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SUMMARY OF PROVISIONS OF THE COVENANT

Title.

The term "Covenant" is not intended to impart any legal significance but is used to denote the binding permanent nature of the status relationship.

Preamble.

The fundamental elements and chronology of events leading to the Covenant are set forth to clearly establish them for posterity. They are: (1) that the U.N. Charter and Trusteeship Agreement guarantee the people of the Northern Mariana Islands the right to express their wishes for self-government; (2) that the United States supports the desire of the people of the Northern Mariana Islands to express this right; (3) that the people of the Northern Mariana Islands and the United States share common goals and values; (4) that for over twenty years the people of the Northern Mariana Islands have voiced their desires for political union with the United States in political referenda and petitions.

Article I.

Political Relationship. The Northern Mariana Islands District of the Trust Territory of the Pacific Islands will become a self-governing Commonwealth in permanent political union with and under the full sovereignty of

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the United States. The Covenant will, together with applicable provisions of the United States Constitution and federal law, be the supreme law of the Northern Mariana Islands. The United States will specifically hold Foreign Affairs and Defense authority. The United States will also hold full legislative authority in and for the Northern Mariana Islands under the U.S. Constitution but agrees to refrain from unilaterally exercising that authority in areas considered fundamental to the status relationship. Thus, the United States will act only with the consent of the Northern Mariana Islands to affect: (1) matters of self-government under the locally drafted constitution; (2) rights of local residents to U.S. citizenship; (3) extension of provisions of the U.S. Constitution to the Northern Mariana Islands; and (4) the right of the Northern Mariana Islands to prohibit the alienation of local lands to persons not of Marianas ancestry.

Article II.

Constitution of the Northern Mariana Islands. The Northern Mariana Islands is authorized to establish a republican form of government under a locally drafted Constitution which will be initially submitted for review for consistency with the terms of the Covenant and applicable federal laws to the United States Congress. Any amendments to the Marianas constitution will not require U.S. Congressional approval but may be submitted to the federal courts

for their review for similar consistency. The Marianas Constitution, in addition to creating a bill of rights, will provide for an executive which will be popularly elected, a bicameral legislature which will have one house equally representative of each of the chartered municipalities of the Northern Mariana Islands and a local judiciary.

Article III.

Citizenship and Nationality. At the end of the Trusteeship all persons and their children under 18 who (1) are citizens of the Trust Territory of the Pacific Islands; (2) live in the Northern Mariana Islands or United States or any of its territories, (or who have lived continuously for five years prior to termination of the Trusteeship and who have registered to vote in a local election prior to 1 January 1975) will become U.S. citizens by virtue of the agreement. Persons born in the Northern Mariana Islands after the termination of the Trusteeship will become U.S. citizens at birth. Persons who are close relatives of persons of the Northern Mariana Islands can also become U.S. citizens by meeting other standards set forth under other provisions of the Covenant. Those other persons who are not Trust Territory citizens or citizens of any foreign state and who have lived as permanent residents in the Northern Mariana Islands since 1 January 1974 will also become U.S. citizens. Persons qualified for U.S. citizenship may become

U.S. nationals in lieu of U.S. citizens by making a declaration in court.

Article IV

Judicial Authority. A United States Federal District Court will be established in the Northern Mariana Islands with authority equal that of other federal courts in the several states. The federal judiciary in Guam may be empowered, if Congress agrees, to provide a judge and personnel to operate this court. The federal court acting as an appellate court from the highest court; local court or as an original court of jurisdiction may also resolve disputes under local law but the Marianas Legislature will be able to determine the extent of the federal court's jurisdiction in these matters. The federal courts and local courts will otherwise enjoy the same judicial relationship as is enjoyed by the federal court system and state courts with appeals available to the U.S. Supreme Court. In civil and criminal cases arising under local law, no jury trials or grand jury indictments will be required unless the local legislature so agrees.

Article V.

Applicability of Laws. Certain provisions of the U.S. Constitution will apply to the Northern Mariana Islands of their own force. Other provisions are specifically extended to assure that the basic federal-Commonwealth relationship is clarified. These provisions parallel the so-called "Mink

Amendments" now extended to all the U.S. territories, except Puerto Rico, and provide the basic protections against governmental interference with individual freedoms. Federal laws now applicable to Guam and generally to all the states will also be extended to the Northern Mariana Islands. Future federal legislation will apply only if the Northern Mariana Islands is named specifically. Special treatment is provided in certain areas of federal legislation to be extended, e.g., federal banking laws will apply as they apply to Guam; Public Health Service legislation will apply as it applies to the Virgin Islands; Title XVI of the Social Security Act will apply as it applies to the States but not to Guam. Federal laws now extending to the Trust Territory of the Pacific Islands will continue to apply to the Northern Mariana Islands but the following federal laws which do not now apply to the Trust Territory of the Pacific Islands will not apply to the Northern Mariana Islands unless the Congress specifically agrees: federal immigration and naturalization laws, coastwise shipping and federal minimum wage laws, except as they will apply to shipments and contracts of the United States Government and its contractors; and laws prohibiting foreign vessels land fish or unfinished fish products. The President will appoint a special Statutory Review Commission to review which and how federal laws will be extended to the Northern Mariana Islands and to make recommendations to the U.S. Congress.

Laws of the Trust Territory of the Pacific Islands now in force in the Northern Mariana Islands will remain in effect until repealed or amended by the Marianas Legislature. Special provisions have been made to enable "immediate relatives" of permanent resident of the Northern Mariana Islands who qualify for U.S. Citizenship under Article III to also become U.S. citizens.

Article VI.

Revenue and Taxation.

Generally, the federal income tax laws will apply to the Northern Mariana Islands as they are applied to Guam. The Northern Mariana Islands may also enact a local income tax and as with Guam is empowered to rebate to local taxpayers taxes received from the U.S. income tax collection on local source income. As in Guam, the Northern Mariana Islands will not be in the customs territory of the United States and the favored treatment accorded by the United States to Guam goods shipped to the United States and on U.S. goods shipped to Guam will also be accorded to the Northern Mariana Islands. The United States will attempt to secure favorable treatment from foreign countries for Northern Mariana Islands goods as if the Northern Mariana Islands were a "developing territory" under GATT provisions. The Northern Mariana Islands will also be authorized to impose customs and excise duties on imports and exports from the Northern Mariana Islands.

Special provision is made to extend the protections of the Sailors and Soldier Relief Act to military personnel in the Northern Mariana Islands and to exclude on a one-time basis all personal articles shipped by military and civilian personnel as a consequence of their assignment to the Northern Mariana Islands.

The U.S. Social Security Act will apply to the Northern Mariana Islands in the manner they are in effect in Guam at the end of the Trusteeship. Until that time the Northern Mariana Islands share of its contributions to the Trust Territory Social Security system will be administered separately by the U.S. Social Security Administration in accordance with local laws. Persons entitled to Trust Territory Social Security benefits will retain their rights and benefits under the U.S. system.

Article VII.

Financial Assistance

The United States will provide to the Northern Mariana Islands \$14 million per year at constant FY '75 dollars for seven years (and until Congress provides otherwise at the end of this period) to be used as follows:

(1) \$8.25 million per year for government operations; \$250,000 of this per year will go toward a special educational training fund for job relocations caused by the change in status;

(2) \$4 million per year for CIP; \$500,000 of this per

year for projects on Tinian and another \$500,000 per year for projects on Rota;

(3) \$1.75 million per year for an economic development loan fund; \$500,000 of this amount for loans to fishermen and farmers and \$250,000 of this amount for low income housing loans.

The United States will also cover-over to the Northern Mariana Islands all taxes and customs collected under U.S. revenue laws and will extend the full range of federal programs and services available to the other United States territories.

Any United States funds not obligated or expended by the Northern Marianas as the end of any fiscal year will remain available for expenditure by the Northern Mariana Islands for the purposes for which the funds were appropriated; and the Northern Mariana Islands may use United States grant monies as its pro-rata share of matching funds required to obtain certain federal programs and services.

Article VIII

Property.

All land currently held and used by the Trust Territory of the Pacific Islands Government will be transferred to the Northern Mariana Islands by the end of the Trusteeship. All personal property used by the Trust Territory in the Marianas will be distributed equitably among all the admin-

istrative districts of the Trust Territory of the Pacific Islands

The United States will lease for military use 7,203 hectares on Tinian, 72 hectares at Tanapag Harbor on Saipan (of which 44 acres will be used for a memorial park for U.S. and Marianas World War II dead), and the 83 hectares comprising Farallon de Medinilla. The United States will pay \$19,520,600 for a 50 year lease on all the above lands (\$17.5 million for Tinian; \$2 million for Tanapag to be placed in a trust fund for maintenance of the national park; and \$20,600 for Farallon de Medinilla) and for the right to renew such leases for an additional 50 years at no additional cost.

The United States will lease back to the Northern Mariana Islands for approximately \$1 per acre per year approximately 6,400 acres on Tinian and 44 acres at Tanapag Harbor.

All United States military retention areas will be returned to local control but other United States land use agreements for United States Government operations in the Northern Mariana Islands will continue under their original terms.

The Northern Mariana Islands will prohibit during the first twenty-five years, all permanent and long term interests in land to persons not of Marianas ancestry.

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In obtaining future lands the United States will be empowered by virtue of its power as sovereign under Article I to exercise eminent domain in the Northern Mariana Islands as it may do in a state but it will attempt first to secure the land by voluntary means and only if the U.S. Congress has authorized the funds. The United States will also follow the policy of seeking only the minimum area and interest needed for the project, of obtaining ownership only if a lease interest cannot meet the public purpose and of seeking to obtain public lands in the Northern Mariana Islands before any private land is sought.

Article IX.

Northern Mariana Islands Representation/Consultation.

A resident representative to Washington will be elected or appointed by the Northern Mariana Islands to present local views to the United States Congress and Government Departments. The representative must be at least 25 years of age and a citizen and resident of the Northern Mariana Islands (after termination he must be a U.S. Citizen).

There will be regular consultations between the United States Government and the Government of the Northern Mariana Islands; consultations will be held at least once each ten years to review status and other issues and will be held before the end of each period of financial assistance to review multi-year financial assistance.

Any issue arising under the Covenant can be revised by the federal courts.

The Northern Mariana Islands may participate in regional and other international organizations for social, economic and cultural matters when similar participation is authorized for other U.S. territories under comparable circumstances. The Northern Mariana Islands will under like circumstances be accorded the opportunity to present their views on international matters directly affecting the Northern Mariana Islands.

Article X

Approval, Effective Dates.

After approval of the Covenant by the Marianas District Legislature it will be submitted to the people (who are domiciled in the Northern Mariana Islands and meet other voting qualifications) in a plebiscite and will be deemed approved if 55% of those voting approve the Covenant. The United States will approve the Covenant by submission to the United States Congress and then to the President for their approval on behalf of the United States.

Upon approval by both parties, the Covenant will become a binding agreement and provisions of the Covenant will selectively become effective over a period (provisions affecting U.S. sovereignty will not become operative until the end of the Trusteeship) when the Trusteeship is terminated, the Commonwealth will be fully established.

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