

Recd 7/9/85  
PH No. 4

P. O. Box 424  
Saipan, CM 96950  
July 9, 1985

Delegate Paul A. Manglona  
Chairman  
Committee on Local Government  
2nd NMI Constitutional Convention  
Saipan, Mariana Islands 96950

Dear Delegate Manglona:

Thank you for giving me the opportunity to give testimony on these two very important issues now before your committee for consideration.

On Proposal 160-85, "To amend Section 12 of Article III of the NMI Constitution to conform with a proposed amendment to Section 6 of Article XII of the same", I fervently believe that the Office of the Public Auditor should devote its time to auditing branches and agencies of the government. Unless the private corporation is directly engaged in a contractual agreement with the government, the Public Auditor's office should not be responsible for overseeing the activities of a private enterprise.

On Proposal 162-85, "To amend Section 5 and Section 6 of Article XII of the NMI Constitution to prevent corruption in corporations registered as persons of Northern Marianas Descent.", I believe that the proposed amendment would stifle, rather than encourage the island's economic development.

The requirement of 51% local ownership of voting stock of corporations would discourage development in many areas of businesses related to the tourism industry. Large hotel developers would be hesitant to invest huge sums of monies in Saipan if they are required to relinquish voting control of their business to local people who are not experienced in running hotels. The same would apply to restaurant owners, retail stores, tour operators and other tourist-related businesses.

Being protective is good, but only as long as it does not hamper the growth of our island. This provision appears to be too protectionist and would slow our economic growth.

Under Section 6: Enforcement: All businesses chartered in the Northern Marianas are already required to submit annual reports to the Registrar of Corporations in the Attorney General's office. It is within the AG's power to question filing corporations of any discrepancies they find in the reports. It should be enough to have one government agency

policing the local activities of local corporations. Once again, it should not be necessary for the Public Auditor's office to come into the picture.

Thank you for giving me the opportunity to submit testimony on these two proposals.

Sincerely,

A handwritten signature in cursive script, appearing to read "Marian Aldan-Pierce".

Marian Aldan-Pierce