

eminent domain authority, with restraint, consult on matters affecting the relationship on a regular basis, and submit the agreement to the people of the Marianas and to the U.S. Congress for their approval.

The Marianas will hold the same constitutional duties toward the United States as do all other territories and States--fealty and support for the U.S. Constitution and laws of the United States applicable to the Marianas, and support for the common defense and general welfare of the United States.

Regarding the federal programs for which the Marianas will become eligible, the Covenant provides that the Marianas will become eligible for the same federal programs currently extending to Guam and the other U.S. territories so as to provide equality of treatment in the programs and services extended to U.S. citizens living in the U.S. territories. Some federal programs are currently extended to the Northern Mariana Islands by virtue of the fact that these programs are now extended to the Trust Territory.

There are no precise levels of costs of these programs available because there is no available method to determine for which of these programs the Northern Mariana Islands would qualify or would wish to participate if qualified. Many federal programs are extended under a formula grant requirement which differs as to each program; some federal programs require matching funds from the recipient territory; and,

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other federal programs are extended on population ratios or other precise requisites.

At the present time, we estimate, owing to the small population of the Northern Marianas (14,000) and the fact that they would not qualify for nor wish to participate in all federal programs, that approximately 3.9 million dollars in federal programs will be available to the Northern Marianas under the new status relationship. This represents an increase of .9 million dollars from earlier estimates and is due to increases in levels and numbers of federal programs extended to Guam over the past two years. This estimate is derived from a review of those federal programs now extending to Guam for which the Northern Mariana Islands would be qualified. The total cost of these programs (\$29,382,000.00) was then multiplied by a population ratio of Guam residents (105,641) to Northern Mariana Islands residents (14,000) for the estimate of \$3.9 million.

As regards your question of what U.S. laws will apply to the Northern Marianas, Article I of the Covenant provides that the U.S. will hold full plenary powers which it now holds with respect to all territories and may therefore extend any federal law to the Marianas. Other federal laws and provisions of the U.S. Constitution will specifically apply by virtue of Article V. Among those are: Article I, Section 9, Clauses 2, 3 and 8; Article I, Section 10, Clauses 1 and 3;

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Article IV, Section 1, and Section 2; Clauses 1 and 2; Amendments 1 through 9 inclusive; Amendment 13; Amendment 14, Section 1; Amendment 15; Amendment 19; and Amendment 26. Also extended are those federal laws now extending to Guam and the several States; those currently extended to the Trust Territory of the Pacific Islands of which the Northern Mariana Islands is a part; and certain other federal laws extended to Guam, the Virgin Islands or the States as are specifically extended. Among the latter are the federal services and financial assistance programs and the federal banking laws, Section 228 of Title II and Title XVI of the Social Security Act, the Public Health Service Act, and the Micronesian Claims Act. The U.S. Internal Revenue Laws will also apply as they apply in Guam under Article VI. Provision is also made for an exemption from the interim application of a number of federal statutes, until the Congress determines otherwise, such as the coastwise laws, immigration and naturalization laws, and federal minimum wage provisions. The Covenant also provides an interim formula for extending federal laws and the creation of a Commission on Federal Laws to review all federal laws and determine which should apply to the Northern Mariana Islands and the manner in which they should apply. The U.S. Congress may then act on the recommendations of the Commission in whatever manner it deems best.

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