TERRITORIES AND THE COMMONWEALTH OF PUERTO RICO.
 5. U. S. WILL HAVE AUTHORITY OVER FOREIGN AFFAIRS AND DEFENSE AND WILL CONSIDER ADVICE OF NORTHERN MARIANAS ON MATTERS OF CONCERN TO IT.
 6. FEDERAL LAWS MAY BE MADE APPLICABLE TO THE NORTHERN MARIANAS, BUT LAWS WHICH COULD NOT BE MADE APPLICABLE TO A STATE WILL AFFECT THE NORTHERN MARIANAS ONLY IF THE NORTHERN MARIANAS IS SPECIFICALLY NAMED.

ARTICLE I -- POLITICAL RELATIONSHIP

B. MUTUAL CONSENT OF THE GOVERNMENT OF THE NORTHERN MARIANA ISLANDS AND THE GOVERNMENT OF THE UNITED STATES REQUIRED TO CHANGE FUNDAMENTAL PROVISIONS OF THE COVENANT.

1. THIS ASSURES NO CHANGES IN BASIC RELATIONSHIP UNLESS NORTHERN MARIANAS PEOPLE AGREE.
2. NO TERRITORY OF COMMONWEALTH HAS THIS FORMAL GUARANTEE.
3. PROVISIONS WHICH CANNOT BE ALTERED WITHOUT MUTUAL CONSENT ARE:

ESTABLISHMENT OF SELF-GOVERNING COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS UPON TERMINATION OF THE TRUSTEESHIP AGREEMENT (ALL OF ARTICLE I);

GUARANTIES OF RIGHT OF LOCAL SELF-GOVERNMENT AND AUTHORITY TO FRAME LOCAL CONSTITUTION (ALL OF ARTICLE II);

GUARANTIES OF U. S. CITIZENSHIP OR NATIONALITY (ALL OF ARTICLE III);

APPLICATION OF U. S. CONSTITUTION INCLUDING BILL OF RIGHTS (SECTION 501);

RESTRICTIONS ON LAND ALIENATION (TO ASSURE LOCAL PEOPLE RETAIN LAND OWNERSHIP (SECTION 805).

ARTICLE II -- CONSTITUTION OF THE
NORTHERN MARIANA ISLANDS

- A. THE PEOPLE OF THE NORTHERN MARIANA ISLANDS WILL ADOPT THEIR OWN CONSTITUTION.
1. ORIGINAL CONSTITUTION WILL BE REVIEWED BY U. S. TO ASSURE CONSISTENCY WITH THE COVENANT AND APPLICABLE FEDERAL LAW.
 2. AMENDMENTS TO THE LOCAL CONSTITUTION WILL NOT BE REVIEWED BY THE U. S.
- B. THE LOCAL CONSTITUTION WILL ESTABLISH NORTHERN MARIANAS GOVERNMENT AND PROTECT INDIVIDUAL RIGHTS.
1. IT WILL PROVIDE FOR A GOVERNMENT WITH THREE SEPARATE BRANCHES -- EXECUTIVE, LEGISLATIVE, AND JUDICIAL.
 2. THE HEAD OF THE EXECUTIVE BRANCH WILL BE A POPULARLY ELECTED GOVERNOR.
 3. THE LEGISLATIVE BRANCH WILL BE POPULARLY ELECTED. THE PEOPLE WILL DETERMINE IN THE CONSTITUTION HOW MANY REPRESENTATIVES EACH ISLAND WILL HAVE.
 4. THE CONSTITUTION MAY PROVIDE FOR LOCAL COURTS IN ADDITION TO THE FEDERAL COURT.
 5. THE LOCAL CONSTITUTION WILL CONTAIN A BILL OF RIGHTS WRITTEN BY THE PEOPLE OF THE NORTHERN MARIANA ISLANDS TO PROTECT INDIVIDUAL RIGHTS.

ARTICLE III -- CITIZENSHIP AND NATIONALITY

A. UPON TERMINATION OF THE TRUSTEESHIP AGREEMENT THE FOLLOWING PERSONS AND THEIR CHILDREN UNDER 18 WILL BECOME U. S. CITIZENS:

1. PERSONS BORN IN THE NORTHERN MARIANAS WHO ARE TPI CITIZENS AND WHO LIVE HERE OR IN THE U. S. OR IN A U. S. TERRITORY OR POSSESSION.
2. PERSONS WHO ARE TPI CITIZENS WHO HAD BEEN PERMANENT RESIDENTS OF THE NORTHERN MARIANAS CONTINUOUSLY FOR AT LEAST FIVE YEARS PRIOR TO TERMINATION OF THE TRUSTEESHIP AND WHO (UNLESS UNDER AGE) HAD REGISTERED TO VOTE IN THE NORTHERN MARIANAS BEFORE JANUARY 1, 1975.
3. PERSONS WHO ARE NOT TPI CITIZENS OR CITIZENS OF A FOREIGN COUNTRY WHO AT THE TIME THE TRUSTEESHIP TERMINATES HAD BEEN PERMANENT RESIDENTS OF THE NORTHERN MARIANAS CONTINUOUSLY SINCE JANUARY 1, 1974.

B. ANY PERSONS LISTED ABOVE MAY CHOOSE TO BE A U. S. NATIONAL INSTEAD OF A U. S. CITIZEN.

C. AFTER TERMINATION OF THE TRUSTEESHIP AGREEMENT, PERSONS BORN IN THE NORTHERN MARIANAS WILL BE U. S. CITIZENS.

D. THE PEOPLE OF THE NORTHERN MARIANAS WILL BE ENTITLED TO THE PRIVILEGES AND IMMUNITIES OF THE CITIZENS OF THE STATES OF THE UNITED STATES.

ARTICLE IV -- JUDICIAL AUTHORITY

- A. A FEDERAL DISTRICT COURT FOR THE NORTHERN MARIANAS WILL BE ESTABLISHED TO HEAR FEDERAL CASES.
- B. THE LOCAL LEGISLATURE WILL BE ABLE TO LET THIS FEDERAL COURT CONDUCT TRIALS OR HEAR APPEALS IN LOCAL CASES, BUT THE LOCAL LEGISLATURE NEED NOT DO SO.
- C. THE RELATIONS BETWEEN THE LOCAL COURTS OF THE NORTHERN MARIANAS AND THE FEDERAL COURTS WILL GENERALLY BE LIKE THE RELATIONS BETWEEN THE STATE COURTS AND FEDERAL COURTS. THIS MEANS THAT IN PROPER CASES APPEALS MAY GO ALL THE WAY TO THE SUPREME COURT OF THE UNITED STATES.

ARTICLE V -- APPLICABILITY OF LAWS

- A. MANY PORTIONS OF THE U. S. CONSTITUTION WILL APPLY TO THE NORTHERN MARIANAS TO ASSURE THE PEOPLE THE BASIC RIGHTS OF AMERICAN CITIZENSHIP.
1. THE NORTHERN MARIANAS WILL BE TREATED AS IF IT WERE A STATE FOR THE PURPOSES OF THE APPLICATION OF PORTIONS OF THE U. S. CONSTITUTION, INCLUDING ALL THE BILL OF RIGHTS.
 2. SPECIAL PROVISIONS ARE INCLUDED TO PERMIT THE LOCAL GOVERNMENT TO:
 - IMPOSE RESTRAINTS ON LAND ALIENATION;
 - HAVE REPRESENTATIVES FROM TINIAN AND ROTA IN EXCESS OF THE NUMBER THEY WOULD BE PERMITTED ON A STRICT POPULATION BASIS; AND
 - DETERMINE WHETHER THERE WILL BE TRIALS BY JURY AND INDICTMENTS BY GRAND JURY IN LOCAL CASES.
- B. FEDERAL LAWS WILL GENERALLY APPLY TO THE NORTHERN MARIANAS IN A MANNER IN WHICH THEY ARE APPLICABLE TO GUAM AND TO THE STATES.
1. LAWS WHICH PROVIDE FEDERAL SERVICES AND FINANCIAL ASSISTANCE PROGRAMS WILL APPLY EXACTLY AS IN GUAM.
 2. THE MICRONESIAN CLAIMS ACT WILL CONTINUE TO BE APPLICABLE.

ARTICLE V -- APPLICABILITY OF LAWS

2. THE MICRONESIAN CLAIMS ACT WILL CONTINUE TO BE APPLICABLE.

3. A COMMISSION ON FEDERAL LAWS WITH SEVEN MEMBERS (AT LEAST FOUR FROM THE NORTHERN MARIANAS) WILL BE ESTABLISHED TO REVIEW FURTHER AND TO MAKE RECOMMENDATIONS CONCERNING THE APPLICABILITY OF FEDERAL LAWS.

C. CERTAIN IMPORTANT FEDERAL LAWS ARE DEALT WITH SPECIFICALLY IN THE COVENANT.

1. U.S. IMMIGRATION AND NATURALIZATION LAWS WILL NOT APPLY TO THE NORTHERN MARIANAS UNTIL AND UNLESS THE U. S. CONGRESS SPECIFICALLY ACTS TO MAKE THEM APPLICABLE AFTER TERMINATION OF THE TRUSTEESHIP. HOWEVER, CLOSE RELATIVES OF PERSONS IN THE NORTHERN MARIANAS WILL BE ABLE TO BECOME U. S. CITIZENS BY LIVING HERE AFTER TERMINATION.

2. THE COASTWISE LAWS ("JONES ACT") AND THE GENERAL MINIMUM WAGE LAWS WILL NOT BE APPLICABLE UNTIL CONGRESS ACTS AFTER TERMINATION TO MAKE THEM APPLICABLE TO THE NORTHERN MARIANAS. THE FEDERAL GOVERNMENT, THE U. S. MILITARY AND THEIR CONTRACTORS WILL PAY AT LEAST THE MINIMUM WAGE, HOWEVER.

EXHIBIT A

APPLICABLE PROVISIONS OF U. S. CONSTITUTION

ARTICLE I, SECTION 9, CLAUSE 2

-- PROHIBITS FEDERAL SUSPENSION OF JUDICIAL AUTHORITY TO FREE PERSONS FROM UNLAWFUL IMPRISONMENT

ARTICLE I, SECTION 9, CLAUSE 3

-- PROHIBITS FEDERAL LAWS WHICH PUNISH CONDUCT WHICH WAS NOT CRIMINAL WHEN DONE

ARTICLE I, SECTION 9, CLAUSE 8

-- PROHIBITS FEDERAL TITLES OF NOBILITY

ARTICLE I, SECTION 10, CLAUSE 1

-- PROHIBITS STATE LAWS WHICH GRANT TITLES OF NOBILITY OR WHICH IMPAIR OBLIGATION OF CONTRACTS, OR WHICH PUNISH CONDUCT NOT CRIMINAL WHEN DONE

ARTICLE I, SECTION 10, CLAUSE 3

-- PROHIBITS STATES FROM ENGAGING IN WAR OR ENTERING INTO AGREEMENTS WITH FOREIGN POWERS

ARTICLE IV, SECTION 1

-- PROVIDES FOR FULL FAITH AND CREDIT TO BE GIVEN TO ACTS AND JUDICIAL PROCEEDINGS OF EACH STATE

APPLICABLE PROVISIONS OF U. S. CONSTITUTION

ARTICLE IV, SECTION 2, CLAUSE 1

-- PROVIDES CITIZENS OF EACH STATE ARE ENTITLED TO PRIVILEGES AND IMMUNITIES OF CITIZENS IN SEVERAL STATES

ARTICLE IV, SECTION 2, CLAUSE 2

-- PROVIDES FOR EXTRADITION OF CRIMINALS FROM ONE STATE TO ANOTHER

FIRST AMENDMENT

-- PROTECTS FREEDOM OF SPEECH, RELIGION, PRESS, ASSEMBLY AND RIGHT TO PETITION GOVERNMENT

SECOND AMENDMENT

-- PROHIBITS INFRINGEMENT OF RIGHT TO BEAR ARMS

THIRD AMENDMENT

-- PROHIBITS MILITARY USE OF PRIVATE HOMES EXCEPT IN WAR TIME

FOURTH AMENDMENT

-- PROHIBITS UNREASONABLE SEARCHES AND SEIZURES

FIFTH AMENDMENT

-- PROVIDES GUARANTEES OF DUE PROCESS OF LAW AND JUST COMPENSATION IF PRIVATE PROPERTY IS TAKEN FOR PUBLIC USE; PROHIBITS DOUBLE JEOPARDY; ASSURES RIGHT AGAINST SELF-INCRIMINATION

APPLICABLE PROVISIONS OF U. S. CONSTITUTION

SIXTH AMENDMENT

-- PROVIDES RIGHT TO SPEEDY AND PUBLIC TRIAL BY JURY WITH COUNSEL AND OTHER RIGHTS IN CRIMINAL CASES

SEVENTH AMENDMENT

-- PROVIDES RIGHT OF TRIAL BY JURY IN FEDERAL CIVIL CASES

EIGHTH AMENDMENT

-- PROHIBITS EXCESSIVE BAIL AND CRUEL AND UNUSUAL PUNISHMENT

NINTH AMENDMENT

-- ASSURES THAT LISTING OF CERTAIN RIGHTS OF THE PEOPLE DOES NOT DENY EXISTENCE OF OTHERS

THIRTEENTH AMENDMENT

-- PROHIBITS SLAVERY AND INVOLUNTARY SURVITUDE

FOURTEENTH AMENDMENT, SECTION II

-- PROVIDES THAT PERSONS BORN OR NATURALIZED IN THE U. S. ARE U. S. CITIZENS; PROHIBITS STATES FROM DENYING PRIVILEGES AND IMMUNITIES OF U. S. CITIZENSHIP, FROM TAKING LIFE, LIBERTY OR PROPERTY WITHOUT DUE PROCESS, AND FROM DENYING ANY PERSON EQUAL PROTECTION OF THE LAW

APPLICABLE PROVISIONS OF U.S. CONSTITUTION

FIFTEENTH AMENDMENT

-- PROHIBITS DENIAL OF RIGHT
TO VOTE ON ACCOUNT OF RACE

NINETEENTH AMENDMENT

-- PROHIBITS DENIAL OF RIGHT
TO VOTE ON ACCOUNT OF SEX

TWENTY-SIXTH AMENDMENT

-- PROHIBITS DENIAL OF RIGHT TO
VOTE TO PERSONS OVER 18 ON
ACCOUNT OF AGE

ARTICLE VI -- REVENUE AND TAXATION

- A. THE FEDERAL INCOME TAX LAWS WILL BE APPLICABLE TO THE NORTHERN MARIANAS IN THE SAME MANNER THAT THE FEDERAL INCOME TAX LAWS ARE APPLICABLE IN GUAM.
 - 1. THIS MEANS THAT THE FEDERAL INCOME TAX WILL SERVE AS A LOCAL TERRITORIAL INCOME TAX. THIS TAX WILL BE PAID TO THE NORTHERN MARIANAS GOVERNMENT AND ONLY ONE TAX RETURN WILL HAVE TO BE FILED.
 - 2. THE GOVERNMENT OF THE NORTHERN MARIANAS WILL BE ABLE TO REBATE TAXES RECEIVED BY IT TO THE LOCAL PEOPLE, IN ANY AMOUNT IT WISHES.
- B. THE LOCAL GOVERNMENT WILL BE ABLE TO IMPOSE LOCAL TAXES, INCLUDING EXCISE TAXES.
- C. THE NORTHERN MARIANAS WILL BE OUTSIDE THE CUSTOMS TERRITORY OF THE UNITED STATES SO IT WILL BE A DUTY FREE PORT LIKE GUAM.
 - 1. GOODS PRODUCED IN THE UNITED STATES AND SHIPPED TO THE NORTHERN MARIANAS WILL BE FREE FROM U. S. TAX, AS IS TRUE WITH RESPECT TO GUAM.
 - 2. GOODS GOING FROM NORTHERN MARIANAS TO THE UNITED STATES WILL BE FREE OF DUTY, TOO.
 - 3. THE U. S. WILL TRY TO OBTAIN FROM FOREIGN COUNTRIES FAVORABLE TREATMENT FOR GOODS SHIPPED FROM THE NORTHERN MARIANAS.

ARTICLE VI -- REVENUE AND TAXATION

D. THE SOCIAL SECURITY LAWS OF THE UNITED STATES WILL BECOME APPLICABLE TO THE NORTHERN MARIANAS NO LATER THAN THE TERMINATION OF THE TRUSTESHIP AGREEMENT.

1. AT TERMINATION OF THE TRUSTESHIP OR EARLIER, THE PEOPLE OF THE NORTHERN MARIANAS WILL BECOME FULL PARTICIPANTS IN THE U. S. SOCIAL SECURITY SYSTEM AND RECEIVE FULL U. S. LEVEL BENEFITS FROM THAT SYSTEM. AT THAT TIME U. S. SOCIAL SECURITY TAXES WILL ALSO BECOME APPLICABLE.

2. FULL CREDIT WILL BE GIVEN BY THE U. S. SOCIAL SECURITY SYSTEM FOR CONTRIBUTIONS TO THE MICRONESIAN SOCIAL SECURITY FUND.

3. PRIOR TO APPLICATION OF THE U. S. SOCIAL SECURITY SYSTEM, THE U. S. WILL ASSUME RESPONSIBILITY FOR ADMINISTERING THE MARIANAS SHARE OF THE MICRONESIAN SOCIAL SECURITY FUND, AND WILL GUARANTEE CONTINUED BENEFITS.

E. BONDS ISSUED BY THE GOVERNMENT OF THE NORTHERN MARIANAS WILL BE TAX EXEMPT. BUT FOR AT LEAST SEVEN YEARS THE LOCAL GOVERNMENT WILL NOT BE ABLE TO GO INTO DEBT IN AN AMOUNT WHICH EXCEEDS TEN PERCENT OF THE VALUE OF ALL PROPERTY IN THE NORTHERN MARIANAS.

EXHIBIT B

INCOME TAX PAID BY A FAMILY OF FOUR
 UNDER U. S. FEDERAL INCOME TAX AND THE
 TTPI GROSS INCOME TAX, 1974

<u>GROSS INCOME^{a/}</u> <u>(FAMILY OF 4)</u>	<u>U. S. TAX</u>	<u>TTPI GROSS^{b/}</u> <u>INCOME TAX</u>
\$ 4,299	\$ 0.00	\$128.97
5,000	102.00	150.00
6,000	249.00	180.00
7,500	488.00	225.00
10,000	901.00	300.00
12,500	1,308.75	375.00
15,000	1,820.00	450.00

a/ U. S. rates apply to a family filing a joint return with four exemptions and taking standard deductions.

b/ TTPI income tax rate of 3 percent for all incomes.

EXHIBIT C

SOCIAL SECURITY BENEFITS PAYABLE TO A FULLY
INSURED^{a/} INDIVIDUAL UNDER THE U. S. SOCIAL SECURITY
SYSTEM^{b/} AND SOCIAL SECURITY TAXES

	<u>SINGLE</u>	<u>MARRIED</u>	<u>MAXIMUM TOTAL FAMILY BENEFITS</u>
<u>RETIREMENT BENEFITS</u>			
AVERAGE ANNUAL COVERED INCOME OF \$3000:			
AGE 62	\$155.30	\$228.20	\$452.10
AGE 65	194.10	291.20	490.90
<u>DISABILITY BENEFITS</u>			
AVERAGE ANNUAL COVERED INCOME OF \$3000:			
	194.10	291.20	490.90
<u>SURVIVORS BENEFITS</u>			
AVERAGE ANNUAL COVERED INCOME OF \$3000:			
WIDOW AT AGE 62 OR OVER	<u>c/</u>	194.10	
WIDOW UNDER 62, CARING FOR DEPENDENTS, OR DISABLED	--	145.58	
DEPENDENT CHILD	--	145.58	291.16

MEDICAL BENEFITS

U. S. SOCIAL SECURITY INCLUDES HEALTH INSURANCE, WHICH UPON RETIREMENT, OR IN SOME CASES, DISABILITY, PAYS FOR HOSPITAL CARE.

U. S. SOCIAL SECURITY TAXES

6.85 PERCENT PAID BY EMPLOYER AND 6.85 PERCENT PAID BY EMPLOYEE ON SALARIES AND WAGES (\$14,200 MAXIMUM TAXED)

a/ A FULLY INSURED PERSON HAS WORKED 40 QUARTERS, OR 10 YEARS, IN EMPLOYMENT COVERED BY SOCIAL SECURITY.

b/ AMOUNTS ARE BASED ON BENEFITS PAYABLE IN JUNE, 1974; THERE WILL BE INCREASES AS THE COST OF LIVING RISES. A COST OF LIVING INCREASE IS BUILT INTO THE U. S. SYSTEM.

c/ BENEFITS MAY BE PAID TO SINGLE PERSON'S SURVIVING DEPENDENT PARENT; OR A LUMP SUM MAY BE PAID TO HIS ESTATE UNDER THE U. S. SYSTEM.

ARTICLE VII -- UNITED STATES
FINANCIAL ASSISTANCE

- A. THE UNITED STATES WILL PROVIDE \$1.5 MILLION FOR NORTHERN MARIANAS' TRANSITION TO THE NEW POLITICAL STATUS, INCLUDING GOVERNMENT AND ECONOMIC PLANNING, POLITICAL EDUCATION, CONSTITUTIONAL CONVENTION AND REFERENDUM, AND ELECTION OF THE NEW GOVERNMENT.
- B. U. S. WILL ASSIST NORTHERN MARIANAS TO ACHIEVE PROGRESSIVELY HIGHER STANDARDS OF LIVING AS PART OF THE AMERICAN ECONOMIC COMMUNITY BY PROVIDING DIRECT MULTI-YEAR GRANTS FOR GOVERNMENT OPERATIONS, CAPITAL IMPROVEMENTS AND ECONOMIC DEVELOPMENT.
- C. FOR EACH OF AT LEAST THE FIRST SEVEN YEARS AFTER THE ESTABLISHMENT OF THE NEW GOVERNMENT, THE U. S. WILL PROVIDE THE FOLLOWING AMOUNTS TO THE NORTHERN MARIANAS:

	<u>ANNUAL GRANT</u>	<u>7-YEAR TOTALS</u>
	(MILLIONS OF CONSTANT 1975 DOLLARS)	
CAPITAL IMPROVEMENTS	\$ 4.00	\$28.00
GOVERNMENT OPERATIONS	8.25	57.75
ECONOMIC DEVELOPMENT	<u>11.75</u>	<u>12.25</u>
	\$14.00	\$98.00

ARTICLE VII -- UNITED STATES
FINANCIAL ASSISTANCE

- I. THESE AMOUNTS WILL BE ADJUSTED FOR INFLATION EACH YEAR AND ARE STATED IN CONSTANT 1975 DOLLARS.
 2. U. S. GRANTS WILL CONTINUE AT THIS SAME LEVEL ANNUALLY AFTER SEVEN YEARS UNLESS THE U. S. CONGRESS TAKES SPECIFIC ACTION TO CHANGE THE LEVEL OF SUPPORT.
- D. DIRECT U. S. GRANT SUPPORT IS IN ADDITION TO FEDERAL PROGRAMS AND SERVICES WHICH ARE ESTIMATED TO BE WORTH AT LEAST \$3 MILLION ANNUALLY (IN 1975 DOLLARS).
- E. FEDERAL TAXES WILL BE RETURNED TO THE GOVERNMENT OF THE NORTHERN MARIANAS.
1. U. S. INCOME TAXES PAID BY U. S. MILITARY PERSONNEL WILL BE APPROXIMATELY \$3 MILLION ANNUALLY IF THE TINIAN BASE BECOMES FULLY OPERATIONAL.
 2. CUSTOMS DUTIES, EXCISE TAXES AND ADMINISTRATIVE FEES COLLECTED BY THE FEDERAL GOVERNMENT IN THE NORTHERN MARIANAS WILL BE RETURNED TO THE LOCAL GOVERNMENT.
- F. ALL OF THIS DIRECT FINANCIAL ASSISTANCE IS IN ADDITION TO THE AMOUNT WHICH THE UNITED STATES WILL PAY FOR THE LEASE OF LAND. THUS A SUMMARY OF DIRECT ECONOMIC BENEFITS IS AS FOLLOWS:

ARTICLE VII -- UNITED STATES
FINANCIAL ASSISTANCE

1. TRANSITION: \$1.5 MILLION
2. DIRECT GRANT ASSISTANCE: \$98.00 MILLION OVER SEVEN YEARS
3. FEDERAL PROGRAMS: \$3.0 MILLION PER YEAR
4. RETURN OF FEDERAL TAXES TO LOCAL GOVERNMENT: \$3.0 MILLION PER YEAR IF TINIAN BASE FULLY OPERATIONAL

EXHIBIT D

COMPARISON OF FEDERAL ECONOMIC
AND FINANCIAL ASSISTANCE UNDER
COMMONWEALTH AND TIP I STATUS
(MILLIONS OF 1975 DOLLARS)

TIP I, ESTIMATED FEDERAL
ECONOMIC AND FINANCIAL
ASSISTANCE PAYMENTS,
1975

COMMONWEALTH, PROPOSED
7-YEAR ANNUAL ECONOMIC AND
FINANCIAL ASSISTANCE PAYMENTS

1. CAPITAL IMPROVEMENT	\$ 4.00	\$1.15
2. GOVERNMENT OPERATIONS	8.25	6.32
3. ECONOMIC DEVELOPMENT	<u>1.75</u>	<u>--</u>
TOTAL	\$ 14.00	\$7.47

EXHIBIT E

EXAMPLES OF FEDERAL PROGRAMS AND SERVICES

PUBLIC HEALTH AND WELFARE

- PUBLIC HEALTH SERVICES
- HEALTH MAINTENANCE ORGANIZATION ASSISTANCE
- AID FOR DEPENDENT CHILDREN
- OLD AGE ASSISTANCE
- MEDICAID
- FOOD STAMP PROGRAM
- CHILD NUTRITION PROGRAM
- SCHOOL LUNCH PROGRAM

EDUCATION

- SCHOOL CONSTRUCTION IN AREAS AFFECTED BY FEDERAL ACTIVITY ASSISTANCE
- NATIONAL DEFENSE EDUCATION PROGRAM
- BASIC EDUCATION FOR ADULTS GRANTS
- VOCATIONAL EDUCATION GRANTS
- PUBLIC LIBRARY GRANTS

COMMUNITY DEVELOPMENT

- COMMUNITY DEVELOPMENT ACT GRANTS
- AIRPORT AND AIRWAY DEVELOPMENT ACT GRANTS
- MORTGAGE INSURANCE
- SEWAGE TREATMENT GRANTS
- RURAL ELECTRIFICATION AND TELEPHONE SERVICE ASSISTANCE
- DISASTER RELIEF

EXAMPLES OF FEDERAL PROGRAMS AND SERVICES

PUBLIC SERVICES

- POST OFFICES
- FEDERAL AVIATION ADMINISTRATION ASSISTANCE
- PUBLIC WORKS OR FACILITIES ASSISTANCE
- LAW ENFORCEMENT ASSISTANCE
- SOLID WASTE DISPOSAL ACT ASSISTANCE
- ASSISTANCE FOR ROAD CONSTRUCTION

EMPLOYMENT AND ECONOMIC DEVELOPMENT

- AID TO SMALL BUSINESS
- ECONOMIC OPPORTUNITY PROGRAMS
- MANPOWER DEVELOPMENT AND TRAINING

EXHIBIT F

SUMMARY OF ECONOMIC AND FINANCIAL SUPPORT AND OTHER PAYMENTS

I. PROVISIONS FOR SUPPORT PAYMENTS AND ASSISTANCE (First Seven Years of Commonwealth Status):

TOTAL DOLLAR AMOUNTS
(millions of constant dollars)

A. THE U. S. WILL PROVIDE FUNDS FOR
TRANSITION AND PLANNING.

1.50

B. THE U. S. GUARANTEES THE GOVERN-
MENT OF THE NORTHERN MARIANAS
BUDGET SUPPORT FOR 7 YEARS @
\$14 MILLION ANNUALLY.

98.00

C. VALUE OF FEDERAL PROGRAMS AND
SERVICES TO BE AVAILABLE TO THE
NORTHERN MARIANAS ESTIMATED
TO BE \$3 MILLION DOLLARS
ANNUALLY.

21.00

TOTAL

120.50

SUMMARY OF ECONOMIC AND FINANCIAL
SUPPORT AND OTHER PAYMENTS

2. OTHER FINANCIAL AND ECONOMIC PROVISIONS:

A. ALL TAXES AND FEES COLLECTED BY THE FEDERAL GOVERNMENT IN THE NORTHERN MARIANAS WILL BE RETURNED TO THE GOVERNMENT OF THE NORTHERN MARIANAS. THIS INCLUDES FEDERAL INCOME TAXES PAID BY MILITARY PERSONNEL ON THE TINIAN BASE.

B. NORTHERN MARIANAS CITIZENS WILL BE FULL PARTICIPANTS IN THE U. S. SOCIAL SECURITY SYSTEM AFTER TERMINATION OF THE TRUSTESHIP. PRIOR TO APPLICATION OF THE U. S. SYSTEM THE U. S. WILL ASSUME RESPONSIBILITY FOR ADMINISTERING THE MARIANAS SHARE OF THE MICRONESIAN SOCIAL SECURITY FUND AND WILL GUARANTEE CONTINUED BENEFITS.

C. THE FEDERAL INCOME TAX WILL SERVE AS A LOCAL TERRITORIAL INCOME TAX, IN THE SAME MANNER AS APPLIES IN GUAM.

3. PAYMENTS FOR LAND:

19.56

ARTICLE VIII -- PROPERTY

- A. PUBLIC LAND NOW CONTROLLED BY THE TPI GOVERNMENT WILL BE RETURNED TO THE PEOPLE OF THE NORTHERN MARIANAS. ALL MILITARY RETENTION LAND AGREEMENTS WILL BE TERMINATED. THE U. S. WILL CONTINUE CIVILIAN ACTIVITIES LIKE THE POST OFFICE AND COAST GUARD ON LAND IT NOW USES.
- B. THE UNITED STATES WILL BE PERMITTED TO LEASE THE FOLLOWING LAND FOR DEFENSE PURPOSES:
1. ON TINIAN, APPROXIMATELY 7, 203 HECTARES.
 2. ON SAIPAN AT TANAPAG HARBOR, APPROXIMATELY 72 HECTARES.
 3. FARALLON DE MEDINILLA, CONSISTING OF APPROXIMATELY 83 HECTARES.
- C. THE UNITED STATES HAS NO PRESENT NEED FOR ANY ADDITIONAL LAND FOR DEFENSE PURPOSES AND NO INTENTION TO ACQUIRE ANY GREATER INTEREST IN THIS LAND THAN THE LEASEHOLD.
- D. THE LEASE WILL BE FOR A TERM OF 50 YEARS AND THE UNITED STATES WILL HAVE THE OPTION OF RENEWING THE LEASE FOR AN ADDITIONAL 50 YEARS. THE UNITED STATES WILL PAY IN RETURN FOR THIS LEASE THE TOTAL OF \$19, 520, 600. THIS SUM WILL BE ADJUSTED FOR INFLATION UNTIL IT IS ACTUALLY PAID.

ARTICLE VIII -- PROPERTY

- E. THE UNITED STATES WILL LEASEBACK FOR \$1 PER ACRE (\$2.47) PER YEAR APPROXIMATELY 2,614 HECTARES (6,458 ACRES) ON TINIAN AND APPROXIMATELY 18 HECTARES (44 ACRES) AT TANAPAG. A SEPARATE AGREEMENT KNOWN AS THE "TECHNICAL AGREEMENT" WILL SET OUT THE DETAILS OF THE LEASEBACKS AND OTHER PROVISIONS RELATING TO THE USE OF LAND IN THE NORTHERN MARIANAS BY THE UNITED STATES.
- F. OF THE 72 HECTARES AT TANAPAG TO BE LEASED TO THE UNITED STATES, THE UNITED STATES WILL PERMIT THE LOCAL GOVERNMENT AT NO COST TO USE APPROXIMATELY 54 HECTARES FOR A PUBLIC PARK. THIS PARK WILL BE A MEMORIAL TO THE AMERICAN AND MARIANIAN DEAD IN WORLD WAR II. THE MONEY THE U. S. WILL PAY FOR THE LEASE OF THIS LAND -- \$2 MILLION -- WILL BE USED FOR THE PARK.
- G. NOTWITHSTANDING ANY OTHER PROVISION OF THE COVENANT OR OF THE U. S. CONSTITUTION OR U. S. LAWS, THE LOCAL PEOPLE WILL BE ABLE TO RETAIN LAND OWNERSHIP.
- I. UNTIL AT LEAST 25 YEARS AFTER THE TERMINATION OF THE TRUSTEESHIP AGREEMENT, THE LOCAL GOVERNMENT MUST PREVENT PERSONS NOT OF NORTHERN MARIANAS DESCENT FROM ACQUIRING TITLE TO LAND OR LONG-TERM INTERESTS IN LAND.
2. AFTER THAT TIME THE LOCAL GOVERNMENT MAY PREVENT PERSONS NOT OF NORTHERN MARIANA ISLAND DESCENT FROM ACQUIRING TITLE TO LAND OR LONG-TERM INTERESTS IN LAND.

ARTICLE VIII -- PROPERTY

3. AT ALL TIMES THE LOCAL GOVERNMENT MAY REGULATE THE EXTENT TO WHICH ANY ONE INDIVIDUAL MAY OWN OR LEASE PUBLIC LAND.

H. THE UNITED STATES MAY ACQUIRE LAND IN THE NORTHERN MARIANAS IN THE FUTURE ONLY FOR PUBLIC PURPOSES AND IN ACCORDANCE WITH THE U. S. CONSTITUTION AND U. S. LAWS.

I. THE U. S. PROMISES TO ACQUIRE ONLY THE MINIMUM AMOUNT IT NEEDS AND TO ACQUIRE ONLY THE MINIMUM INTEREST IN LAND IT LEASES -- IT WILL NOT ACQUIRE TITLE IF A LEASE WILL DO.

2. THE U. S. WILL IN ALL CASES ATTEMPT TO ACQUIRE LAND FOR PUBLIC PURPOSES VOLUNTARILY.

3. IF IT CANNOT OBTAIN LAND WHICH IT NEEDS VOLUNTARILY FROM PRIVATE PERSONS OR FROM THE LOCAL GOVERNMENT, THE U. S. WILL BE ABLE TO EXERCISE EMINENT DOMAIN IN THE SAME MANNER IT CAN EXERCISE EMINENT DOMAIN IN A STATE. NO LAND IN THE NORTHERN MARIANAS WILL BE ACQUIRED UNLESS THE ACQUISITION HAS BEEN AUTHORIZED BY CONGRESS AND FUNDS APPROPRIATED TO PAY THE LANDOWNER JUST COMPENSATION.

EXHIBIT G

MAJOR PROVISIONS OF TECHNICAL AGREEMENT

LEASE TO UNITED STATES

- A. 50 YEAR LEASE WITH OPTION TO RENEW FOR 50 YEARS.
- B. U. S. PAYS \$19,520,600, WHICH WILL BE ADJUSTED FOR INFLATION BETWEEN NOW AND TIME IT IS PAID.
- C. IF NO PAYMENT WITHIN 5 YEARS AFTER NEW GOVERNMENT OF NORTHERN MARIANAS ESTABLISHED, OBLIGATIONS ON BOTH SIDES WITH RESPECT TO LAND AGREEMENT WILL TERMINATE.

LEASEBACKS

- A. APPROXIMATELY 2,164 HECTARES WILL BE LEASED BACK ON TINIAN:
 1. APPROXIMATELY 540 HECTARES SOUTH OF WEST FIELD: 10 YEAR RENEWABLE TERM, EXCEPT 5 YEAR RENEWABLE AT HARBOR.
 2. APPROXIMATELY 1,624 HECTARES NORTH OF WEST FIELD AND EAST OF BROADWAY; 5 YEAR RENEWABLE.
 3. APPROXIMATELY 451 HECTARES NORTH OF WEST FIELD WITHIN THE MILITARY MANEUVER AREA NOW SUBJECT TO GRAZING LEASES OR HOMESTEADS; 5 YEAR RENEWABLE.

MAJOR PROVISIONS OF TECHNICAL AGREEMENT

B. TERMS OF TINIAN LEASEBACKS:

1. \$1 PER ACRE (\$2.47 PER HECTARE) PER YEAR.
2. USE OF LAND MUST BE COMPATIBLE WITH PLANNED MILITARY ACTIVITIES. EXAMPLES ARE GRAZING AND AGRICULTURE.
3. NO PERMANENT CONSTRUCTION WITHOUT PRIOR APPROVAL.
4. CANCELLATION ON ONE YEAR'S NOTICE OR EARLIER IF NATIONAL EMERGENCY; FAIR COMPENSATION WILL BE GIVEN IF LEASEBACK CANCELLED.

C. TANAPAG HARBOR LEASEBACKS:

1. APPROXIMATELY 18 HECTARES WILL BE LEASED BACK FOR HARBOR-RELATED USES ON TERMS SIMILAR TO TINIAN LEASEBACK TERMS, FOR TEN YEARS RENEWABLE.
2. APPROXIMATELY 54 HECTARES WILL BE MADE AVAILABLE TO LOCAL GOVERNMENT AT NO COST FOR A MEMORIAL PARK.

JOINT USE

- A. SAN JOSE HARBOR: THIS WILL BE UNDER LOCAL CONTROL UNTIL U. S. BUILDS BASE AT WHICH TIME THERE WILL BE JOINT USE.
- B. WEST FIELD: THERE WILL BE JOINT USE AND LAND WILL BE MADE AVAILABLE FOR PRESENT OR FUTURE CIVILIAN TERMINAL.

MAJOR PROVISIONS OF TECHNICAL AGREEMENT

SOCIAL STRUCTURE ARRANGEMENTS

- A. UNLESS MODIFIED BY MUTUAL AGREEMENT, THESE TERMS WILL GOVERN RELATIONS BETWEEN MILITARY AND CIVILIAN AUTHORITIES:
1. FISHING AREAS WILL REMAIN OPEN UNLESS HAZARDOUS ACTIVITIES ARE TAKING PLACE.
 2. RESIDENTS WILL HAVE ACCESS TO BEACHES ON NON-DISCRIMINATORY BASIS.
 3. THERE WILL BE COORDINATED PLANNING AND DEVELOPMENT OF UTILITIES ON TINIAN IF ANY ARE BUILT BY THE MILITARY.
 4. EMERGENCY AND OTHER MEDICAL CARE WILL BE AVAILABLE IF MILITARY HAS FACILITIES NEEDED BY CIVILIANS.
 5. THERE WILL BE A JOINT SCHOOL SYSTEM IF THERE ARE MILITARY DEPENDENTS ON THE BASE.
- B. A JOINT CIVILIAN-MILITARY COMMITTEE WILL BE ESTABLISHED.

EXHIBIT H

EMINENT DOMAIN SAFEGUARDS

A. U. S. RECOGNIZES AND RESPECTS SCARCITY AND SPECIAL IMPORTANCE OF LAND IN NORTHERN MARIANA ISLANDS AND IF IT NEEDS LAND WILL:

1. ACQUIRE ONLY THE MINIMUM AREA NEEDED;

2. ACQUIRE ONLY THE MINIMUM INTEREST IN LAND NEEDED, SEEKING TITLE ONLY IF A LEASE WILL NOT ACCOMPLISH PURPOSE;

3. SEEK PUBLIC LAND BEFORE SEEKING PRIVATE LAND.

B. U. S. WILL ALWAYS TRY TO OBTAIN LAND VOLUNTARILY BEFORE USING EMINENT DOMAIN.

C. NO LAND WILL BE ACQUIRED UNLESS CONGRESS APPROVES PROJECT AND APPROPRIATES FUNDS FOR IT. NORTHERN MARIANAS' RESIDENT REPRESENTATIVE IN WASHINGTON CAN MAKE LOCAL VIEWS KNOWN TO CONGRESS AND EXECUTIVE BRANCH BEFORE LAND IS ACQUIRED.

D. LAND CAN BE ACQUIRED ONLY FOR VALID PUBLIC PURPOSE.

E. JUST COMPENSATION MUST BE PAID TO LANDOWNER. THIS IS DETERMINED IN COURT AND A JURY TRIAL WILL BE AVAILABLE.

F. U. S. LAW PROVIDES RELOCATION AND OTHER BENEFITS.

ARTICLE IX -- NORTHERN MARIANAS
REPRESENTATIVE AND CONSULTATION

- A. THE NORTHERN MARIANAS WILL BE ENTITLED TO A RESIDENT REPRESENTATIVE IN WASHINGTON, D. C., WHO WILL BE GIVEN OFFICIAL RECOGNITION BY THE U. S. GOVERNMENT. THE U. S. EXECUTIVE BRANCH WILL SUPPORT THE REQUEST OF THE NORTHERN MARIANAS FOR A NON-VOTING DELEGATE IN THE U. S. CONGRESS.
- B. REGULAR CONSULTATIONS BETWEEN THE GOVERNMENT OF THE U. S. AND THE GOVERNMENT OF THE NORTHERN MARIANAS CONCERNING THE RELATIONSHIP WILL TAKE PLACE. FORMAL MEETINGS OF SPECIAL REPRESENTATIVES WILL BE HELD AT LEAST EVERY TEN YEARS AND WHEN NEEDED TO CONSIDER LEVELS OF FINANCIAL ASSISTANCE.
- C. DISPUTES CONCERNING THE MEANING OF THE COVENANT WILL BE SETTLED IN FEDERAL COURT AND THE PROMISES OF THE GOVERNMENT OF THE UNITED STATES AND THE GOVERNMENT OF THE NORTHERN MARIANAS WILL BE ENFORCEABLE.
- D. THE UNITED STATES WILL PERMIT THE NORTHERN MARIANAS TO PARTICIPATE IN INTERNATIONAL AFFAIRS AFFECTING THESE ISLANDS AT LEAST AS MUCH AS OTHER TERRITORIES OF POSSESSIONS (INCLUDING THE COMMONWEALTH OF PUERTO RICO) ARE PERMITTED TO PARTICIPATE. IN ADDITION, THE UNITED STATES WILL ASSIST THE ESTABLISHMENT OF NORTHERN MARIANAS' OFFICES IN THE UNITED STATES AND ABROAD TO PROMOTE LOCAL TOURISM AND ECONOMIC DEVELOPMENT.

ARTICLE X -- APPROVAL, EFFECTIVE
DATES AND DEFINITIONS

A. APPROVAL ON BEHALF OF THE NORTHERN MARIANAS WILL BE GIVEN BY THE DISTRICT LEGISLATURE AND THEN BY THE PEOPLE IN PLEBISCITE.

1. ONLY PERSONS WHO ARE DOMICILED IN THE NORTHERN MARIANAS AND WHO MEET OTHER REQUIREMENTS WILL BE ABLE TO VOTE IN THE PLEBISCITE.

2. APPROVAL MUST BE A MAJORITY OF THE VALID VOTES CAST IN THE PLEBISCITE.

B. APPROVAL ON BEHALF OF THE UNITED STATES WILL BE GIVEN BY THE U. S. CONGRESS AND BY THE PRESIDENT.

C. TIMING IS AS FOLLOWS:

1. TRANSITION PLANNING FUNDS WILL BE PROVIDED SOON AND SEPARATE ADMINISTRATION WILL OCCUR AFTER THE PLEBISCITE IF THE COVENANT IS APPROVED.

2. VIRTUALLY ALL PROVISIONS OF THE COVENANT EXCEPT U. S. CITIZENSHIP AND NATIONALITY, U. S. SOVEREIGNTY AND THE CREATION OF THE COMMONWEALTH WILL BECOME EFFECTIVE AFTER THE COVENANT IS APPROVED AND AFTER THE LOCAL CONSTITUTION IS APPROVED.

ARTICLE X -- APPROVAL, EFFECTIVE
DATES AND DEFINITIONS

3. U. S. CITIZENSHIP AND NATIONALITY, U. S. SOVEREIGNTY AND THE CREATION OF THE COMMONWEALTH WILL BECOME EFFECTIVE UPON TERMINATION OF THE TRUSTEESHIP AGREEMENT.