

SECOND CONSTITUTIONAL CONVENTION
of the
NORTHERN MARIANA ISLANDS
Convention Hall - House of Taga
Saipan, CM 96950

THIRTY-FIRST DAY

Thursday, July 18, 1985

The Second Constitutional Convention of the Northern Mariana Islands was called to order at 10:05 a.m., Thursday, July 18, 1985 at the Convention Hall - House of Taga, San Vicente, Saipan, Commonwealth of the Northern Mariana Islands.

The Honorable Herman T. Guerrero, President, presided.

A moment of silent prayer or meditation was observed.

President H. Guerrero: Delegate Guerrero, can you take the roll call, please?

Acting Secretary DL. Guerrero: Yes. Thank you, Mr. President.

At this point, Acting Secretary DL. Guerrero called the roll, and 21 members were present. Delegates Juan Lizama, Maria Pangelinan and Francisco Tomokane were absent.

Acting Secretary DL. Guerrero: Mr. President, there are 21 members present at this time, and three members may be excused.

President H. Guerrero: We have a majority and a quorum to conduct the Order of Business. Floor Leader Villagomez?

Acting Floor Leader Villagomez: I move that Delegates Pangelinan, Lizama and Tomokane be excused.

Delegate DL. Guerrero seconded the motion.

President H. Guerrero: If there's no objection, so ordered.

Acting Floor Leader Villagomez: Mr. President.

President H. Guerrero: Yes.

ADOPTION OF JOURNALS

Acting Floor Leader Villagomez: I move for the adoption of the Summary Journal for Wednesday, July 17th.

Delegate Mafnas seconded the motion.

President H. Guerrero: It has been moved and seconded to adopt the Summary Journal for the Thirtieth Day, Wednesday, July 17, 1985. Discussions?

There being no discussion, the motion to adopt the Summary Journal of the Thirtieth Day, Wednesday, July 17, 1985 was carried by voice vote.

COMMUNICATIONS

None

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

COMMITTEE RECOMMENDATIONS/REPORTS

President H. Guerrero: Vice Chairman Mafnas?

Vice Chairman Mafnas: Mr. President, your Committee on Governmental
Institutions has no report.

President H. Guerrero: Chairman Guerrero?

Chairman DL. Guerrero: Yes, Mr. President, your Committee on Finance and
Other Matters has no written report to report to this Convention.

President H. Guerrero: Thank you. Chairman Manglona?

Chairman Manglona: Mr. President, your Committee on Local Government has
no report.

(At this point, Delegate Tomokane took his seat.)

President H. Guerrero: Thank you, Chairman King?

Chairman King: No report from the Committee on Personal Rights and Natural
Resources.

President H. Guerrero: Thank you.

Delegate Villagomez: Mr. President?

President H. Guerrero: Yes, Delegate Villagomez.

Delegate Villagomez: I'd like for the record, to indicate that Delegate
Tomokane has joined us during today's session and also Delegate Nabors.

President H. Guerrero: Thank you.

Delegate Villagomez: Mr. President?

President H. Guerrero: Yes, Delegate Villagomez.

Delegate Villagomez: I move that the Convention resolve itself into a
Committee of the Whole in order to take into consideration and deliberate
on the Committee Recommendations set forth in Item (H) of today's Order
of Business for Second and Final Reading.

President H. Guerrero: I don't think we need it. Since these are for
Second and Final Reading, we don't need to resolve into a Committee of the
Whole.

Delegate Villagomez: I withdraw that motion.

SECOND AND FINAL READING

President H. Guerrero: Therefore, we are on Second and Final Reading.
Secretary Nabors, can you read Committee Recommendation No. 20, please?

Secretary Nabors: Thank you, Mr. President. There were passed out yesterday
Substitute Committee Recommendation No. 20. Do all delegates has a copy?

2ND CON CON JOURNAL -- 31st Day
July 13, 1985

Delegate King: Yes.

Delegate Villagomez: No.

Secretary Nabors read Substitute Committee Recommendation No. 20 in its entirety as follows:

SUBSTITUTE COMMITTEE RECOMMENDATION NO. 20

A PROPOSED CONSTITUTIONAL AMENDMENT

To amend Section 2 of Article XII of the Northern Marianas Constitution relating to Acquisition.

BE IT ADOPTED BY THE SECOND CONSTITUTIONAL CONVENTION:

Upon ratification pursuant to Section 5 of Article XVIII of the Commonwealth of the Northern Mariana Islands Constitution and Public Law No. 4-30, the Constitution of the Commonwealth of the Northern Mariana Islands is amended to read as follows:

Effective upon ratification, Section 2, Article XII is amended to read:

"Section 2: Acquisition. The term acquisition used in Section 1 includes acquisition by sale, lease, gift, inheritance or other means. A transfer to spouse by inheritance is not an acquisition under this Section if the owner dies without issue or with issue not eligible to own land in the Northern Mariana Islands. A transfer to a mortgagee by means of a foreclosure on mortgage is not an acquisition under this section if the mortgagee, is a full service bank, Federal Agency or Governmental entity of the Commonwealth and does not hold the permanent or long-term interest in real property for more than ten years beyond the term of the mortgage."

President H. Guerrero: Delegate King?

Delegate King: Mr. Chairman, I move that we adopt the Substitute Committee Recommendation No. 20, for Second and Final Reading.

Delegate Mafnas seconded the motion.

President H. Guerrero: It has been moved and seconded to adopt Substitute Committee Recommendation No. 20, for Second and Final Reading. Discussion Floor Leader Villagomez?

Acting Floor Leader Villagomez: Mr. President, I think that it will be more grammatically correct if we eliminate the "comma" on line 7. I move that the Substitute Committee Recommendation No. 20 be amended to strike out the "comma" on line 7.

Delegate King seconded the motion.

President H. Guerrero: I don't have a comma on my copy.

Delegate Villagomez: My copy does. And Mr. Nabors mentioned a comma after the word "mortgagee".

2ND CON CON JOURNAL -- 31st Day
July 13, 1985

President H. Guerrero: I don't have a comma in my copy.

Delegate Villagomez: Mr. Nabors, does your copy have a comma?

Delegate Nabors: On line six?

Delegate Villagomez: Seven.

Delegaet Nabors: Yes, it does.

President H. Guerrero: Apparently the substituted copy that was passed to me at the beginning of the Convention does not have a comma.

Delegate Mendiola: That's correct, Mr. President, I don't have a comma on my copy either.

Delegae Villagomez: I move that for those delegate who have a comma that they strike it out.

Delegate Nabors: Point of information.

President H. Guerrero: State your point.

Delegate Nabors: Does Delegate Villagomez' amendment include "a" on the end of line 6, "foreclosure on a mortgage"?

President H. Guerrero: My version has an "a".

Delegate Nabors: Those who do not have an "a", I would suggest that we amend it to include one.

Delegate Villagomez: I would agree with that. On line 6, after the word "on", you should add the word "a".

President H. Guerrero: Can I read the version that I have? It says, "The term acquisition used in Section 1 includes acquisition by sale, lease, gift, inheritance or other means. A transfer to a spouse by inheritance is not an acquisition under this Section if the owner dies without issue of with issue not eligible to own land in the Northern Mariana Islands. A transfer to a mortgage by means of a foreclosure on a mortgage is not an acquisition under this section if the mortgagee does not hold permanent of long-term interest in real property for more than ten years beyond the term of the mortgage." So all those corrections that we're making apparently have already been made in the copy that I have.

Delegate Reyes: Mr. President, I think you don't have the substitute version of this Committee Recommendation.

Delegate Mendiola: Mr. President, can we have a five-minute recess and get this straightened up?

President H. Guerrero: Let's have a five-minute recess to clear this up.

The Convention recessed at 10:18 a.m.

RECESS

The Convention was back to order at 10:26 a.m.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

President H. Guerrero: The session is back to order. Would you like to repeat that again, Delegate Villagomez?

Acting Floor Leader Villagomez: Yes, a corrected copy of Substitute Recommendation No. 20 has been passed out showing the striking out of the "comma" on line 7, the inclusion of the word "a" at the end of line 6, and you should also include the word "a" at the end of line 3. Go to line 3, there's a new sentence there that says, "A transfer to spouse," there should be the word "A transfer to a spouse", on line 3.

President H. Guerrero: Thank you. Any further discussions? Delegate Mendiola?

Delegate Mendiola: Thank you, Mr. President. On the last sentence of this proposal, if I'm not mistaken, I believe Delegate Pangelinan made an amendment to delete "beyond the term of the mortgage." And this phrase is still included in the this substitute amendment.

President H. Guerrero: I don't think so.

Delegate King: Point of information.

President H. Guerrero: State your point, Delegate King.

Delegate King: That amendment was never entertained. She prepared it but it was never entertained.

Delegate Nabors: Also, my point of information, Mr. President, we discussed this matter with Delegate Pangelinan and, to accommodate her concern, we inserted the underlined matter on line 7 and 8, i.e. "is a full service bank, Federal Agency or Governmental entity of the Commonwealth". Her concern is related to commercial mortgaging situations. So we modified that language that took care of her concern for the words "beyond the term of the mortgage".

President H. Guerrero: Delegate Mendiola, the one you mentioned about Delegate Pangelinan, it was never incorporated. I mean, it never passed; it was only a suggestion.

Delegate DL. Guerrero: Motion to end debate.

Delegate Villagomez seconded the motion.

The motion to end debate was carried by voice vote.

President H. Guerrero: The motion that we'll be voting on now is the substitute for Committee Recommendation No. 20, as amended. Delegate Nabors, can you take the roll call?

Secretary Nabors called the roll, and the motion to adopt Substitute Committee Recommendation No.20, as amended, on Second and Final Reading was voted on as follows:

YES: Delegates David Cing, Herman T. Guerrero, Lorenzo DL. Guerrero, Alonzo Igisomar, David Igitol, Benusto Kaipat, Esteven King, Luis Limes, Jesus Mafnas, James Mendiola, Aniceto Mundo, William Nabors, Felicidad Ogumoro, Karl Reyes, Joaquin Tenorio, Francisco

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Tomokane, William Torres, Ramon Villagomez and Ignacio
Villanueva. (19 votes)

ABSTAIN: Delegate Rita Inos (1 vote)

ABSENT: Delegates Juan Lizama, Maria Pangelinan, Paul Manglona and
Vincent Calvo.

And the motion was carried.

Secretary Nabors: Mr. President, I have 19 affirmative votes, 1 abstention
and 4 absences.

President H. Guerrero: Committee Recommendation No. 20, as amended is
adopted by 20 votes and four absences. Secretary Nabors, can you read
Committee Recommendation No. 56, please?

Secretary Nabors read Committee Recommendation No. 56 in its entirety
as follows:

COMMITTEE RECOMMENDATION NO. 56

A PROPOSED CONSTITUTIONAL AMENDMENT

To amend Section 11 of Article III of the Northern Marianas Constitution
relative to the Attorney General.

BE IT ADOPTED BY THE SECOND CONSTITUTIONAL CONVENTION:

Upon ratification pursuant to Section 5 of Article XVIII of the Commonwealth
of the Northern Mariana Islands Constitution and Public Law No. 4-30, the
Constitution of the Commonwealth of the Northern Mariana Islands is amended
as follows:

"I. Effective upon ratification, Section 11 of Article III is amended to
read:

"Section 11. Attorney General. The Governor shall appoint an
Attorney General with the advice and consent of the Senate. The
Attorney General shall be a resident and a domiciliary of the Common-
wealth of the Northern Mariana Islands for a least three (3) years
immediately preceding the date on which the Attorney is confirmed.
The Attorney General shall be responsible for providing legal advice
to the Governor and executive departments, representing the Common-
wealth in all legal matters, and prosecuting violations of Commonweal
law."

Delegate Mafnas: Mr. President?

President H. Guerrero: Yes, Delegate Mafnas.

Delegate Mafnas: I move for the adoption of Committee Recommendation No.
for Second and Final Reading.

Delegate King seconded the motion.

President H. Guerrero: It has been moved and seconded to adopt Committee

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Recommendation No. 56 on Second and Final Reading. Discussions? Delegate Torres?

Delegate Torres: I'd like to ask for unanimous consent to increase from "three years" to "five".

President H. Guerrero: Any objection?

Delegate Nabors: No objection.

President H. Guerrero: Is that an amendment that you're offering?

Delegate Torres: Yes.

President H. Guerrero: Delegate Villagomez?

Delegate Villagomez: I have a concern. I'm not sure that by increasing it to five years might be an unreasonable requirement under the equal protection of the laws. We don't have the Attorney General here.

Delegate Mafnas: Mr. President?

President H. Guerrero: Are you finished Delegate Villagomez? Delegate Mafnas?

Delegate Mafnas: We discussed that concern. We tried to increase it to higher than five years, and we were informed that probably that requirement will be excessive and cannot be supported should it be challenged. This is a significant improvement over the present requirement where the appointees are required to be residents of the Northern Marianas for one year.

Delegate Torres: Mr. President?

President H. Guerrero: Yes, Delegate Torres.

Delegate Torres: I don't see any reason to be concerned about the equal protection here. The concern that I have in recommending that we increase this is that we have a lot of lawyers here, no doubt about that; so we have surplus. To get a person who is well-versed not only of the laws of the Commonwealth and other applicable laws of the Federal Government, but to be well-versed also with the customs and cultures of the CNMI. I believe that three years is short. We have a lot of lawyers, we have a lot of qualified lawyers who may or may not be from the States, but the fact remains that there's a lot of lawyers and this can be easily accommodated. I do not see how the equal protection comes into play here.

Delegate Mafnas: Point of clarification, Mr. President.

President H. Guerrero: State your point, Delegate Mafnas.

Delegate Mafnas: Are we debating now on the five years, or are you asking whether there's an objection on the floor?

President H. Guerrero: He did make a motion on the floor but nobody seconds that, so it's still under suggestion, unless somebody --

Delegate Torres: I asked for a unanimous consent.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

President H. Guerrero: That's true. But only to suspend the rules to make an amendment. You still need a motion. I was asking whether you made a motion, so therefore, if there is no second, --

Delegate DL. Guerrero: I second.

President H. Guerrero: Therefore, it has been moved and seconded. Discussions on that?

Delegate Mafnas: Discussions on the motion?

President H. Guerrero: Delegate Nabors?

Delegate Nabors: Thank you, Mr. President. I do not have any first-hand knowledge or experience with respect to the propriety of making such an amendment. But my sense of the matter is that this does not in anywise get into any problem with respect to the 14th Amendment. I think this internally, since this is an internal matter, the Attorney General's legal experience as well as his knowledge of local Commonwealth customs and traditions is deemed essential, I have no problem with the amendment and I will support it.

Delegate Mafnas: Mr. President?

President H. Guerrero: Yes, Delegate Mafnas.

Delegate Mafnas: I think it's unfair to the chief executive who is going to appoint his chief legal adviser. I recognize the rationale or reasons behind increasing the residency requirement from "three" to "five". I think the reasons are noble; however, what will happen if the chief executive would like to appoint someone, either a local who has been here three years whose qualifications surpassed those with five years residency. I think it's tying the chief executive's hands. Being here five years does not necessarily mean that you know all the laws of the Commonwealth, you know all the customs of the people of the Northern Marianas. I sincerely question whether by being here five years will insure that you know what you are supposed to know. Mr. President, even to amend the present residency requirement under Public Law 1-8, as amended, it was difficult for your committee. However, we recognized that someone who's going to be the chief legal counsel of the chief executive and the people of the Northern Marianas must be required to be in the Northern Marianas for longer than one year, and we believe that three years is more than adequate. Anybody who does not feel that three years is inadequate -- I mean, I'm talking about lawyers, perhaps, you start packing and leave the islands. Thank you.

President H. Guerrero: I'll recognize first Delegate Torres and then Delegate Kaipat.

Delegate Torres: Thank you, Mr. President. I think that the Governor is not constrained from hiring his own personnel, Legal Counsel if he so wishes under this proposed amendment unlike the amendment that was offered last night. My concern, and I agree that you perhaps may not need five years to know all the laws, all the traditions, all the functions, but it is only fair and it's only reasonable to increase it to five following the logic of increasing the qualifications of the Governor from seven to ten. I don't see the logic there myself. Why should we increase it from seven to ten years? I think that by increasing this to five years will not necessarily

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

hinder our local lawyers from being appointed AG. If anything, it would only help them because when they go away for schooling, that would be counted towards this requirement. I am only concerned about lawyers who are non-local. I think that they should be here for at least five years. I am sure that the Office of the AG has a lot of lawyers who are non-locals and I'm sure that during their term at the AG they will have fulfilled this requirement very easily. I just cannot understand the reasoning behind adamantly maintaining to three years. I think that we will be protecting ourselves if we increase this to five, so that not only would we enable our local lawyers to have a higher chance of getting this job, but also insure that in the event that there is no local lawyers available that a person from, let's say California, knows the traditions, knows the customs and the ins and outs of the Commonwealth. I assure you that five years or three years may not be sufficient but at least require that person to be a resident of this place for at least five years. If we follow the logic of increasing from seven to ten years for the Governor, then I think it is only logical to increase this to five years. Thank you.

President H. Guerrero: Let me call first on Delegate Kaipat.

Delegate Kaipat: Thank you, Mr. President. I'm in agreement with Delegate Torres. I think all of us knew that in all, other than the AG, we have had discussions on other officials in our government, congress, our mayor and our Governor, too. As we discuss the longevity or the length of their domiciliary in our area, we always think of two things. Are we talking about a person of Northern Marianas descent, or are we talking about an American citizen who just freshed out from the U.S. mainland? That American lawyer in San Francisco who just completed or have been practicing law in San Francisco and then was transferred to New York a couple of months after his practice would be entirely different from the same lawyer going in the opposite direction into the Pacific basin on a remote island of Saipan to practice his law. Now, the word here is culture. He has to be acculturated in a gradual, progressive manner. So this is only a simple common sense that a lawyer that spent one year in Saipan will learn more about our culture. And knowing the culture is important to interpret the law after knowing the environment of the culture. The lawyer that stays here for about seven years will be more versed in the interpretation of intermingling law and culture backgrounds, than the one that just came out one year ago. So this is the logic beyond this. It's so simple, and I think we're not only dealing because of attorney but in all top official people in our government, especially when it involves a European or American people coming out fresh from the mainland United States into the Pacific basin. So the word here is culture. The process of acculturation is a gradual thing. And I'm sure that before they come out here they will read, take out books from the Library read about Saipan, Micronesia, Pacific basin and their culture. Reading the books is entirely a different thing when you're coming into an environment and actually practicing the people's culture. So I fully agree with the gentleman who's suggesting that it would be better if we could increase it to five years. And if somebody mentioned seven years, I will go along with it. The longer the better. Thank you.

President H. Guerrero: Delegate Mafnas?

Delegate Mafnas: Thank you. I think what we have said are really highly debatable. I'm assuming that three years is adequate, the other side is assuming the five years is required because that's how long it takes for somebody to familiarize himself with the local cultures and laws and what

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

have you. I think we are both assuming. The fact of the matter is we ask the witnesses that under the present provision, as proposed by your Committee on Governmental Institutions, someone local, who is returning from a law school must be a resident for three years in order for that individual to be an Attorney General. You mean it takes someone local, a Marianas descent, three years, or it will require a Marianas descent another or rather five years to know the cultures? I'm not trying to say that perhaps what we should do is forget the local lawyers over here. No. That is not the implication. But I think it's unfair to the chief executive to be forced or to appoint someone that is not qualified, in his opinion, just because the Constitution requires the five years residency. If the chief executive wishes to appoint someone, then leave that to him and let the Senate judge the qualifications of the appointee. Here we are trying to judge the qualifications of future appointees for the next ten years. Mr. President, the proposed amendment will further make it harder for our children who are going to school, who will be returning next year to assume higher responsibility in our government such as the Office of the Attorney General. If the intent of making or increasing the proposal to five years is to bar those or to require full knowledge of the local laws, cultures or non-Northern Marianas descent, then I think the amendment will have an adverse effect and it will be disastrous to those who are now planning to return here. I ask my colleagues to vote down the amendment.

Delegate Torres: Point of information.

President H. Guerrero: State your point, Delegate Torres.

Delegate Torres: Again, let me reiterate. In this proposal, the Governor is not constrained, is not tied from hiring personnel or what have you -- personal legal counsel. It's not, unlike the amendments that we defeated last night. Locals, if anything will be given higher chance with this amendment, why? We, the residency requirement will be counted while this local individual is at school. In addition, locals need experience anyway. How can a local who just graduated from a law school come here and say, "Okay, I want the position of AG." Even though he does not or she does not have any experience at all. I think we have to be mindful of these things. The Governor is not constrained from hiring. The residency requirement will be easily, and I underline that, easily fulfilled because this requirement will be easily fulfilled by a local person while at school. And a local needs experience anyway.

Delegate DL. Guerrero: Privilege, Mr. President.

President H. Guerrero: Delegate Guerrero?

Delegate DL. Guerrero: Yes, I'd like to have the Convention delegates recognize the presence of the Chairman of the Appropriations Committee from the House of Representatives, Congressman John Guerrero.

(Applause)

President H. Guerrero: Delegate Mafnas?

Delegate Mafnas: Thank you, Mr. President. There was a U.S. Supreme Court decision in 1985 that require a lawyer to be a resident of a state before could be allowed to take the exam which violated the 14th Amendment, and

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

were informed of this during the hearing. Also in the United States or Guam, the United States does not require people from the CNMI to wait for five years to get accredited? Again, I indicated that the Senate has the authority to confirm and I believe that any appointment that the Senate upon its review of the nominees' qualifications will be acted accordingly. And one of the questions that always come up during a confirmation hearing especially for a non-Marianas descent is the nominees' perception and knowledge of the culture. And if the Senate does not believe that this individual after remaining here for three years does not possess that or has a very narrow perception of our culture, the Senate will reject that individual. So again, the amendment would not necessarily or would not be beneficial to the people of the Northern Marianas. It will have an adverse effect to those who are already planning to come to the Northern Marianas to serve us. I'm not saying that a new law graduate should come right in and says, "I want to be the Public Defender, I want to be the Attorney General", because under Public Law 1-8, the qualifications of the Attorney General are provided for. But I am concerned about those Marianas descents who are probably better qualified than those who have acquired or who have stayed in the Northern Marianas for more than five years, or five years. Are we saying that we should continue to deprive the, let them wait because they have not met the five years residency requirement? Just having them to return is a big problem. And now that they are here you are going to tell them to wait for five more years before they can move up to serve our people? I don't think it's fair. So I, again, ask that we vote down the amendment, and I move for the previous question.

Delegate Villaomez: Wait. I raised my hand long time ago.

President H. Guerrero: Delegate Mafnas, I need to recognize first Delegate Villagomez.

Delegatè Villagomez: Thank you, Mr. President. I am always in favor of protecting our own people and making sure that the people who work for our government are knowledgeable in the atmosphere and the environment that we have, the culture. And the intent of the motion, of course, is to accomplish that, and I'm always in favor of that. My concern here is that requiring five years, I think, may be termed as unreasonable discrimination under the equal protection of laws. The requirement of residency in order to be able to take the BAR exam in all states is done for the same reason that attorneys be familiar with the local laws of the State before they take the BAR. That requirement has been stricken down by the U.S. Supreme Court as an unreasonable discrimination. There is a lengthy discussion in the briefing papers regarding residency requirement for all officers or officials of the government, including governor and legislators. And the bottom line conclusion of those briefing papers is you can require residency up to a certain point to assure that the people elected or appointed are familiar with the circumstances in the CNMI and would be able to accomplish the goal of their offices properly. At the same time, there will be a point where the length of time becomes too great or excessive and goes beyond the reasonableness of the period and becomes then what we call an unreasonable discrimination based on residency. When that happens you, the term then becomes unconstitutional. The reason I asked the Committee to address that question is if they have received some opinions or if they have received the written paper that five years exemption and three years is not, then I will go for three years instead of five so we can adopt the basic restriction contained under Public Law, as specified. For that reason, I am not in favor of the motion Thank you.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

President H. Guerrero: Let me recognize Delegate Nabors.

Delegate Nabors: Thank you, Mr. President. In order to correspond and have both attorneys and ex-attorneys simultaneously, I will now ask my colleague, Delegate Torres, if he's willing to amend his motion to 4 years.

Delegate Torres: That's fine.

Delegate Nabors: Thank you.

Delegate Torres: But, Mr. President, can I be allowed for just a few minutes?

President H. Guerrero: It's just going on and on and the Chair would like to exercise Rules 18 and 19.

Delegate Torres: Point of information. If we're truly Northern Marianas descent, strike out the three years. If we're able to franchise -- let's do likewise and let the politicians in the Legislature, the Senate, decide on this requirement. Thank you.

Delegate Mafnas: Point of information. Even if we strike it out and make zero, Public Law No. 1-8 had provided for the qualification of the Attorney General.

President H. Guerrero: We're going to vote on the amendment.

Delegate Mafnas: What is the amendment?

Delegate Torres: Four years?

President H. Guerrero: Delegate Torres' amendment, changing the requirement on line 6, to read "four years" instead of "three years".

The motion to adopt Delegate Torres' amendment was defeated by raising of hands vote of 6 for and 7 against. The rest abstained.

President H. Guerrero: The motion is defeated. We're back to the main motion. Delegate Mafnas?

Delegate Mafnas: I move for the previous question.

Delegate Nabors seconded the motion.

President H. Guerrero: We're going to vote now on Committee Recommendation No. 56. Secretary Nabors, can you take the roll call, please?

Secretary Nabors called the roll, and the motion to adopt Committee Recommendation No. 56 was voted on by the following votes:

YES: Delegates Vincent Calvo, David Cing, Herman T. Guerrero, Alonzo Igisomar, David Igitol, Rita Inos, Benusto Kaipat, Jesus Mafnas, James Mendiola, Aniceto Mundo, Karl Reyes, Joaquin Tenorio, Francisco Tomokane, Ramon Villagomez and Ignacio Villanueva. (15 votes)

NO: Delegate William Nabors (1 vote)

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

ABSTAIN: Delegates Lorenzo DL. Guerrero, Esteven King, Luis Limes,
Felicidad Ogumoro and William Torres. (5 votes)

Delegates Juan Lizama, Paul Manglona and Maria Pangelinan were absent.

Secretary Nabors: Mr. President, I have 15 affirmative votes, 1 no vote,
5 abstentions and 3 absences.

President H. Guerrero: Committee Recommendation No. 56 is adopted by 20
votes. Secretary Nabors, can you read Committee Recommendation No. 36?

Secretary Nabors read Committee Recommendation No. 36 in its entirety
as follows:

COMMITTEE RECOMMENDATION NO. 36

A PROPOSED CONSTITUTIONAL AMENDMENT

To add a new section to Article II to authorize legislative veto of
certain types of executive acts.

BE IT ADOPTED BY THE SECOND CONSTITUTIONAL CONVENTION:

Upon ratification pursuant to Section 5, Article XVIII of the Commonwealth
of the Northern Mariana Islands Constitution and Public Law No. 4-30, the
Constitution of the Northern Mariana Islands is amended as follows:

I. Effective upon ratification, Article II is amended to add a new section
to read:

"Section 1. Legislative Veto. The legislature may provide for
legislative review and veto of specific executive actions involving
rule making authority or establishment of policy by joint resolution.
Legislative veto shall not extend to the application of rules or
regulations to individual cases."

President H. Guerrero: Is there any motion to adopt? Delegate Mafnas?

Delegate Mafnas: Mr. President, I apologize because when we asked for
deferment of this for the second time, we were not able to meet and to
further discuss. I am not in the position to tell you what happened.
I really don't know.

Delegate Nabors: I move to defer consideration of Committee Recommendation
No. 36 until either late afternoon or early evening.

Delegate Mendiola seconded the motion.

There being no discussion, Committee Recommendation No. 36 was deferred
until a later time by voice vote.

President H. Guerrero: The Committee Recommendation is deferred until at a
later time. Can you read Committee Recommendation No. 42, Delegate Nabors?

Secretary Nabors read Committee Recommendation No. 42 in its entirety
as follows:

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

COMMITTEE RECOMMENDATION NO. 36

A PROPOSED CONSTITUTIONAL AMENDMENT

To add a new section to the Constitution relating to gambling in the Commonwealth of the Northern Mariana Islands.

BE IT ADOPTED BY THE SECOND CONSTITUTIONAL CONVENTION:

Upon ratification pursuant to Section 5, Article XVIII of the Commonwealth the Northern Mariana Islands Constitution and Public Law No. 4-30, the Constitution of the Commonwealth of the Northern Mariana Islands is amended to read as follows:

Effective upon ratification, a new article is added to read:

"Article. Gambling.

"Section 1. Prohibition. Gambling shall be prohibited unless gambling activity involve bingo, batu, cockfighting, raffles, or other activities owned and operated by religious, governmental, or non-profit corporations.

"Section 2. Legalized Gambling. Other forms of gambling may be permitted if two-thirds of the registered voters in a referendum held in a senatorial district approve of the gambling activity within the district. Upon approval of gambling pursuant to this section, the legislature shall regulate the gambling activity by law."

President H. Guerrero: Let me recognize first Delegate Guerrero.

Delegate DL. Guerrero: Mr. President, I move that Committee Recommendation No. 42 be adopted for its Second and Final Reading.

Delegate Nabors seconded the motion.

President H. Guerrero: It has been moved and seconded to adopt Committee Recommendation No. 42. Discussions? Delegate Nabors?

Delegate Nabors: Thank you, Mr. President. On behalf of myself and 14 others, I wish to offer a substitute measure for Committee Recommendation No. 42. That substitution has been passed out on the desks of each of the delegates and if you'll like, I'll read it.

Delegate DL. Guerrero: May I ask the mover to read it and I'll second it?

Delegate Nabors: Thank you.

President H. Guerrero: Delegate Ogumoro, you had your hand up?

Delegate Ogumoro: I move for a brief recess.

Delegate Cing seconded the motion.

President H. Guerrero: We'll have a recess for five minutes.

The Convention recessed at 11:11 a.m.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

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The session was back to order at 11:22 a.m.

Delegate Nabors: Mr. President, may I continue?

President H. Guerrero: Delegate Nabors.

Delegate Nabors: Thank you. This is a proposed amendment and a substitute amendment for Committee Recommendation No. 42.

"Section 1. Prohibition. Gambling is prohibited except for bingo, batu, cockfighting, raffles, poker machines and cultural or traditional games as provided by law. The government or non-profit organizations may engage in gambling activity as provided by the legislature. All revenues generated from poker machines shall be earmarked for the retirement fund and medical referrals.

"Section 2. Legalized Gambling. Other forms of gambling may be permitted if two-thirds of the registered voters in a referendum in a senatorial district approve of the gambling activity within the district. Upon approval of gambling pursuant to this section, the legislature shall regulate the gambling activity by law. Provided, however, that at least thirty (30%) percent of the revenue generated shall remain within that senatorial district for local community projects." I so move, Mr. President.

Delegate Mafnas seconded the motion.

President H. Guerrero: It has been seconded as per the written proposed amendment to Committee Recommendation No. 42.

Delegate King: Point of order, Mr. President.

President H. Guerrero: State your point, Delegate King.

Delegate King: Mr. President, I'm sorry. May I ask why we're discussing Committee Recommendation No. 42? It's not listed in the Item (H) of the Order of Business?

President H. Guerrero: Delegate King, when it was suggested to be included and I asked whether there's any objection, you didn't state your objection.

Delegate King: Maybe I can hardly hear you because you talked soft.

President H. Guerrero: Delegate King, I wish you pay attention to the Chair at times.

(Laughter)

Delegate Mafnas: Point of observation.

President H. Guerrero: Yes.

Delegate Mafnas: That was the first joke for the morning.

(Laughter)

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Delegate Nabors: Mr. President?

President H. Guerrero: Let me recognize first Delegate Tenorio.

Delegate Tenorio: Thank you, Mr. President. When Delegate Nabors first submitted this proposed amendment, he prefaced this motion by saying that 14 people also supported this amendment. Delegate Nabors is assuming or is trying to make other people construe that this amendment is supported by at least fifty (50%) percent of the delegates. I feel, Mr. President, very strongly that the first, the original proposal covers what most of the people in the Commonwealth would like to see when they addressed gambling. I was satisfied with the original proposal. When I read this proposed amendment, I felt rather scared. I would support the prohibition of gambling if we revert to the original proposal or if we remove the words "poker machines" in the first section. I feel that we are trying to amend our Constitution to reflect the traditions and cultures of our people. And I think that the first introduced proposal reflects the existing traditions and culture of our people. I would not support this proposed amendment but I will continue to support the original proposal. Thank you.

President H. Guerrero: Let me call Delegate Nabors.

Delegate Nabors: Thank you, Mr. President. I'll pass for now.

President H. Guerrero: Delegate Mafnas?

Delegate Mafnas: Thank you, Mr. President. I support the proposed amendment without any reservations. We just signed our Financial Agreement with the U.S. Government where the assistance to the CNMI will be increased from its current funding level to \$2 million. Mr. President, we have a proposal here to liquidate deficits in the Northern Marianas. We are mandated, I believe, by the agreement to do that within the next seven years. The information that we received with respect to the revenues generated by the poker machines. We have been asked by the U.S. Government to reduce the work force in our government. This business generates hundred and fifty jobs of which eighty (80%) percent are local or hundred and thirty some. It allows our people to earn approximately \$900,000 in salaries. It allows our people every fifteen days to say that I earned this and I am able to feed my children because I work hard for this paycheck and not from the food stamps. It gives them pride. In addition to these salaries realized from this business, the Commonwealth Government collects approximately \$900,000. Putting these two together, we are able to realize approximately \$1.8 million, almost equivalent to the increase by the U.S. Government to the present funding level under our Covenant. Moreover, most of the owners and establishments who have these machines are reinvesting their income locally. We have local stores who borrowed money from EDLF and by having a machine or two, they are able to supplement their monthly income and continue to keep their good names with the Economic Development Fund Board. I play poker machines once in a while. I don't want to be told how to spend my money. I do not know how many people we are talking about who would like to see the original committee recommendation. We are making statements that many of our people would like to see the original recommendation. I challenge that. We are going under assumptions. Are we talking about people in this Chamber, or are we talking about fifty one (51%) percent of our people in the Commonwealth? I challenge that statement. We tried to inquire whether the crimes that have been committed or that were committed could be associated with the poker machines. We received one

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

statement or one letter from one of the merchants, but that, Mr. President, does not convince me that those crimes were associated or can be associated with the poker machines. Naturally, if you ask the bankers whether they want this, they'll tell you, "no" because they are afraid that your loans will not be repaid on timely basis. I think that's an understatement of our people's honesty. Let us not continue to make statements in this Chamber that our people or majority of our people would like to see the banning of poker machines because that statement is not true. I do not see the game rooms crowded with people. I think each of us know when to go and play and when not to go and play. I have confidence in the people of the Northern Marianas that they can make their own personal judgment. Our action here will perhaps indicate to foreign investors that the Northern Marianas is very unstable. Today, we allow poker machines; sixty days from now, we ban it. One of the things that investors look at a particular country is its instability. I do not understand or I do not know where are we going to get the money to find jobs for the hundred and thirty local people who are now earning the bread and butter from this business. The government, as I stated earlier, has been requested by the U.S. Government to reduce its work force. I June of next year, we will have approximately three hundred new high school graduates, over two hundred graduated last June, where are we going to put these youngsters? We have been asked to reduce the manpower in our government. If we are going to imply or demonstrate that if the Northern Marianas is very unstable and discourage foreign investors from coming in, we will have a long line over at the Food Stamps Office because we cannot find jobs or generate jobs for our youngsters who are willing and able to work. So I ask my colleagues to support the amendment without further delay. Thank you.

President H. Guerrero: I would like to call next, Delegate Guerrero.

Delegate DL. Guerrero: Yes, thank you, Mr. Chairman. First of all, as Chairman of the committee that reported this thing out to the floor, Committee Recommendation No. 42, it was supported with documents during public hearings. During these last few days, we received some statistics that I do not know how accurate these statistics are, but the committee's recommendation, before its reported to this Convention, will be at that particular point in time when we're conducting the public hearings will be most appropriate that these particular informations that are being distributed to us today will be very helpful to the Committee to make that determination to include or should be included as presented in the public hearings. And I must say that the Committee on Finance and Other Matters did conduct an extensive hearing regarding this particular issue. I must say, on behalf of my committee, that we did our job based on our findings. Now this information, again, should be presented during the public hearing. There were invited, for the record, and to my surprise that they waited until this very last momentum when this Convention has to make its decision. I, for one, am not totally against gambling because I play poker myself. But the statistic before us is only mentioning the total number of people employed -- hundred and fifty or maybe more. Out of this assuming of eighty (80%) percent, I'd like to know how many local people, how many Filipinos, how many Americans, should be any American? I think it would be very helpful, really, if we are talking about its contribution to the community. It just give us a lump-sum number, a lump-sum figure. Certainly the revenues are generating would defray cost of the government operations. But we're talking about nine hundred some thousand dollars. How many of this nine hundred thousand dollars, really, or even the employees really the Marianas descent -- local indigenous. The statistic doesn't convince

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

me, really, how many of this money that we are generating is coming from outsiders, such as tourists. It only gives us the total amount. Our very concern on this particular issue is really the stability of our people in their economic, or the economy situation of their own families. Whether these people who are playing poker machines really can support their families. But I hope that under no interpretation that I, for one, is against gambling, legalizing gambling. I believe if it's well conducted or well legalized or established by law to regulate how much or what percent will be paid out to the players, I'll go for it. But still that percentage that your return is still in question in our minds, whether really it's a fair share to these poker players have received when they are playing the machines. I think we still have to ask that question in our mind. We understand that gambling is a gambling -- it's a game of chances. But, Mr. President and members, I could only support the amendment simply because the religious group that were present during that public hearing, they didn't make any official position regarding the poker machine, because I address that question myself to Mgrs. Martinez whether the religious or Catholic religious has made any position regarding the poker machine and he said, "there's no such position has been made by the religious." But they know for a fact that even poker machine is a gambling device. I hope also that the other members of my committee would be present at least be given an opportunity such as Delegate Pangelinan that she is very much opposing of legalizing this gambling. Unfortunately, she is not present at this point in time so she can deliberate her opposition or debate also during this Final Reading. But again, I must say that the Committee did a very extensive, and to my surprise that some of these poker owners/operators came up to the very last days when this Convention has to make this decision. The statistics that were being passed would be very much helpful should they present them during the public hearings that we conduct twice. For some reason they were not present and now we're receiving this information before us. I appreciate providing the committee these necessary information so we can finalize our decision in casting our vote whether we go "yes" or "no". Thank you.

President H. Guerrero: For the information of, point of information for Delegate Guerrero. That Chair did request that Delegate Pangelinan as well as Lizama to try and get in touch, I was informed that they cannot track down at this time where Delegate Pangelinan is and Delegate Lizama indicate that he might come, he might not. So the Chair has taken the initiative to ensure that we track down the original sponsors of this proposal. Next on my list is Delegate Mendiola.

Delegate Mendiola: Thank you, Mr. Chairman. Just a couple of questions to the mover of the amendment, By eliminating the word "government", does this mean that the plan of the Commonwealth Ports Authority will not be able to have poker machines at the departure section?

President H. Guerrero: Delegate Nabors.

Delegate Nabors: Thank you, Mr. President. I inserted on the third line after the period "provided by law" and before "non-profit" the words "the government" and "non-profit organizations" so as to facilitate plans to place machines in the departure area of the airport. So it now should read, "culture or traditional games as provided by law. The government and non-profit organizations may engage in", etc.

Delegate Mendiola: Is that a new amendment?

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Delegate Nabors: That's an amendment to the amendment.

Delegate Mendiola: Another question. Did the mover of this proposal find out as to the odds of winning on this poker machine?

Delegate Nabors: Thank you, Mr. President. No, I did not ascertain that information. The owners of the machines and the businesses in which they are located have their own agreement for splitting the profits, but I do not know what the odd pay out is.

President H. Guerrero: Are you finished, Delegate Mendiola?

Delegate Mendiola: Yes.

President H. Guerrero: I would like to call next, Delegate Villagomez. Delegate Villagomez, you're next in line.

Delegate Villagomez: Thank you, Mr. President. The way that we are discussing Committee Recommendation No. 2 is the way that subject matters are discussed in the Legislature. We are discussing very specific matters. We have before us details on who owns the poker machines, where they are, how many people are employed, how much is generated, etc., etc., etc. That is the kind of deliberation and discussion that is normally done before a legislature. In looking at the proposal, there is now in the Northern Marianas bingo, there is batu, there is cockfight, there is raffle, there is poker machine. We're not changing anything. The second sentence says, "the government or non-profit organization may engage in gambling activity as provided by law." That is the situation today. We're going into how revenues are going to be allocated. That's a legislative matter. We don't in the Constitution start appropriating money to certain parts of the government. Because of my position that this can be handled by the Legislature and because there is a strong feeling by certain members of our Convention that gambling is and of itself should be prohibited, except as the Legislature finds to be proper for the CNMI, I will vote against this recommendation and I have distributed a proposed amendment which would read as follows: "Gambling is prohibited in the Northern Mariana Islands except as provided by Commonwealth or local law or as established through initiative or referendum in the Commonwealth or in any senatorial district." For that reason, I think that we should leave this to the Legislature but prohibit just like we have done with abortion. There's a general feeling that abortion is not proper for the CNMI, so what we have done is prohibited unless the Legislature makes specific findings and allows certain conditions under which abortion could be permitted. I'm suggesting that this would be the proper way to handle the gambling also. And so we don't have to go into details about appropriating money or listing individual types of gambling to be permitted or prohibited or giving the Legislature specific powers, etc., etc., for that reason I'm against the motion.

Delegate Mendiola: Point of information.

President H. Guerrero: State your point, Delegate Mendiola.

Delegate Mendiola: Okay, if Delegate Villagomez look under Public Land, Section 5 (g), "the corporation shall receive all monies from public lands. So the Constitution could do it and this is the present Constitution right now. We could allocate this money to the Retirement Fund.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Delegate Villagomez: That is correct. I didn't say you cannot allocate it. I'm saying it is not the place of the Constitution to start allocating and appropriating any money to different agencies of the government.

President H. Guerrero: Are you making motion? Are you amending the amendment?

Delegate Villagomez: No, I am, at this time, opposing the motion. I will subsequently make the proper motion to amend as has been indicated in my previous statement.

President H. Guerrero: Let me call next, Delegate Inos.

Delegate Inos: Thank you, Mr. President. As I agree with my Chairman, Delegate Guerrero, I'm a little bit concerned with the proposed amendment that we are addressing at this time. As I understood that the original amendment was -- no let's rephrase it and ask the mover of this amendment. Will this amendment, including the poker machines, would it not be limited to the ones that we already have on the island or islands?

President H. Guerrero: Delegate Nabors?

Delegate Nabors: Thank you, Mr. President. There is no limitation in the amendment. There was a limitation placed by Delegate Limes on First Reading that was rejected, and I voted against that limitation for the reason that between the close of this Convention and the referendum in November, all the ships coming into the Western Pacific would be loaded down with poker machines. So I felt that there should not be any restriction in restricting to the present number of machines on the island. We leave it open.

Delegate Inos: The second question the, in our original committee recommendation, we indicated exactly in the first section that the committee feel that other activities owned and operated by religious, governmental or non-profit activities are not prohibited under the committee recommendation. I notice the second sentence, the government and non-profit organization may engage in gambling activity as provided by the legislature. That, wouldn't this open it to not the government not owning the machines or devices that will be used? Because in the committee recommendation we specifically stated that it has to be owned. Your amendment does not indicate that.

Delegate Nabors: Thank you, Mr. President. I have no strong feelings one way or the other. It would be perfectly fine with me if the Airport Authority is to own the machines.

President H. Guerrero: Are you finished, Delegate Inos?

Delegate Inos: Yes, I'm finished. Thank you.

President H. Guerrero: I'd like to call next, Delegate Torres.

Delegate Torres: Thank you, Mr. President. Fellow delegates, it seems like it's only yesterday that we committed our cardinal sin and it seems like we still haven't learned our lessons. When the Legislature enacted a law legalizing casino gambling, the majority stood up and say, "legislators, you're wrong; we don't want this." We are playing this old scene.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

all over again here in the Convention. Perhaps we haven't learned from our mistakes. I do not understand this. I agree that each individual has the unalienable right to make his or her own personal decision. I don't disagree with that at all. But it seems like the majority of the people in the Commonwealth can't make mature personal judgment. And I don't say that to underestimate or to denounce our local people. If they can make mature personal judgment, why then are we requiring them or requiring the land owners, for example, to have appraisals on real property? Why do we have to have land alienation provision? Why are we tightening up our corporate law? I think the conclusion is that the majority of us unfortunately, through years of political subjugation cannot make that mature personal judgment. I admire those who do and who can. I think they are the fortunate ones. But let's protect the majority who are less fortunate. Let's give them time to develop, time to mature. Let's not rush to judgment just because we want to rescue the Retirement Fund. The people have made a decision in a referendum to vote against casino gambling and we are playing this whole thing again. It seems like it's only yesterday that we made a mistake and up to now we still haven't learned from our mistakes. Thank you.

Delegate Mendiola: Point of information, Mr. Chairman.

President H. Guerrero: State your point, Delegate Mendiola.

Delegate Mendiola: I think all the proposals that the delegates in this Convention are going to be placed in front of the people in November. So let's give the chance to the people to say whether this gambling is necessary or not, but it should be in front of the public in November.

President H. Guerrero: I'd like to call next, Delegate King.

Delegate King: Thank you, Mr. Chairman. I just like to point out a simple information to the delegates. This will rephrase back to the comment that was made by Delegate Mafnas, that the people here in the Northern Marianas did not really line up to get food stamps benefit because they are unemployed but because they are playing poker machines and ending up to have no money to support their family. That's the effect of this poker machine.

Delegate Mafnas: Point of information.

President H. Guerrero: State your point, Delegate Mafnas.

Delegate Mafnas: The only time you qualify for food stamps is when you are unemployed.

Delegate King: No, that's not true. That's based on the income.

Delegate Mafnas: I am very, very surprised that the former Assistant Administrator of the Food Stamps would make that statement.

Delegate King: I made this statement with confidence and truth. Mr. President, another thing that I'd like to get a clarification in order for me to see whether or not to support this recommendation. It says on the analysis that \$280,800 goes to the Revenue or Taxation. I'd like to ask, Delegate Igitol, to verify this amount whether it is true or not.

Delegate Igitol: I refer that question to Karl 'cause he originated the

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

statistics.

Delegate DL. Guerrero: Point of information.

President H. Guerrero: State your point, Delegate Guerrero.

Delegate DL. Guerrero: Is Chairman King referring to the Committee Recommendation?

Delegate King: No, I'm referring to the analysis that we just passed out.

Delegate DL. Guerrero: Well, I'm sorry, I don't have that and I don't see that analysis.

Delegate Reyes: Mr. President, I think a few days ago there was this rough sketch as to the income derived to the government based on the number of machines and that estimate was then 270 machines and now we have in front of us 220 machines and that is based on the five (5%) percent business gross revenue tax. Assuming that each poker machine takes in an average of \$400 per week and that \$280,000 is based on that. I hope that clarifies the question.

President H. Guerrero: Just a point of information, Delegate King. That's not, as I understand, part of the committee's recommendation.

Delegate DL. Guerrero: That's just a friendly information.

Delegate King: Mr. President?

President H. Guerrero: Continue, please.

Delegate King: If this is the anticipated revenue, I would like to ask the employee of the Finance, Delegate Igitol, to provide us with the close figure how much the government or how much this machine is putting in for the government. At least close figures.

President H. Guerrero: Delegate Igitol, would you like to answer that? You don't have to, if you don't.

Delegate DL. Guerrero: Point of information.

President H. Guerrero: State your point.

Delegate DL. Guerrero: Yes, Mr. President. During the public hearing conducted by your committee, the response from the Director of Finance is a little over \$500,000 at that particular time.

Delegate Nabors: Point of information.

President H. Guerrero: State your point, Delegate Nabors.

Delegate Nabors: During the public hearing, there was a communication from the Visitors Bureau that monitors the activity of the visitors in the Marianas. In that communication, it is clearly stated that the revenue generated in taxes is approximately \$500,000 with an additional \$300,000 in licenses. So we're talking about an approximate of \$1 million dollars.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

President H. Guerrero: Delegate King, are you finished?

Delegate King: Mr. President, I believe that if we're going to come up with this type of law in the Constitution towards this, to be very specific in exempting the type of machines in the Commonwealth to be legal, I rather see that the machine or the gambling devices that are going to be used in the Commonwealth should be placed under the decision of the people by referendum, instead of putting in the Constitution. I would prefer and I would rather see and support the proposed amendment offered by Delegate Villagomez rather than putting in the Constitution exceptional type of gambling to be authorized or to be allowed in the CNMI. Thank you, Mr. President.

President H. Guerrero: I'd like to call Delegate Villanueva.

Delegate Villanueva: Thank you, Mr. President. When the committee was deliberating on the three proposals regarding gambling; one was to prohibit all forms of gambling unless three-fourths of the voters voted for gambling. There was another proposal that we prohibit slot machine and poker machine and keep the others that are considered traditional games to continue. Another proposal was to allow the senatorial districts to decide for themselves. The Committee decided on a compromise. My proposal was not taken into consideration however, but I don't feel bad. I got a little scared though. When I came to Saipan, I come to Saipan at least once a year. Everytime I come to Saipan, they say, this family is broke because of poker machine. That family is broke because of poker machine. When I talked to these people themselves, they say, "tell them to mind their own business. I'm not broke." Why, I brought this out because yesterday and day before yesterday, the owners and operators of poker machines have provided us some statistics. The opponents of poker machines have provided me personally with scary information. I don't know -- maybe a members of my family is going broke because of poker machine and they don't tell me. I wish the opponent of poker machines would provide some statistics that I can really consider before I make my final decision on the original committee recommendation, -- the substitute recommendation or the proposal. One of the problems I'm having is I don't know how to decide on this. I like the idea of generating revenue. But if it's going to affect the social and the economic standard of our young community, I would vote against including all forms of gambling. I know some people who are going broke, who have sold their house and properties because of cockfighting. The church probably have not taken a position on that. Cockfighting as a cultural game, is accepted except that when it's a cultural game and you think back, 1900, I was told by some of these older people, my uncle was born 1899 anyway, that they have cockfighting but they don't have those poisonous blade on a rooster. Somebody introduced that. And I cannot accept the fact that we are in favor of killing chicken or putting these blades on chicken to kill each other because the only time I feel the chicken is supposed to be killed is to eat. But we are using it as a game of chance and we or majority of our community consider it traditional. Nobody is forced to go cockfighting. Nobody is forced to go to bingo. In Rota, I heard that cockfighting is a social game, bingo is a social game. In other communities, all these so-called traditional games are social games. Of course, when you look at poker machine, you cannot say it's a social game because you're playing by yourself. But a lot of time you don't go there and play by yourself. You don't go to a place that you don't know anybody else. So to limit my discussion, right now I am in favor of voting for poker machine to be included because there's no

2ND CON CON JOURNAL
July 13, 1985

statistic to prove to me that there are people who are forced to go and get in line on the food stamps because they are going broke on poker machine. I haven't seen any statistic even from the hospital or even from the so-called Department of Youth Services or the Catholic Social Services that these families or these children are not, are getting sick or don't have any clothes, or slippers because their parents are spending all their money in poker machines. At this time, if this issue is put to vote, I would vote for or in favor of including poker machine because I want the Retirement Program to have a guaranteed funding.

Delegate Torres: Point of information.

President H. Guerrero: State your point, Delegate Torres.

Delegate Torres: The statistics that Delegate Villanueva is referring to obviously is difficult to get. Why? Because it may be in violation of the privacy provision. It is much easier to get statistics from the businesses and they would gladly give you statistics on the benefit of gambling. That's obvious. It is extremely difficult to get statistics from families who were broke as a result of this. Of course, everyone will say that's none of your business. True enough, none of your business. To even force your way in may be in violation of the privacy provision. Thank you.

President H. Guerrero: Delegate Villanueva, are you finished?

Delegate Villanueva: Thirty seconds was taken by Delegate Torres.

President H. Guerrero: Please continue.

Delegate Villanueva: To continue, Mr. Chairman, I'd like to repeat that I am in favor of including the poker machine because it also earmarks the revenue and medical referral. And if I can remember back, one of the reasons they have this so-called Northern Marianas Government Retirement Program is because there are games or gamblings that were thought of to be possible. Those games or gamblings were not possible but yet the Retirement Program was implemented. And according to the retirement people, the government, I think owes or is supposed to have paid almost \$68 million to the Retirement Program on the 19.5 employer's contribution to the program. Thank you, Mr. Chairman.

Delegate Nabors: Motion to end debate.

President H. Guerrero: Let me first recognize Delegate Mafnas and then Delegate Guerrero.

Delegate Mafnas: Thank you. Sure enough the people voted on whether to legalize gambling or not. That was quite a while ago. When the people voted to repeal the legalized Casino Gambling Act, Mr. President, there was no Retirement Program. The cost of living now compared to the cost of living at that time is higher at this point in time. The medical referral costs have increased significantly because many of our people need to be attended in the hospitals in Guam, Honolulu and San Francisco. The scholarship requirements for our children, when the people voted down the Casino Gambling Act was not significant compared to the requirements now. There were not too many jobs required at that time. Just last June of this year, over two hundred graduated, and before that, over two hundred graduated. Next year, there will be approximately three hundred more high school

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

students. Not all of these have gone to school during the past few years. Not all of the graduates next year will go to seek higher education, probably ten (10%) to fifteen (15%) percent. What are the remainder going to do? Obviously, there will be more job requirements. The general requirements for essential public services have increased beyond our expectation before we even signed the Covenant and before the Gambling Act was disapproved by our people. Just few weeks ago there was an emergency to secure more funding for the power plant or else the power generation in the Northern Marianas here on Saipan will be shut down. We have a new hospital that will probably triple the costs to operate it compared to the current cost. Where are we going to get the money for this? I agree with many of the members in the House of Representatives when they echoed their concern about the cost to operate the hospital. You have to acquire modern equipment, you have to have trained and qualified people to operate the hospital. Here are we trying to do away again with something that generates revenues to the Northern Marianas to help the general fund. Mr. President, there will be more than two hundred government employees who are eligible to retire at this point in time, right now. Where are we going to get the funds to continue to pay the benefits of these people who have worked over twenty-five years to serve us so that we can go to school and come back and carry on the functions of our government? The church did not take any position on this, and I am very glad that it remained neutral. Because I don't know what's immoral about playing poker machine compared to socialized gambling whenever we called our Friday night club together. I don't know what's immoral about that. We're here making judgment that many of our people cannot exercise or cannot make their own decision. I support the amendment. I would oppose the amendment if I am given sources of revenues where at no additional tax burden will be placed on the people. So, Mr. President, I ask the members to vote in favor of the amendment. Thank you.

Delegate Torres: Point of information.

President H. Guerrero: State your point, Delegate Torres.

Delegate Torres: I'd like to ask Delegate Villanueva since he is pretty well-versed on this. How much is needed to make the referral program, medical referral program solvent or secured without, and I underline that, being subsidized by the government?

Delegate Villanueva: There is no estimate figure. Dr. Kaipat here knows the program of the medical referrals and the increasing need of our people to be referred outside our hospital.

Delegate Torres: Could you give us a rough estimate?

Delegate Villanueva: Right now, at least the average, we are involved in Honolulu is almost \$1.3 million and that includes transportation, out-patient allowance, hospitalization. For your information Trippler Hospital charges daily in-patient four hundred forty-nine dollars a day and that's cheap. Trupps Hospital charges about eight hundred dollars a day for intensive care and regular care is about two hundred twenty-five dollars a day.

Delegate Torres: Is that hundred percent government subsidized?

Delegate Villanueva: For those that are referred by Dr. Torres Hospital.

Delegate Torres: That's the referral program.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Delegate Villanueva: Yes.

Delegate Torres: Okay.

Delegate Mafnas: Point of information.

President H. Guerrero: State your point, Delegate Mafnas.

Delegate Mafnas: Fiscal Year 1986, the budget requirement for medical referral is \$2.5 and this will be reduced down to \$1.1 million if this proposal is not approved. So you are talking about \$1.5 million reduction.

Delegate Torres: May I continue on the second question?

President H. Guerrero: Are you asking a question or stating a point?

Delegate Torres: I'm asking a question to Delegate Villanueva.

President H. Guerrero: Your original request was to state a point of information.

Delegate Villanueva: He needs the information.

President H. Guerrero: Go on then.

Delegate Torres: Okay. So I gathered that it's \$1.5 and \$2.5. Okay. What about, Delegate Mafnas, the retirement program? How much is necessary to get the program back to solvency without, and again I emphasize without, government subsidy?

Delegate Mafnas: Mr. President, I don't know what's government subsidy. The employers' contribution is 19.5 percent.

Delegate Torres: What about the government's contribution?

Delegate Mafnas: 19.5 percent, I guess.

Delegate Torres: So that roughly comes up to five million, three million?

Delegate Mafnas: Three million or more.

Delegate Torres: Okay, three million or more. Do you know much would be generated from the poker machines? Do you have a rough figure, any information as to how much might be generated from these poker machines?

Delegate Mafnas: In terms of salary, approximately \$900,000. You take away the appropriate rate of tax rate and just the revenues and fees, it's more or less \$900,000 plus or \$1 million.

Delegate Torres: One million? Okay, so if we add the referral and we take an extreme figure, we add the referral to the retirement fund which could be \$4 million, so we're asking actually approximately \$7 million. Right? Is that correct?

Delegate Mafnas: Yes.

Delegate Torres: Approximately if we combine the two programs. Now, Delegate

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Reyes, I believe to summarize how these things will work and what benefits will go to the government and it is very surprising that the government would be actually incurring \$3 million. So the problem of the referral and the retirement will still be there. And I might also add that we just recently signed Covenant Agreement totalling to \$228 million and every year there's going to be about \$30 million available. I wonder whether the two delegates took that into account.

Delegate Mafnás: Mr. President?

President H. Guerrero: Can I get a clarification? Apparently, you're asking for a point of information. Point of information is just to ask, to present information on the floor, not to keep asking questions back and forth because I have other people in my list.

Delegate Torres: Okay, so let me just, for the benefit of the delegates, point out that we recently signed a Covenant Agreement totalling up to \$228 million and perhaps that takes into account the referral and the retirement programs. Thank you.

President H. Guerrero: Let me first recognize Delegate Guerrero.

Delegate DL. Guerrero: Yes, and I hope this is the last call from my side. Mr. President, hearing all the arguments as well as the intent of the amendment or the subsequent amendment, to include such as retirement and referral, I believe those particular concerns can easily be addressed to the present statute that the Legislature did pass. Should this particular recommendation from the committee confuse again the voters, since every referendum has been called for in the previous years and the people have very well spoken on the issue of gambling and they have voted down, the provision that the committee is trying to entertain here to legalize it such as the traditional gamblings-batu, bingo, raffles, name it, or whatever, is already established by law. Not the concern here that we are trying to accommodate and the foremost concern that we are trying to accommodate is that each senatorial district will have to decide that. Now, that particular issue is in the Local Government provision of our Constitution that they can go by initiative of two-thirds. But it convinced me with all these arguments now that were presented before us that practically it may not be necessary that this Convention should take this thing up at this moment in time. The statute is there already, the so-called provision in the Local Government....

Delegate Mafnas: Point of clarification.

President H. Guerrero: State your point, Delegate Mafnas.

Delegate Mafnas: If that is the case, then why did you recommend it to the Convention.

Delegate DL. Guerrero: Can I proceed, please?

President H. Guerrero: Please, Delegate Guerrero.

Delegate DL. Guerrero: The point of information is not well addressed to me, my concern. A delegate proposal has to be entertained by each of the respective substantive committee, and for that very concern of that delegate proposal that's why this particular issue is now before the Convention. So, should we have to earmark for retirement, referral and operations of the government, th

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

statute is there already. The mechanism is working. The amendment is simple will confuse again the referendum. So if we have to vote it down, please make a second thought. Thank you.

President H. Guerrero: Delegate Nabors?

Delegate Nabors: Motion to end debate.

Delegate DL. Guerrero seconded, and the motion was carried by voice vote.

President H. Guerrero: We're voting on the amendment offered by Delegate Nabors. Can I have a show of hands of those who are in favor of the amendment offered by Delegate Nabors? Can I have your hands up again, one more time?

The motion to adopt the amendment offered by Delegate Nabors was carried by a raising of hands vote of 12 for and 7 against the motion. The rest abstained.

President H. Guerrero: We're back to the original motion. Yes, Delegate Villagomez?

Delegate Villagomez: Mr. President, I move to amend Committee Recommendation No. 42, to strike the entire proposal and to have to read it as follows: "Gambling is prohibited in the Northern Mariana Islands except as provided by Commonwealth or local law or as established through initiative or referendum in the Commonwealth or in any senatorial district."

Delegate Nabors: I second the motion and end debate.

Delegate Mendiola seconded the motion.

President H. Guerrero: It has been moved and seconded to end debate.

The motion to end debate was carried by voice vote.

President H. Guerrero: We're voting now on the amendment offered by Delegate Villagomez. Those in favor, please raise your hands?

The motion to adopt the amendment offered by Delegate Villagomez was carried by a raising of hands vote of 9 for and 7 against the motion. The rest abstained.

President H. Guerrero: We're back to the original motion. Discussions? Delegate Villagomez?

Delegate Villagomez: Yes. The Committee Recommendation that is before us now is that which I have just read. I think that this would best serve the CNMI for the following reasons: Every delegate proposal that was described by Delegate Villanueva is covered in this recommendation. No. 1, the recommendation to prohibit gambling in the CNMI is covered because the first sentence here is that gambling is prohibited. Second, the traditional gambling in the CNMI would be permitted if the Legislature finds that those types of gambling are permissible and they have so found all the things, all the gamblings that are permitted under the initial language are now in the CNMI under local or Commonwealth law, and so they are permissible. Under this amendment those people who are in favor of poker machines can have the poker machines. The third concern which is that if a senatorial district wants to have casino

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

bling, they can under this proposed amendment because the last portion says: "Commonwealth or local law as established through initiative or referendum in the Commonwealth or in the senatorial district." So the Commonwealth, as a whole, can have casino gambling or any kind of gambling if they want. But it covers all the concerns that were submitted by the three separate proposals. For that reason, I think that this is the most accommodating language of the Constitution.

Delegate Nabors: Question?

President H. Guerrero: Let me recognize first Delegate Mafnas.

Delegate Mafnas: I yield to Delegate Nabors.

President H. Guerrero: Delegate Nabors?

Delegate Nabors: Thank you, Mr. President. I'd like to ask Delegate Villagomez in his explanation why then do we need your amendment if everything currently in existence remains?

Delegate Villagomez: Because if we don't have a -- the first sentence here is probably the most important that gambling in general is prohibited except as the Legislature finds that any type of gambling is good for the CNMI. So what we're doing is making first the fundamental principle that gambling is prohibited. And so unless the Legislature acts to provide for or allow certain type of gambling, it is prohibited. Currently, there is no prohibition. And that's one reason why we're having all these problems because we're not sure what is permitted and what is not permitted.

Delegate Nabors: We don't have any problem in Tinian. We don't have any law prohibiting it, we have gambling; the people are not opposed to it and we prefer to have it stayed a status quo.

President H. Guerrero: Delegate Mafnas?

Delegate Mafnas: A question to Delegate Villagomez. If the people vote in favor of this, are you saying then that poker machines and those authorized by law presently will not be affected?

Delegate Villagomez: That is correct.

Delegate Mafnas: If the people disapproves it, where do we stand?

Delegate Villagomez: Then we still have whatever we have.

Delegate Mafnas: I yield to Delegate Nabors.

Delegate Nabors: Mr. President, I have one question. On line 3, you say, Commonwealth or local law. Does that mean that the senatorial delegation would have the authority to establish casino gambling -- three individuals?

Delegate Villagomez: Not the senatorial. I think it would be the district delegates which would include the representative to the House and three senators from Rota or Tinian.

Delegate Nabors: So four individuals can make the decision that we here refuse to make?

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Delegate Villagomez: No; I think you're misunderstanding. The delegates to the Legislature from Rota or Tinian can enact a local law setting forth what kind of gambling may be permitted on their islands under the local law provision of our Constitution. They can also do it through initiative or referendum in their respective districts.

President H. Guerrero: Are you finished, Delegate Nabors?

Delegate Nabors: Yes.

President H. Guerrero: Delegate Mafnas?

Delegate Mafnas: Yes, Mr. President. If either way the people vote, whatever we have will continue to exist. I would like the Convention to receive a statement saying that Committee Recommendation 42 means exactly what Delegate Villagomez explained to this Convention that either way, whatever we have will remain. I would like a statement to ensure that that is the intent of Committee Recommendation 42, as amended by Delegate Villagomez.

Delegate DL. Guerrero: Point of information.

President H. Guerrero: State your point, Delegate Guerrero.

Delegate DL. Guerrero: As the Chairman of the Committee, I don't think that was the Committee's recommendation. That was a floor amendment here offered by....

Delegate Mafnas: Mr. President, point of clarification. I'm not asking your Committee on Finance and Other Matters. I'm asking the Convention that that statement be placed on the record as part of the floor amendment offered by Delegate Villagomez.

President H. Guerrero: Delegate Villagomez, are you responding to Delegate Mafnas?

Delegate Villagomez: Thank you. Yes. For the record and so that the court will know what I mean when I submitted this motion which has been passed; No. 1, this amendment prohibits any type of gambling in the CNMI. No. 2, this amendment grants to the Legislature the authority to permit any kind of gambling that they see fit. No. 3, this amendment permits each of the three senatorial districts to enact for their own district to permit any kind of gambling that they see fit for their particular district. No. 4, this amendment does not repeal or prohibit or make null and void any existing gambling that is permissible by existing law, so that if batu, cockfight, raffle, poke machines are currently existing because they are permitted by law, they shall continue unless that law is changed by the Legislature. Thank you.

President H. Guerrero: I'd like to call first Delegate Ogumoro.

Delegate Ogumoro: Mr. President, privilege. I would like to move for a brief recess.

Delegate Villagomez: Not brief; we should go for lunch and come back.

Delegate Ogumoro: No objection.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Delegate Mafnas: Objection. Let's settle this. We spent more than three hours, Mr. President, debating.

Delegate Ogumoro: I asked, Mr. President, if we could move for a brief recess. Is that granted? I did not ask for us to go for lunch.

President H. Guerrero: Five minutes recess.

The Convention recessed at 12:35 p.m.

RECESS

The Convention reconvened at 12:47 p.m.

President H. Guerrero: The session is called back to order. Delegate Villagomez?

Delegate Villagomez: Mr. President, so that we won't spend more time debating on this, I move that we recess for lunch and start again at 2:30 p.m.

Delegate Ogumoro seconded the motion.

Delegate Nabors: Objection.

President H. Guerrero: Those in favor to recess until two-thirty, please raise your right hand?

The motion to recess until 2:30 p.m. was carried by a raising of hands vote of 15 for and 1 against the motion. The rest abstained.

The Convention recessed at 12:49 p.m.

RECESS

The Convention reconvened at 2:43 p.m.

(At this point, Delegate Lizama took his seat.)

President H. Guerrero: The session is called back to order. Delegate Manglona?

Delegate Nabors: Point of information.

President H. Guerrero: State your point, Delegate Nabors.

Delegate Nabors: Could I ask Delegate Villagomez a question, please? I'd like to find out if Delegate Villagomez is willing to....

Delegate Manglona: Privilege.

President H. Guerrero: State your privilege.

Delegate Manglona: Mr. President, before we start with our business for this afternoon, I have a motion to make and that is pursuant to Rule 51 of our Rules of Procedure, I would like to move to reconsider the last page of Committee Recommendation No. 41 today and be placed for discussions on first Order of Business, Saturday, July 20, 1985.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Delegate Nabors seconded the motion.

Delegate Manglona: I'm sorry, that would be page 6 of Committee Recommendation No. 41.

Delegate Nabors: No objection.

President H. Guerrero: Wait, somebody took my copy. Can you repeat your privilege?

Delegate Manglona: Yes. Pursuant to Rule 51 of our Rules of Procedure, I move to reconsider page 6 of Committee Recommendation No. 41 today and be placed first in discussions as first Order of Business on Saturday, July 20.

Delegate Villagomez: Point of order.

President H. Guerrero: State your point, Delegate Villagomez.

Delegate Villagomez: We're under consideration of the committee recommendations for Second and Final Reading. There is a provision in our Order of Business that would allow for that motion, under Miscellaneous Business or Introduction or Unfinished Business or even General Orders of the Day.

Floor Leader Lizama: That's correct.

Delegate Villagomez: I would have no objection to putting it in the proper Order of Business.

Delegate Manglona: Mr. President, I will withdraw my motion on the condition that before the session ends today we will reach Miscellaneous Business.

President H. Guerrero: I think that would be the most appropriate place to bring this up.

Delegate Manglona: I would then withdraw my motion.

President H. Guerrero: Okay. Delegate Nabors?

Delegate Nabors: Thank you, Mr. President. I'd like to find out if my colleague, Delegate Villagomez, will accept an amendment to his amendment. The amendment would be in the third line to strike "or local" and in the fifth line strike "or referendum".

Delegate Villagomez: I would incorporate that in my motion.

Delegate Nabors: Motion to end debate.

Delegate Mendiola seconded, and the motion was carried by voice vote.

Delegate Nabors: Point of clarification.

President H. Guerrero: State your point.

Delegate Nabors: Can I get a reiteration and in its entirety as to what we are now voting on?

President H. Guerrero: Can you read the amendment, please, that we're voting on, Secretary Nabors?

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Delegate Nabors: According to my records, this is what we are now voting on. Let me, first of all, ask a clarification from Delegate Villagomez. Did you intend your amendment to be Section 3?

Delegate Villagomez: Section 3?

Delegate Nabors: Yes, sir.

Delegate Villagomez: I don't understand what you mean by Section 3.

President H. Guerrero: Delegate Villagomez is amending your entire amendment.

Delegate Nabors: I mean your amendment is a substitution.

President H. Guerrero: For your amendment.

Delegate Villagomez: We can call it a substitution.

President H. Guerrero: That's what we're entertaining. Can you read your motion again, incorporating the changes?

Delegate Villagomez: My amendment is to amend Committee Recommendation No. 4 and to substitute it with the following: "Gambling is prohibited in the Northern Mariana Islands except as provided by Commonwealth law or as established through initiative in the Commonwealth or in any senatorial district."

Delegate Nabors: That would be the total of Committee Recommendation No. 42.

Delegate Villagomez: Yes.

Floor Leader Lizama: Point of information, Mr. President.

President H. Guerrero: State your point, Delegate Lizama.

Floor Leader Lizama: Delegate Villagomez, would your amendment then -- how would the amendment conflict, or would it not conflict with the proposed Section 2 of the original Committee Recommendation? Do you see any problem there?

Delegate Villagomez: There is no Section 2 because the entire original proposal has been defeated or substituted by the first motion to amend by Mr. Nabors. So, that no longer exist.

Floor Leader Lizama: Okay, thank you.

President H. Guerrero: Alright. Is everyone clear now?

Delegate Nabors: Almost. One more point of clarification. We had a statement for the record earlier, is that statement on the record still accurate?

Delegate Villagomez: Yes, it's still accurate.

Delegate Nabors: Now, I'm clear.

President H. Guerrero: We're voting on the amendment proposed by Delegate Villagomez amending the amendment made by Delegate Nabors. Those in favor, please raise your right hand?

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Delegate Villagomez: Mr. President, I think this is Second and Final Reading and perhaps we should go by roll call.

President H. Guerrero: Is this for Second and Final Reading?

Delegate Mendiola: Yes.

Floor Leader Lizama: Mr. President, point of information.

President H. Guerrero: State your point, Delegate Lizama.

Floor Leader Lizama: I apologize I wasn't here this morning but I have a copy of Delegate Nabors' amendment and this was passed. Was this defeated this morning?

Delegate Mafnas: It passed.

Delegate Nabors: It was passed but the other amendment was also passed.

Floor Leader Lizama: Delegate Villagomez' amendment was passed also?

President H. Guerrero: So this is the main motion now on the floor.

Floor Leader Lizama: Okay, I understand that.

Delegate Ogumoro: Privilege.

President H. Guerrero: State your privilege, Delegate Ogumoro.

Delegate Ogumoro: Thank you, Mr. President. Just so that we'll be very clear on what we're voting for, would the Secretary just read the whole thing or somebody read, or the mover of the motion read the entire amendment that we are trying to adopt before we vote?

Delegate Nabors: Thank you, Mr. President. This is going to be the Committee Recommendation No. 42: "Gambling is prohibited in the Northern Mariana Islands except as provided by Commonwealth law or as established through initiative in the Commonwealth or in any senatorial district."

Delegate Ogumoro: Are we still discussing on that motion?

President H. Guerrero: No, we're going to vote right now.

Delegate Ogumoro: Would I be in line or would I be in order if I put in another amendment at this point?

President H. Guerrero: You will be out of order because we're voting now on roll call.

Delegate Ogumoro: Thank you.

At this point, Secretary Nabors called the roll, and the motion to adopt Substitute Committee Recommendation No. 42 on Second and Final Reading was voted on as follows:

YES: Delegates Vincent Calvo, David Cing, Herman T. Guerrero, Alonzo Igisomar, David Igitol, Rita Inos, Esteven King, Luis Limes, Juan Lizama, Jesus Mafnas, James Mendiola, Paul Manglona, Aniceto Mundo

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

William Nabors, Karl Reyes, Francisco Tomokane and Ramon Villagomez
(17 votes)

NO: Delegates Benusto Kaipat and Felicidad Ogumoro. (2 votes)

ABSTAIN: Delegates Lorenzo DL. Guerrero, Joaquin Tenorio and William Torres
(3 votes)

ABSENT: Delegates Maria Pangelinan and Ignacio Villanueva.

And the motion was carried.

Delegate Nabors: Mr. President, I have 17 affirmative votes, two negative
votes, three abstentions, and two absences.

President H. Guerrero: Committee Recommendation No. 42, as amended, passed
19 votes. Can I call Secretary Nabors?

Delegate Villagomez: Mr. President?

President H. Guerrero: Yes, Delegate Villagomez?

Delegate Villagomez: Before we move on, I'd like to bring to the attention of
the Chair that some unsigned papers have been infiltrating the Convention not
knowing where they come from, why they come into the Convention and who is
bringing them in. I would like for the Chair to do something to prevent that
from happening. And if anything is to be distributed, it should either be
signed or be requested by a member of the Convention or the Chair.

President H. Guerrero: I have already given an instruction that if anything
to be passed to the floor, it has to be cleared by the President first.

Delegate Villagomez: Thank you.

President H. Guerrero: Secretary Nabors, can you read Committee Recommendation
No. 61, please?

Secretary Nabors: Thank you, Mr. President. Mr. President, I was to receive
an amended version of Committee Recommendation 61 which was amended extensively
last evening and so far I don't see one. I realize that Chairman Lizama was
absent this morning and it may be for that reason that he was unable to get
that typed. So what is your pleasure? Should we momentarily skip that one
until we can get the language?

Floor Leader Lizama: Point of information. Those concerns that I brought up
last night were the minor amendments that I suggested should be made first.

Secretary Nabors: If no objection, should we pass that momentarily?

President H. Guerrero: We'll move on to the next one. If there is no objec-
tion in view that Delegate Lizama wasn't in the Convention this morning and
was supposed to provide us the written amendment to Committee Recommendation
No. 61, we'll move on to Committee Recommendation No. 8.

Secretary Nabors read Committee Recommendation No. 8 in its entirety, a
follows:

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

"COMMITTEE RECOMMENDATION NO. 8

"A PROPOSED CONSTITUTIONAL AMENDMENT

"To add a new Section to Article I of the Northern Marianas Constitution,
relating to Victims of Crime.

"BE IT ADOPTED BY THE SECOND CONSTITUTIONAL CONVENTION:

"Upon ratification pursuant to Section 5 of Article XVIII of the Commonwealth
of the Northern Mariana Islands Constitution and Public Law No. 4-30, the
Constitution of the Commonwealth of the Northern Mariana Islands is amended as
follows:

"I. Effective upon ratification, a new Section to Article I is added to read:

"Section ____: Victims of Crime. The right of the people to be secure
in their persons, houses, and belongings against crime shall be recognized at
sentencing. Restitution to the crime victim shall be a condition of probation
upon showing of compelling interest. The legislature shall adopt provisions
implement this subsection during the calendar year following adoption of this
subsection."

Delegate Villagomez: Correction. I thought the word "parole" is in there
somewhere but I didn't hear it read.

Secretary Nabors: It didn't show any word. Where then should it be, col-
league?

Delegate Villagomez: Probation or parole.

President H. Guerrero: Is it probation and parole?

Delegate Villagomez: And parole.

President H. Guerrero: And parole or, or parole?

Delegate Villagomez: And.

President H. Guerrero: Any motion to adopt it?

Delegate Torres: Mr. President, I think one other word is missing, the word
"except" after "parole".

Delegate Villagomez: That's correct.

President H. Guerrero: Any motion to adopt it?

Delegate King: Mr. President, I move that we adopt Committee Recommendation
No. 8 for Second and Final Reading.

Delegate Mendiola seconded the motion.

President H. Guerrero: It has been moved and seconded to adopt Committee Re-
commendation No. 8 for Second and Final Reading. Delegate Villagomez?

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Delegate Villagomez: Mr. President, I move that Committee Recommendation No. 8 be amended to delete the entire last sentence starting on line No. 5.

Delegate King seconded the motion.

President H. Guerrero: Is there a unanimous consent to delete that provision?

Secretary Nabors: No objection.

President H. Guerrero: If there is no objection, the motion is in order.
Delegate Inos?

Delegate Inos: I would just like to ask Delegate Villagomez the reason for making this amendment to delete the last sentence.

Delegate Villagomez: The reason is we put in the word "compelling interest" in order that the judge on an individual case basis determines whether there is any compelling interest to justify not requiring the condition of restitution when the judge decides to grant a probation or the Parole Board decides to grant a probation. By adding there the Legislature, what you're doing is taking away from the judge that discretion. So you're putting in a term for the judge to decide and then at the same time taking it away from the judge and giving it to the Legislature. So we either give it to the Legislature and then specify exactly when the condition may be waived, or we give it to the judge and not both of them.

President H. Guerrero: If there's no objection, there's a motion and it has been seconded to delete the last sentence. Discussions? Delegate Torres?

Delegate Torres: Yes. Thank you, Mr. President. I wonder whether we are really creating conflict when we allow the Legislature to come into the picture so much as perhaps setting a general guideline so that the judge wouldn't base his decision on his own idiosyncrasies. Thank you.

Delegate King: I move to end debate.

Delegate Villanueva seconded, and the motion was carried by voice vote.

President H. Guerrero: We're voting now on Committee Recommendation No. 8, as amended. Roll call, Secretary Nabors?

Secretary Nabors called the roll, and the motion to adopt Committee Recommendation No. 8, as amended, on Second and Final Reading was carried by a roll call vote of 23 affirmative votes. Delegate Maria Pangelinan was absent.

Secretary Nabors: Mr. President, I have 23 affirmative votes and one absent.

President H. Guerrero: Committee Recommendation No. 8 passed by 23 votes.
Secretary Nabors, can you read Committee Recommendation No. 25?

Secretary Nabors read Committee Recommendation No. 25 in its entirety, as follows:

"COMMITTEE RECOMMENDATION NO. 25

"A PROPOSED CONSTITUTIONAL AMENDMENT

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

"To delete Section 16 from Article III in its entirety and to add a new Article to the Northern Mariana Islands Constitution relating to the Civil Service Commission.

"BE IT ADOPTED BY THE SECOND CONSTITUTIONAL CONVENTION:

"Upon ratification pursuant to Section 5 of Article XVIII of the Commonwealth of the Northern Mariana Islands Constitution and Public Law No. 4-30, the Constitution of the Commonwealth of the Northern Mariana Islands is amended to read as follows:

"Effective upon ratification, Section 16 of Article III is deleted in its entirety and a new Article is added to read:

"Article _____. CIVIL SERVICE COMMISSION.

"Section 1: Civil Service. The legislature shall provide for a non-partisan and independent Civil Service Commission with the duty to establish and administer personnel policies for the Commonwealth Government, its agencies, instrumentalities, and public corporations created by statutes. The commissioner's authority shall extend to positions other than those filled by election or by appointment of the governor in the departments and agencies of the executive branch and in the administrative staffs of the legislative and judicial branches. The commission shall be the only authority to exempt positions from the civil service classifications. Appointment and promotion within the civil service shall be based on merit and fitness demonstrated by examination or by other evidence of competence."

President H. Guerrero: Floor Leader Lizama?

Floor Leader Lizama: Mr. President, I move for the adoption of Committee Recommendation No. 25.

Delegate Mafnas seconded the motion.

President H. Guerrero: It has been moved and seconded to adopt Committee Recommendation No. 25. Discussions? Delegate Mafnas?

Delegate Mafnas: Thank you, Mr. President. To address the concerns of the heads of agencies and instrumentalities with respect to extending the commission's authority to cover the employees of such agencies and instrumentalities and also public corporations created by statutes, Mr. President, we were flooded with oppositions to this provision during the last few days. I was privileged with the opportunity to secure an input from the Public Auditor who has ideas regarding this particular issue, and I am very pleased to know that the Public Auditor is also supporting the inclusion. However, I know that when this was first put on the floor, immediately there were oppositions. I am saddened by the letters that we are getting because these are really coming from executive directors and not necessarily the employees in the bottom. I must admit that I am not in the position to say that they are wrong. I think they know more and they know better than I do. To ensure that the commission is independent and to ensure that the commission is delegated with the authority to determine classifications that should not be within the Civil Service classifications, I am offering a floor amendment. On lines 7 and 8, I ask the members to delete "its agencies, instrumentalities and public corporations created by statutes."

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Floor Leader Lizama seconded the motion.

Secretary Nabors: Motion to end debate.

Floor Leader Lizama seconded the motion.

President H. Guerrero: Wait. Delegate Guerrero?

Delegate DL. Guerrero: Yes, thank you. Mr. President, I, also, myself received adverse opinion or request from various government agencies and instrumentalities but I'm glad that on the Final Reading of this particular Committee Recommendation we reached an agreement with the committee that it's only appropriate at this time that such amendment should be entertained. And I, for one, fully supported the amendment and I urge also that all of my colleagues in this Convention will support this particular amendment.

President H. Guerrero: Delegate Torres?

Delegate Torres: Yes, I think that's a very good amendment and I admire Colleague Mafnas for making that amendment. I have a question on line 12. Could Delegate Mafnas give us a rationale behind this particular provision or sentence?

Delegate Mafnas: Yes. The intent of line 12, or rather I think Delegate Torres, Mr. President, is talking about the sentence beginning on line 10. Which one are you talking about? Line 12? The intent of that is not to take away the power of the Legislature to determine that department heads are not within the Civil Service classifications. The Governor appoints the executive department heads with the advice and consent of the Senate. So that authority does not extend to positions. If you read Section 16 of Article III, it says, or the proposal says: "The commission's authority shall extend to positions other than those filled by election or by appoint of the governor in the departments and agencies". So it does not intend to take that appointment authority away nor does it intend to limit the Legislature from stating in the statute that, for example, the head of the Department of Revenue and Taxation shall be appointed by the Governor with the advice and consent of the Senate. It does not take that authority away from the Legislature. What it does is that positions, perhaps, lower than that will be reviewed by the Civil Service Commission and it will be decided accordingly. But the exemptions authority by the Legislature in creating a department and in so indicating that the head shall be appointed by the Governor with the advice and consent of the Senate will not be taken away.

Delegate Torres: What about the authority of the Governor?

Delegate Mafnas: The authority of the Governor will be provided by statute.

Delegate Torres: I mean the authority of the Governor to exempt positions from Civil Service.

Delegate Mafnas: If you read the sentence again, it says: "The commission's authority shall extend to positions other than those filled by election or by appointment of the governor in the departments". So the Governor will still retain his authority. But the way it is done now is a request is submitted to the Personnel Office. And under Public Law 1-9, as amended, the authority is--vested with the Personnel Officer but the present authority of the Governor will not be taken away by this amendment.

2ND CON CON JOURNAL -- 31st Day
July 18, 1965

Delegate Torres: So I take it then that it is really the Personnel Officer
who want the exemption?

Delegate Mafnas: Under Public Law 1-8, as amended, the Personnel Officer has
no authority.

Delegate Torres: With this proposal, it will be the commission.

Delegate Mafnas: With this proposal, I am releasing the Personnel Officer
because it does not belong to him.

Delegate Torres: It is the commission's.

Delegate Mafnas: It should be with the commission.

Delegate Torres: Thank you.

Delegate Nabors: Motion to end debate.

Delegate Mafnas seconded the motion.

Delegate Mafnas: May I ask for a few minutes' recess? Just two minutes.

President H. Guerrero: We can vote on your amendment.

Delegate Mafnas: Okay.

The motion to end debate was carried by voice vote.

President H. Guerrero: We're back to the amendment motion.

The motion to adopt the amendment offered by Delegate Mafnas was carried
by voice vote.

President H. Guerrero: We're back to the main motion. The Chair would like
for a five-minute recess.

The Convention recessed at 3:18 p.m.

RECESS

The Convention reconvened at 3:45 p.m.

President H. Guerrero: The plenary session is called back to session. Delegation

Delegate Mafnas: May I ask the President whether we had already voted on my

President H. Guerrero: Yes, we have. So we're back to the main motion.

Delegate Mafnas: Okay. I would like to make further amendments, if I'm
allowed, Mr. President.

President H. Guerrero: Please do.

Delegate Mafnas: On behalf of Delegate Pangelinan, I am making the following

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

floor amendments on Committee Recommendation No. 25. On line 3, strike out the word "commission". That section should be Civil Service section. And on line 8, after the word "Government", insert "the commission shall be composed of seven members appointed by the governor with the advice and consent of the Senate. Six members shall serve a term of six years, staggered in such manner that the term of one member expires each year and one member shall serve a term of four years expiring concurrently with the term of the governor. Members of the Civil Service Commission may be removed only for cause.". The third amendment, on line 12, strike out the word "The" and insert in lieu thereof the words "Exemption from the Civil Service shall be as provided by and the". Strike out the word "only" and insert in lieu thereof the word "sole"; and insert the words "authorized by law" after the word "authority" and before the word "to". That sentence should read now "Exemption from the Civil Service Commission shall be as provided by law and the commission shall be the sole authority authorized by law to exempt positions from the civil service classifications." And the last amendment will be to add, following line 16, the transition provision: "II. Transition Provision. Upon ratification, the governor is authorized to adjust the terms of members currently sitting on the Civil Service Commission in such manner that one member's term will expire the same day as the governor's term and the term of one member shall expire in January of each of the following year's: 1986, 1987, 1988, 1989, 1990, and 1991."

Delegate Mendiola seconded the motion.

President H. Guerrero: It has been moved and seconded to adopt the floor amendment to Committee Recommendation No. 25 as offered by Delegate Maria Pangelinan. Discussions? Delegate Lizama?

Floor Leader Lizama: Mr. President, I have to admire Delegate Mafnas for accepting this floor committee recommendation. This was not what was envisioned by the Committee and also by Delegate Mafnas and I have to say that he has a very big guts to accept this committee recommendation. I would congratulate him for doing so.

Delegate Mafnas: I move for the previous question.

Secretary Nabors seconded, and the motion was carried by voice vote.

The motion to adopt the written floor amendment to Committee Recommendation No. 25, as offered by Delegate Maria Pangelinan and Delegate Mafnas, was carried by voice vote.

Floor Leader Lizama: I move for the previous question, Mr. President.

Delegate Mafnas seconded the motion.

President H. Guerrero: We're voting now on Committee Recommendation No. 25, as amended. Secretary Nabors, can you take the roll call?

Secretary Nabors called the roll, and the motion to adopt Committee Recommendation No. 25, as amended, on Second and Final Reading was voted on follows:

YES: Delegates David Cing, Herman T. Guerrero, Lorenzo DL. Guerrero, Alonzo Igisomar, David Igitol, Rita Inos, Benusto Kaipat, Luis Lir Juan Lizama, Jesus Mafnas, Paul Manglona, James Mendiola, Aniceto

Mundo, William Nabors, Felicidad Ogumoro, Karl Reyes, Joaquin Tenorio, Francisco Tomokane, William Torres, Ramon Villagomez, and Ignacio Villanueva. (21 votes)

ABSTAIN: Delegates Vincent Calvo and Esteven King. (2 votes)

ABSENT: Delegate Maria Pangelinan.

And the motion was carried.

Secretary Nabors: Mr. President, I have 21 affirmative votes, two abstention and one absent.

President H. Guerrero: Committee Recommendation No. 25 is passed by 23 votes Delegate Calvo, do you have something to say?

Delegate Calvo: Nothing.

Floor Leader Lizama: Can we take up the Legislative Bureau, Mr. President, now that we have the clean copies?

President H. Guerrero: In front of you, you have the corrected version of the Legislative Bureau. Secretary Nabors, can you read it?

Secretary Nabors read Committee Recommendation No. 61 in its entirety, as follows:

"COMMITTEE RECOMMENDATION NO. 61.

"A PROPOSED CONSTITUTIONAL AMENDMENT

"To amend Article II of the Northern Marianas Constitution by adding a new Section 16 relating to establishing a Legislative Bureau.

"BE IT ADOPTED BY THE SECOND CONSTITUTIONAL CONVENTION:

"Upon ratification pursuant to Section 5 of Article XVIII of the Commonwealth of the Northern Mariana Islands Constitution and Public Law No. 4-30, the Constitution of the Commonwealth of the Northern Mariana Islands is amended as follows:

"I. Effective upon ratification, Section 16 of Article II is amended to read:

"Section 16. Legislative Bureau. There is hereby established a legislative bureau in the Northern Marianas Commonwealth Legislature.

"a) The bureau shall be headed by a director of legislative bureau to be appointed by the joint leadership of the legislature consisting of the presiding officers, vice speaker, vice president, floor leaders and the chairmen of the standing committees.

"b) The director shall employ all necessary staff other than personal staff of the members of the legislature pursuant to budgetary allocations. The staff members shall include legal counsel and other administrative staff.

"c) The bureau shall provide all required services to the legislature in connection to duties and responsibilities during sessions and

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

committee meetings. It shall maintain all records, files, library, and other documents of the legislature.

"d) The director may be removed by a majority of votes of each house of the legislature with or without cause.

"e) The bureau shall be free from any political harrassment and/or pressure."

President H. Guerrero: Floor Leader Lizama?

Floor Leader Lizama: Mr. President, I move for the adoption of Committee Recommendation No. 61 on Second Reading.

Delegate Mafnas seconded the motion.

President H. Guerrero: It has been moved and seconded to adopt Committee Recommendation No. 61. Discussions? Delegate Manglona?

Delegate Manglona: Mr. President, I only have one problem here on 16(a). Who is going to break a tie because I can foresee a tie if the House is one party and the Senate is another party? Usually they will line up and sometimes they wouldn't decide ahead. So, how do they foresee breaking up a tie?

President H. Guerrero: I don't know. Can somebody answer that?

Delegate Mafnas: Well, Mr. President, am I recognized?

President H. Guerrero: Delegate Mafnas?

Delegate Mafnas: The intent is to get this political influence pressure and things like that away from this. This is the reason why we are creating it. One of the reasons or the intent of the proposal, and I don't know, maybe I am overestimating the members of the Legislature, but I feel that the best candidates for the position will be selected. I also agree with you that, you know, there can be a tie. But I would like to leave that up to the wisdom of the members or the leadership.

President H. Guerrero: Any other discussions? If none, going once, going twice; Secretary Nabors, can you take the roll call?

Secretary Nabors called the roll, and the motion to adopt Committee Recommendation No. 61 on Second and Final Reading was carried by 23 affirmative votes. Delegate Maria Pangelinan was absent.

Secretary Nabors: Mr. President, I have 23 affirmative votes and one absent.

President H. Guerrero: Committee Recommendation No. 61 passed by unanimous votes of those members present. Committee Recommendation 49?

Secretary Nabors read Committee Recommendation No. 49 in its entirety, as follows:

"COMMITTEE RECOMMENDATION NO. 49

"A PROPOSED CONSTITUTIONAL AMENDMENT

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

"To amend Article X, Section 4 to add the prohibition against public debt.

"BE IT ADOPTED BY THE SECOND CONSTITUTIONAL CONVENTION:

"Upon ratification pursuant to Section 5 of Article XVIII of the Commonwealth of the Northern Mariana Islands Constitution and Public Law No. 4-30, the Constitution of the Commonwealth of the Northern Mariana Islands is amended as follows:

"I. Effective upon ratification, Section 4, Article X is hereby amended to read:

"Section 4: Public Debt Limitation. Public indebtedness other than bonds or other obligations of the government payable solely from the revenues derived from a public improvement or undertaking may not be authorized in excess of ten percent of the aggregate assessed valuation of the real property within the Commonwealth. Public indebtedness may not be authorized for operating expenses of the Commonwealth government or its political subdivisions. Before January 1, 1987, the legislature shall adopt a seven-year plan in which the government operations deficit through fiscal year 1985 shall be retired. If the legislature fails to adopt or adhere to the plan, any person may bring an action to require the government to reallocate its expenditures in accordance with a court ordered plan. If an operating deficit is incurred in future fiscal years, the government shall retire the deficit during the succeeding fiscal year."

President H. Guerrero: Delegate Guerrero?

Delegate DL. Guerrero: I move for the adoption of Committee Recommendation No. 49 on Second and Final Reading.

Delegate Mendiola seconded the motion.

President H. Guerrero: It has been moved and seconded to adopt Committee Recommendation No. 49. Discussions? Delegate Guerrero?

Delegate DL. Guerrero: Yes, at the same time, Mr. President, there is a committee's floor amendment which has been passed out this morning on this particular Committee Recommendation No. 49, and I would like at this time to move that the floor amendment from the Committee on Finance and Other Matters be entertained.

Delegate Mendiola seconded the motion.

Delegate Mafnas: Mr. President, may I ask which floor amendment because we have two here?

Delegate DL. Guerrero: The one that says at the bottom, Committee on Finance and Other Matters.

Floor Leader Lizama: Mr. President, I move for two minutes recess.

Delegate DL. Guerrero: On the Committee's recommendation or floor amendment Mr. President, this particular amendment was extensively discussed with the Public Auditor and also with the Counsel as well and we agreed that this is the best amendment to be offered for Final Reading. So the Committee adopts

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

this particular recommendation to amend Committee Recommendation 49 on its
Second and Final Reading.

Delegate Mafnas: Mr. President, I have two questions.

President H. Guerrero: Delegate Mafnas?

Delegate Mafnas: Mr. President, I'm concerned about the provision here "If
the legislature fails to adopt or adhere to the plan, any person may bring an
action to require the government to reallocate its expenditures". What about
if the Legislature fails to act, why can't the Governor issue an executive
order implementing the liquidation plan rather than to require any person to
proceed to the Commonwealth Trial Court and get a court order?

Delegate DL. Guerrero: Mr. President, I believe that should the Legislature
fail as well as the executive branch of the government fails to initiate, then
any person or corporation or citizen, for that matter, can pursue this case.

Delegate Mafnas: It says here: "If the legislature fails to adopt or adhere
to the plan". Okay, my question is, if the Legislature fails to adopt the
plans, why can't the Governor be given the authority to issue an executive
order implementing such plan. I can see a citizen taking the government to
court if the plan is implemented and the executing authority does not follow
the plan. I can see that rationale. But if the Legislature fails to adopt,
why can't the Governor issue an executive order implementing the plans?

Delegate DL. Guerrero: Mr. President, I think -- I don't think there's any
restriction to the Governor issuing an executive order provided that both
Houses concur with that executive order.

Delegate Mafnas: No, I don't think you're answering my question.

Delegate DL. Guerrero: Proceed.

Delegate Mafnas: My question is, why can't the Governor be given the authori-
ty to issue an executive order if the Legislature fails to adopt the deficit
reduction plan or plans?

Delegate DL. Guerrero: I believe the Governor today has that authority, should
he feel that he wants to issue that executive order.

Delegate Mafnas: Yes, but you are requiring the Legislature here to act, to
adopt. You are requiring the Legislature to act or to adopt the plans. I
understand that under Section 15 of Article III, the Governor has the authori-
ty to issue executive orders and can be approved by each House or modified or
disapproved by each House. I know that. My concern is, why can't the Govern-
or be given the authority to issue an executive order if the Legislature fails
to implement the plan in lieu of any citizen taking the government to court?

Delegate DL. Guerrero: I see, Delegate Mafnas, you are very concerned on the
particular provision that the Governor should be given that authority?

Delegate Mafnas: No, that's not my point. Okay. There is a plan. You want
something to be done. You want me to do it; I failed. Why can't you have the
authority to implement it?

President H. Guerrero: Delegate Villagomez?

2ND CON CON JOURNAL -- 31st Day
July 13, 1985

Delegate Villagomez: Mr. President, I think the question is really not why can't we give it to the Governor. The question should be, why don't we. We can say here that if the Legislature doesn't act, we give it to the Governor. The Governor doesn't act, any individual can sue.

Delegate Mafnas: Right.

Delegate Villagomez: So the question is, why don't we. And maybe the Committee never thought of it.

Delegate Mafnas: Okay, so why don't we?

Delegate Villagomez: You can make a motion and we will discuss it.

Delegate DL. Guerrero: Well, Delegate Mafnas, as I said earlier, that this particular language was reviewed with the concurrence, of course, of the Public Auditor and with the concurrence, of course, of the Committee and the Counsel who is assisting the Committee. Now, if the Convention feels that we should give that authority to the Governor, it's up to the Convention delegate to adopt that in this forum. But the Committee is satisfied with the language that was recommended and that's the very reason why we offer this floor amendment.

Delegate Mafnas: Well, my concern, Mr. President, if I may proceed, is that there is a remedy before the judicial review. There is a remedy before the judicial review under Section 15 of Article III. Why don't we exercise that remedy rather than to go immediately to court? If that remedy is exhausted, then by all means, let our citizens exercise the judicial review.

President H. Guerrero: Chairman Guerrero?

Delegate DL. Guerrero: Yes. Maybe to satisfy the concern of Delegate Mafnas and let also be in the journal that if there's no objection from the delegate let the record show that it's the intent of the Convention that the Governor can issue an executive order if the Legislature fails to act. In that way, should the Legislature fail to act, then the Governor has that authority to initiate immediately.

Delegate Mafnas: Not that the Governor can act, the Governor must act. Is that the intent?

Delegate DL. Guerrero: That's the intent, if there's no objection.

Delegate Mafnas: No objection.

President H. Guerrero: Delegate Ogumoro?

Delegate Mafnas: I'm not through yet.

President H. Guerrero: Okay.

Delegate Mafnas: Question on government employment. The Legislature will establish its ceiling. Assuming that the position is \$20,000 per annum and agency needs two clerk-typists or one clerk-typist and one accountant total the annual salary of those two positions is less than \$20,000, maybe \$12,000. Is it the intent of this proposal that such position with an annual salary of \$20,000 cannot be restructured to create an additional position? Is that the intent of this?

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Delegate DL. Guerrero: That's correct.

Delegate Mafnas: May I ask why? If I'm going to say I need two people and restructuring one position, I'll be saving the government \$8,000, why can't be authorized. What is the rationale behind the Committee's recommendation?

Delegate DL. Guerrero: May I have Delegate Villanueva answer that question please?

President H. Guerrero: Delegate Villanueva?

Delegate Villanueva: I think the concern of the Committee is if we allow something like that, then the following year we can allow something else other than what Delegate Mafnas is talking about. The intention of the Committee is to limit. And if you have \$20,000 and you need a clerk-typist, you will be still saving the government \$8,000 if you just hire the clerk-typist instead of hiring two clerk-typists or three clerk-typists. And in the subsequent years, you are going to need not only clerk-typists but administrative assistant. So by limiting it to one position regardless of how much money is available for that position, the Committee felt that what the intention of this section is if you say you need one position, \$12,000 or \$20,000, that's all the position that you need. And this would be submitted to the Legislature for appropriation purposes.

Delegate Mafnas: But I need two positions, not one position.

Delegate Villanueva: Well, you need two positions, you submit your needs for two or more positions to the Legislature during appropriation, request for appropriation. We're not concerned with money here. Of course, when you submit three positions to the Legislature and the Legislature say, okay, we can only give you \$20,000 and you want to pay each position \$10,000 so you're going to need \$30,000 instead of \$20,000. We can only give you \$20,000 for the two positions. The other position you are requesting, you have to wait until an additional money is available through supplemental appropriation or through following year's appropriation.

Delegate Mafnas: No; I understand the Committee is definitely concerned about money and positions because you're talking about deficit, Mr. President. I think that was a joke from my Yapese, Delegate Villanueva. I support the intent; I think it's a good proposal. I'm just concerned about requiring the joint resolution approval in case Rota or Tinian needs a nurse to get the Legislature together because they need one position, a nursing position. I think, especially now that we passed the limiting the number of session days I can see that this will be tying the hands of the Administering Authority. So I hope that the Committee will take that into consideration. Thank you. support the proposal.

Acting Presiding Officer Calvo: Delegate Villagomez?

Delegate Villagomez: I move to end debate.

Acting Presiding Officer Calvo: Before we entertain that motion, I have on the list here Chairman Guerrero. Do you want to make some comments?

Delegate DL. Guerrero: No, Mr. President, I was just going to answer some of the questions but since Delegate Mafnas is satisfied now, then it's fine.

Delegate Mafnas: I'm satisfied.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Acting Presiding Officer Calvo: Okay. And fellow delegates, we have one more speaker after this motion. Delegate Ogumoro?

Delegate Ogumoro: Thank you, Mr. President. I have a couple of concerns here. We said that the Legislature shall adopt the seven-year plan. Who prepares the plan? Is it the Legislature or is it the executive branch? Does the executive transmit it over for adoption by the Legislature?

Acting Presiding Officer Calvo: Delegate Inos, can you answer that question, please?

Delegate Inos: This will be done by the Legislature. And in this provision, they are given the authorization to adopt a seven-year plan in which they will retire the deficit in equal shares.

Delegate Ogumoro: Yes, my question is who prepares that plan? Do we just leave it to the Legislature to get the whole thing rolling and then they themselves will adopt, or do we get the executive branch involved?

Delegate Inos: This is strictly legislative involvement.

Delegate Ogumoro: Thank you. My second question is, we're talking about approval of an increase in the number of bodies by a joint resolution of the Legislature. What does that entail here? What is the Committee foreseeing?

Delegate DL. Guerrero: Delegate Ogumoro, can you please repeat the question?

Delegate Ogumoro: Yes. On the second paragraph, entitled: "Section _____ Government Employment.", the last sentence reads "except upon specific approval by a joint resolution of the legislature, no public funds may be expended for personnel in excess of the ceilings so established." Is it a symbol? Are we envisioning the Legislature, both Houses, to meet in a joint session whenever there is a request for an increase in bodies in the executive branch?

Delegate DL. Guerrero: May I respond to her question, please?

Acting Presiding Officer Calvo: Go ahead, Delegate Guerrero.

Delegate DL. Guerrero: I think the first concern is self-answered in the very last sentence, which is in excess of the ceilings so established. That's why it's requiring the Legislature to enact by a joint resolution. In other words, joint resolution doesn't mean that both Houses have to sit in session jointly. A joint resolution can be passed from one House to another House.

Delegate Ogumoro: I am a little bit concerned because just to act on the increase or any reprogramming done by the executive branch we were encountered or at least through my experience in the Legislature, I know that we encountered problems trying to meet those reprogramming requests. Now in situations where the executive department directors have an urgent need or needs to increase their ceiling, are we, by putting in the Constitution, saying that whenever that need arises, we have to get the Legislature to meet to pass a joint resolution?

Delegate DL. Guerrero: Yes, Delegate Ogumoro, I believe that whoever needs that position, he must submit that on a prior year so at least it could be inserted or be planned for that position for the following fiscal year. And if you have any further questions, Delegate Villanueva is certainly happy to answer you.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Acting Presiding Officer Calvo: Delegate Villanueva?

Delegate Villanueva: No; I just wanted to extend on my Chairman's explanation. This last provision would require proper planning in case there is an emergency need for additional staff. Just like additional days for the Convention, the Legislature would muster all the necessary vote if they see that it's necessary to add additional staff to a department, agency and also appropriate additional money.

Acting Presiding Officer Calvo: Go ahead, Delegate Ogumoro.

Delegate Ogumoro: Isn't it sufficient to set a ceiling, that we set a ceiling on their budget, or not, I mean, to explicitly spell out that they do not exceed what is appropriated to them, whatever agency it is that is involved? My personal position is, if I am given an amount to work with as a department director -- if I'm given \$500,000, I should operate within that amount and I should be given that flexibility to operate. And I don't care how many bodies I have. I mean, it will be my neck when I come up for the next budget hearing. I have to be able to testify and I have to be able to justify the need for the increase and why was that increase made. I mean, I think it is putting too much limitation on our program managers. And I wonder if that would not hamper the effectiveness of our programs. That's my concern, Mr. President. And I have one last question too.

Acting Presiding Officer Calvo: Do we have any more discussions on that motion? Yes, Delegate Inos? If there's no further discussion on the subject matter, do I hear any motion?

Delegate Ogumoro: I have another concern.

Acting Presiding Officer Calvo: You may state your concern, Delegate Ogumoro.

Delegate Ogumoro: I think I'm not very satisfied with the second concern that I raised. My third concern is and was raised when the measure was up for First Reading. My concern was and still is, aren't we allowing, you know, for more deficits by including the last sentence of the first section? Isn't that opening up for more deficits in government? Why are we trying to accomplish here?

Delegate Inos: What we're saying here is that while we are providing for a provision to retire the already, the ones that we have now, the deficit that we have, if in case we should incur deficit during, let's say, the eighth year the following year the Legislature should have a plan to retire that deficit and not to compound it to the point that we have at the present time \$15 million. While we are giving them direction on how we would like for them to retire the deficit, we're also looking ahead and not to just be still when we retire the \$15 million deficit but we're also giving them a guideline in terms of how they should retire each year's deficit as incurred. I'm sure that the Finance and Other Matters Committee is really putting out a lot of reforms in terms of financial reforms and this is because we are aware, very much aware of the deficit that we have and a lot of it points a finger at the management. Part of your question, Delegate Ogumoro, deals with, why don't we give you an appropriation and on a set amount and you work within that appropriation. Yes, the Committee did deliberate on that but we feel the Committee's recommendation is the most appropriate that it will force us to plan ahead. Look at your program and plan for that program. And I don't think that if you plan, if you are a good planner, and that if you're a good manager that you will be coming

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

every time to the Legislature to say, "Oh, tomorrow I'm going to need another clerk, the next day I'm going to need another custodian." I think that when you make your year's budget submission to the Legislature or to the Governor, you will consider, you will foresee ahead and make sure that you include those in your budget. This is a very unique reform that we are trying to get ourselves into so that we will not be incurring future deficits and that it will force us to really be good planners.

Delegate Ogumoro: Yes, I would not debate that we need to be very good planners, especially when we are talking of deficit problem in the CNMI. My concern is get the bottom line out. And if you exceed that, then you'd be prosecuted. And so that we do not have to incur more deficits. The Appropriations Committee during the time I was sitting in the Legislature was faced with deficits every year -- not the Appropriations Committee but the CNMI -- and you know, I really feel that if we need to, if we're very sincere about putting and coming up with reforms that we should be strict. That anybody that exceeds what's appropriated to them, you know, that they be prosecuted, whoever is responsible.

Delegate Inos: I think that provision has already been addressed. This is the Committee's recommendation. And either way, Delegate Ogumoro, I urge you to support this because either way, I think it's going to be workable.

President H. Guerrero: Chairman Guerrero?

Delegate DL. Guerrero: Yes, let me try to help, maybe this will satisfy the question raised by Delegate Ogumoro. If you restructure it from a position, or say, two positions to three positions, then the next year, you know, there are three positions so you must be budgeted for. So that's all we are trying to say here that if you require it, make sure that you identify that on the following year.

Delegate Mafnas: May I? But the need is now not next year. The need is now that's her point. She's still within her monetary/budgetary limitations.

Delegate DL. Guerrero: But if you need to restructure your department, I'm sure that you have to justify the number of people that you have to put in your budget as long as you don't exceed your ceiling that is established.

President H. Guerrero: I understand that there was a motion to end debate; let's entertain that.

There being no objection, the motion to end debate was carried by voice vote.

President H. Guerrero: We're back to the previous amendment. We're voting on the floor amendment to Committee Recommendation No. 49. Secretary Nabors, can you take the roll call vote?

Secretary Nabors called the roll, and the motion to adopt Committee Recommendation No. 49, as amended, on Second and Final Reading was voted on, as follows:

YES: Delegates David Cing, Herman T. Guerrero, Lorenzo DL. Guerrero, Alonzo Igisomar, David Igitol, Rita Inos, Benusto Kaipat, Esteven King, Luis Limes, Jesus Mafnas, James Mendiola, Aniceto Mundo, William Nabors, Felicidad Ogumoro, Joaquin Tenorio, William Torres Ramon Villagomez and Ignacio Villanueva. (18 votes)

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

NO: Delegates Juan Lizama and Karl Reyes. (2 votes)

ABSTAIN: Delegates Vincent Calvo, Francisco Tomokane and Paul Manglona.
(3 votes)

ABSENT: Delegate Maria Pangelinan.

And the motion was carried.

Secretary Nabors: Mr. President, I have 18 affirmative votes, two negative votes, three abstentions, and one absent.

President H. Guerrero: So the measure is passed by 21 votes. I was away from the Chair and I understand that we should have voted for the amendment first. If there's no objection, we'll have this as it is. So ordered. Committee Recommendation No. 40, now.

Secretary Nabors read Committee Recommendation No. 40 in its entirety, as follows:

"COMMITTEE RECOMMENDATION NO. 40

"A PROPOSED CONSTITUTIONAL AMENDMENT

"To amend Sections 5 and 7 of Article XII of the Northern Marianas Constitution to prevent corporations from fraudulently qualifying as persons of Northern Marianas descent.

"BE IT ADOPTED BY THE SECOND CONSTITUTIONAL CONVENTION:

"Upon ratification pursuant to Section 5 of Article XVIII of the Commonwealth of the Northern Mariana Islands Constitution and Public Law No. 4-30, the Constitution of the Commonwealth of the Northern Mariana Islands is amended as follows:

"I. Effective upon ratification, Sections 5 and 6 of Article XII are amended to read:

"Section 5: Corporations.

A corporation shall be considered to be a person of Northern Mariana descent so long as it is incorporated in the Commonwealth, has its principal place of business in the Commonwealth, has directors one-hundred percent of whom are persons of Northern Marianas descent and has voting shares (i.e. preferred and common) one-hundred percent of which are actually owned by persons of Northern Marianas descent as defined in Section 4. Minors, as defined by applicable laws of the Commonwealth, shall not be eligible to become directors of a corporation. No voting by proxy shall be permitted."

"Section 6: Enforcement.

Any transaction made in violation of Section 1 shall be void ab initio. Whenever a corporation ceases to be qualified under Section 5, a permanent or long-term interest in land in the Commonwealth acquired by the corporation after the effective date of this Constitution shall be forfeited to the government of the Commonwealth of the Northern Mariana Islands. The Registrar of Corporations shall issue regulations to ensure compliance."

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

President H. Guerrero: Chairman Manglona?

Chairman Manglona: Mr. President, I move that the Committee of the Whole adopt on Second and Final Reading the Committee Substitute as passed around for Committee Recommendation No. 40.

Delegate DL. Guerrero: Just for clarification, there's no Committee of the Whole. This is a Convention plenary session.

President H. Guerrero: That's right. This is the Convention, we're not a Committee of the Whole.

Chairman Manglona: I stand corrected.

Delegate Tomokane: Point of information.

President H. Guerrero: State your point, Delegate Tomokane.

Delegate Tomokane: Did Delegate Nabors just read the original committee recommendation or the committee substitute?

Secretary Nabors: The original.

President H. Guerrero: Therefore, Delegate Manglona, we need to entertain first the adoption of that one and if you want to make a substitute, that's in order.

Chairman Manglona: Okay, I move that the delegates in this Convention adopt Committee Recommendation No. 40.

Delegate Mendiola seconded the motion.

President H. Guerrero: It has been moved and seconded to adopt Committee Recommendation No. 40. Discussions? Delegate Manglona?

Delegate Manglona: Mr. President, I move to amend Committee Recommendation No. 40 as stated in the committee substitute that was passed to all delegates earlier.

Delegate Mendiola seconded the motion.

President H. Guerrero: It has been moved and seconded to substitute Committee Recommendation No. 40 with the written amendment that was passed out earlier. Discussions? Delegate Villagomez?

Delegate Villagomez: Mr. President, are we now discussing the substitute?

President H. Guerrero: That's right.

Delegate Villagomez: On line 6, the word "precent" should be "percent". On line 8, the term "preferred and common" is more commonly said or is more commonly used by saying, "common and preferred". On line 19, the word "cure" -- think the legal terminology that is more commonly used is "the right of redemption" rather than the "right of cure" -- "right of redemption".

Delegate Nabors: Mr. President.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

President H. Guerrero: Delegate Nabors?

Delegate Nabors: The sense of that phraseology on line 19 was to avoid anyone who violates this law to ask the Attorney General for an opportunity -- 90 days to cure the defect. I think that we intended that word, though there may be a better word to accomplish that thought.

Delegate Villagomez: I see. And on line 18, I don't know whether the committee intended to make this entire proposal effective as of the date of the Constitution or as of the date of this amendment?

Delegate Nabors: This amendment.

Delegate Villagomez: So the word Constitution on line 18, should be "this amendment".

Delegate Reyes: Also on line 8, there's another "precent", it should be "percent".

President H. Guerrero: No objection from the members? These are technical corrections.

Delegate Villagomez: No objection.

Delegate Mafnas: Mr. President.

President H. Guerrero: Yes, Delegate Mafnas.

Delegate Mafnas: Are we amending the Constitution to address or ensure that two, three individuals do not abuse the provision as presently provided in the Constitution? I mean, you know, what really prompted this?

Delegate Villagomez: May I answer, Mr. President?

President H. Guerrero: Delegate Villagomez.

Delegate Villagomez: We're not so much as concerned about the two or three individuals that participate in actions that result in a lot of people losing their lands as we are in the large number of indigenous people, landowners who are losing their lands through the loophole that is contained in this current section of the Constitution. The intent is to protect the people, not to go against those who are using the loophole.

Delegate Mafnas: Another concern, what would this do to investment or invite foreign investors to come in? Did the Committee on Local Government make an extensive study of the possible impact if any? Or was it just done, you know in spare of the moment?

President H. Guerrero: Delegate Manglona?

Delegate Manglona: Mr. President, the Committee on Local Government made this amendment assuming that the long-term and permanent interest is increased to mean more than sixty years. So with the increasing of the limit for permanent and long-term interest, we feel that the investment or the development will not be hampered. So that was the understanding of the Local Government Committee and Personal Rights and Natural Resources to increase the forty years limitation so that we can accommodate the investors who will be discouraged by this amendment on Section 5 of Article XII.

2ND CON CON JOURNAL -- 21st Day
July 18, 1985

Delegate Mafnas: May I proceed?

President H. Guerrero: Please.

Delegate Mafnas: What makes you believe that the investors by giving them fifty-five years they will be receptive, or sixty years they will be receptive? What makes you believe? What kind of in-depth study did the committee do to ensure that, you know, this is really something that we must do and not because we look around and saw a few people abusing the loopholes in the Constitution?

Delegate Manglona: In the public hearing that we held, there were some investors there and they mentioned that the amendment to this section will really not discourage them if there is a corresponding increase in the definition of permanent and long-term interest. That will give them ample time to amortize their investment. So they feel that this really will not discourage the investors if there is that corresponding amendment.

Delegate Mafnas: What kind of investors were present during the public hearing? The investors of the poker machines? Or what kind of investors were present in the public hearing?

Delegate Manglona: Real estate.

President H. Guerrero: Can I get somebody else to answer? Delegate Nabors?

Delegate Nabors: Thank you, Mr. President. We invited Mr. Layne, Mr. Gridler, Mr. Batcheller, -- most of the attorneys on the island. Those who appeared at the hearing who I guess would qualify as investors would be Mr. Jack Little, Atty. Borja, Atty. Govendo, Mr. Manuel A. Sablan, Mr. Antonio S. Guerrero, Mr. Pedro Dela Cruz, Judge Laureta and Dan Rankapica, an attorney, and I think that those gentlemen are attorneys and also represent the investors. That's the complete list that I can recall. And the other point that I'd like to make in response to an earlier question was that the information that we got from the public hearing indicated that there are not a large number of investors who are -- what you call it -- utilizing this corporations provision for investment. The vast majority of investors are getting their land from a group of individuals who are utilizing this provision to garner property and then set up another corporation to which they are leasing this property. And that's why we felt that if we open the lease period up to sixty years, then investors could deal on top of the table rather than going through a substitute.

Delegate Mafnas: Mr. President, did we pass the proposal extending the lease to sixty years?

Secretary Nabors: That is next on the agenda.

Delegate Mafnas: Why don't we pass that first?

Delegate Villagomez: Okay; shoot.

Secretary Nabors: No objection.

Delegate Mafnas: I believe, Mr. President, that, you know, this is a significant change in our Constitution and I don't believe that the information gathered by the committee is sufficient to dictate the livelihood of the people for the next ten years. I hope and pray to God that this will not have an adverse affect on the economic development of our islands. We kept talking about

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

deficit, over deficit, over deficit. We just passed a liquidation plans to address that. And honest, I hope and pray that this will not have an adverse affect on the economic development in the Commonwealth. I sincerely believe that the committee did not do an in-depth study and I don't think the report is adequate to make a major amendment in our Constitution. Thank you.

Delegate Nabors: Point of information. Mr. President, within the limit of thirty-day allocation by the Legislature, I agree that all of us have had to rush a lot faster than we should or wanted. However, we went over this matter very carefully with the Attorney General, with Legal Counsel Bergsma of the House and we tried to cover all the possible situations, and it was their advice that this would be workable, viable amendment. And I, too, colleague pray to God that it will not impede but indeed promote development -- outside investment on top of the table. Thank you.

Delegate Mafnas: Point of information.

President H. Guerrero: State your point, Delegate Mafnas.

Delegate Mafnas: The two gentlemen, the Attorney General and Mr. Bergsma are not economists. They are legal experts. So I hope that the discussion, Mr. President, was not limited to the legal ramification of the proposal. They are not economists.

President H. Guerrero: Let me call on Delegate Reyes first.

Delegate Reyes: Mr. President, I have a concern on lines 11 and 12 here on sentence "No trusts or voting by proxy shall be permitted." My concern here is that voting by proxy is one of the normal activities of a corporation. As far as I understand it from here, even the hundred percent Northern Marianas descent cannot vote by proxy. If I'm reading it correctly, I'd like to have the committee reconsider this because the absence of our own incorporators from the island when the corporation is called to meet on a given time which they have to meet on that particular date as specified on the corporation, and if they are not able to give their vote by proxy, this is going to hamper the operation of the corporation.

President H. Guerrero: Thank you. Delegate Torres?

Delegate Torres: Yes, I understand the alarm of Delegate Mafnas. We, too, took great pains to consider all the possible ramifications of our action. We explored together with economists. Economists from the Department of Commerce and Labors and economist, Mr. Manuel A. Sablan, and industrialist --

Delegate Mafnas: Point of information.

President H. Guerrero: State your point, Delegate Mafnas.

Delegate Mafnas: I'm disappointed that Manny A. Sablan is considered an economist.

Delegate Torres: He is an economist by degree, unfortunately. He has a Master's Degree in Economics. Mr. Jess Sablan has a Masters Degree in Economics as well and Mr. Jesse Borja has a degree in Business, Jack Little has a background in industries. We assure the delegates that we did, we took great pains to make sure that what we're doing will end up in what we intend this to do which is to protect the indigenous people and at the same time attract foreign investors.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

to come in and invest in our economy. The committee has no desire, of course, to stifle economic development. No one is proposing to do just that. Your committee at the same time has no intent to disenfranchise or disinherit the indigenous people of their rightful ownership to their land. We believe that with the companion amendment which is Committee Recommendation No. 19, we address this competing and often conflicting interest of between economic development and political and economic subjugation. Mr. President, your Committee on Local Government took great pains to consider, re-consider, explore all the possible ramifications of this. And I will assure Delegate Mafnas that we did consult with economist, business-minded people, lawyers, a judge and other private citizens. Thank you.

President H. Guerrero: Let me call Delegate Tomokane.

Delegate Tomokane: Thank you, Mr. President. I would like to share with the other delegates who are not members of the Committee on Local Government. During the course of our study, we found certain facts to be obvious. One of our findings is that when the first framers of the Constitution inserted this particular article on restriction on alienation of land, the issue of economic development was entertained also. As a result of that, Section 5 was incorporated into this Article. The spirit of this article is very good. If hundred percent of that spirit is carried out, then benefits would truly be received by people of the Northern Marianas who I like to call land rich but cash poor. However, in the last seven years, that did not materialize. Instead this Section 5 has been utilized as a subterfuge for certain group of investors. Let me elaborate on that particular viewpoint. Lands have been acquired through this section whereby people who are ignorant of corporate functions, people who are not conversant with corporate activities are used and these people are not the ones that have land. They are used as figureheads in the corporation just to maintain that 51% qualification. By the time three or four levels of transaction is carried out, what happens is that only a few real estate brokers get the benefits and these real estate brokers are not persons of Northern Marianas descent. Based on that finding, we found that Section 5 should be stricken out. It's not working. It's not carrying out the intent and the spirit as conceived by the framers of the First Con Con. However, we have discussed before that if we repeal this in its entirety, then we will be penalizing some of our own people. And in order to prevent that from happening, this Committee Recommendation No. 40 with respect to Section 5 would alleviate that. Thank you.

President H. Guerrero: I call on Delegate Villagomez.

Delegate Villagomez: Just to be consistent. On line 10, the word "shall" should be "may"; on line 12, the words "shall", on two separate places, should be "may" and I move to end debate.

Delegate Nabors: In response to a question raised by Delegate Reyes, I'd like to ask unanimous consent that on line 11, the words at the end of that sentence "or voting by proxy" to be stricken.

Delegate Reyes: I think we have a better amendment, Delegate Nabors. It's going to read "No trusts or voting by proxy by non-Northern Marianas descent may be permitted." We add the words "by non-Northern Marianas descent" after the word "proxy" may be permitted.

Delegate Mafnas: Question. Why are you going to have non-Marianas descent when it's hundred percent wholly owned by Marianas descent?

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Delegate Reyes: As it is presently worded, proxy and trusts are completely out. But by putting the words "by non-Northern Marianas descent" mean that you can allow proxy by giving your proxy to a Northern Marianas descent.

Delegate Mafnas: Am I in order? If it is one hundred percent wholly-owned Marianas descent, why do you have to have a non-Northern Marianas descent?

Delegate Nabors: I think I can answer that, if I might, Mr. President. The reason why we put "trusts" at the suggestion of Mr. Bergsma was to avoid a situation where an outsider would form a hundred percent Northern Marianas descent corporation and then actually manipulate that corporation. If you guys own it and I'm going to form another corporation and give you thirty percent over here but you do everything that I say you do, and he in that instance as a parent corporation may attempt to get a proxy. And it will be necessary to put it down to avoid a situation as I described.

President H. Guerrero: There was a motion to end debate.

Delegate King: Yes, Mr. President, but I'd like to make a correction if you don't mind, please. On line 10, is Section 4 supposed to be under Section 5? I think this Section 4 should be out.

Delegate Mafnas: I move to recommit this to the Committee.

Floor Leader Lizama seconded the motion.

President H. Guerrero: There has been a motion to end debate.

The motion to end debate was carried by voice vote.

Floor Leader Lizama: I have not spoken yet, Mr. President.

President H. Guerrero: We're back to the main motion. Delegate Lizama?

Floor Leader Lizama: Mr. President and fellow delegates, I tend to agree that many of our local people have been taken advantaged by unscrupulous business minded people, in particular, outsiders or non-Northern Marianas descent from Korea, from the mainland United States, and perhaps the Yakuza from Japan. But we also have to recognize the fact that many of our people are participating in these unscrupulous business transactions. Some of those people that came to testify in the public hearing mentioned were Jack Layne, Jack Little and Gridley. We cannot forget the fact that they also have been very much involved in the unscrupulous business transactions in the Commonwealth depending on how you look at their transactions. But in a corporation like the Gridley and Jack Layne Corporation, we cannot ignore the fact, too, that that is a very well organized corporation. They have a specialist in real estate, they also have an attorney or two attorneys working for that organization. And whatever we do in this particular constitutional section, these people know better how to circumvent or how to make good for themselves regardless of whether we're going to approve this proposed constitutional amendment. And perhaps also, they have already established themselves so they do not necessarily have to worry about the future. Now, many of the legitimate companies, corporations in the Commonwealth are going to be affected by this particular proposed amendment. We have to recognize or respect those legitimate corporations. I doubt very much that many of our people really are affected very much so as we have tend or attempt to recognize. I do not recognize the same way that this Convention is recognizing or seems to recognize. I know that

2ND CON CON JOURNAL -- 31st Day
July 13, 1985

this seems to be favored by this Convention but I would like to express my lack of support for this amendment. And not because I have a fear that this is going to reduce my ability to do what I would want to do in the future with respect to outside investors. I can always work with outside investors and I think that we are all capable of doing that. This would not do any good to the people of the Commonwealth. For instance, a legitimate corporation with local participation. Now if this recommendation is approved, it would in effect jeopardize those legitimate corporations from taking advantage and at the same time benefitting from outside's investment support. The problem perhaps is whether we are specifically concerned with those illegitimate corporations as oppose to those legitimate corporations. I stand to see that there is a problem with the illegitimacy in the corporations that have been existing in the Commonwealth. Now, who do we blame for that? The Office of the Attorney General does not have the capability at the present time to monitor those corporations that are doing business illegitimately in the Commonwealth. Now, if there is any person involved in the Commonwealth and if we tend to see that that person is getting sot, getting screwed by that particular corporation, I tend to see that maybe that person has a remedy that he or she could seek. Now, that person can never be screwed up if there is a legitimate registered corporation and go out there and say, I'm getting screwed when he is in fact or she in fact belongs to that corporation. He or she has a recourse and that recourse is to go after that corporation and challenge that corporation for taking advantage of herself or himself. That may be the problem. Now, with respect to corporations that are legitimate, fifty-one percent owned locally. And who knows how they set up the fifty-one percent. how that fifty-one percent is set up. It is very conceivable that this fifty-one percent was never contributed in the first place. But at the same time, it is very conceivable that this fifty-one percent has a future. So we are talking about expected of future interest perhaps in this corporation. And why do we want to prevent people from transacting so that the future interest could be made a reality for these people? So I tend to -- I don't know where we are going to.

Delegate Torres: Point of information.

President H. Guerrero: Before we go on, the Chair just realize that we vote on the motion to end debate but we never voted on the substitute committee recommendation. So to rectify the records and to put everything in order, I would like to now vote on the committee substitute for Committee Recommendation No. 40 before we continue the discussions.

The motion to adopt the Committee Substitute for Committee Recommendation No. 40 was carried by voice vote.

President H. Guerrero: Discussions?

Floor Leader Lizama: I still have the floor, Mr. President, but there was a point of information.

President H. Guerrero: Delegate Torres?

Delegate Torres: Yes. I would just like to assure Colleague Lizama that we are only talking here about directors and voting. Take note of that -- voting shares. You can still involve your other investors if you would so desire. We are only restricting this to directors and to voting shares. Now, you can create other nebulous classes of shares and sell that out and you can involve other legitimate investors. This, I don't think this is strictly addressing

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

illegitimate businesses. I think it is addressing both, legitimate. It recognizes the need for legitimate businesses and it also attempts to rectify unscrupulous.

Floor Leader Lizama: So what is your point?

Delegate Torres: My point is you shouldn't have any fear because we can still involve outside investors here. Because we only want the corporation to be controlled by -- we only want the directors and the persons of Northern Marianas descent to control the voting shares and to be the directors.

Floor Leader Lizama: Delegate Torres, I didn't misunderstand. I'm not misconstruing the proposed committee recommendation. I think you are misconstruing the proposed committee recommendation.

Delegate Torres: You are implying that this is addressing illegitimate business only which is not the case.

Floor Leader Lizama: No, no, no; that's not what I was implying. What I was implying was that this would require one hundred percent shareholding by the Northern Marianas descent as well as one hundred percent directorship.

Delegate Torres: Incorrect. Voting shares -- take note of that carefully.

Floor Leader Lizama: If you see in the parenthesis, i.e. preferred and common.

Delegate Torres: And as I informed you that you can create a nebulous class of shares, special class.

Floor Leader Lizama: You may be right. I don't know what kind of a class, I mean shares that would be acceptable other than preferred and common. So I don't want to dwell on that issue because that's an issue that I am not prepared to argue. But if you look at what are included in this proposed committee recommendation, you are talking about two most acceptable types of shares. Now, I'm not going to talk about other shares that I'm not so familiar with but we are talking about the most acceptable ones and the fact that you are going to eliminate these two most acceptable ones, there is a ramification to that.

Delegate Torres: But we are not saying that we are going to close the doors and you seem to be implying that which is not the case. We are not closing the doors.

Floor Leader Lizama: I've never heard of a corporation, Mr. President and fellow delegates, ever been registered in the Commonwealth that has shares other than common and preferred. So I don't know.

Delegate Torres: Well, perhaps you should take more business classes.

Floor Leader Lizama: May I continue, Mr. President?

President H. Guerrero: Please.

Floor Leader Lizama: The other flows that this committee recommendation and maybe many of us don't realize it although we have said it before in the discussions during the Committee of the Whole. Somebody mentioned that this wi

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

grandfather those corporations that are already existing. Now, if you look at the language of this carefully on the committee recommendation, this has nothing to do with -- this has no grandfather provision. So maybe this is again a solicitous way of convincing the delegates that this is good for us because then what it would do is that it is going to just make or going to create a lot of problems with the existing corporations.

Delegate Nabors: Point of information.

President H. Guerrero: State your point, Delegate Nabors.

Delegate Nabors: We were advised by the Attorney General and by Attorney Bergsma that we could not even if we want it. And, of course, I think my colleague is well aware to the fact that we cannot make ex facto laws. What you currently own, you cannot be divested without due process of law.

Floor Leader Lizama: I agree and in fact I explained it very well to the Convention Consultant that even if it is not included that there would be a vesting already of that interest that already had been acquired. However, this poses a problem in the future because someone else would feel very insecure in the status of their interest and therefore someone is going to challenge this one; and well, we'll see what happens if it is challenged. I am not capable of concealing what would happen if this is challenged.

Delegate Torres: Point of information.

President H. Guerrero: State your point.

Delegate Torres: This provision, this amendment is pro-active. It is not retroactive. It will not apply to existing corporations. It will apply to new corporations. And I'm sure Delegate Lizama who is a Legal Counsel knows that laws are not necessarily retroactive.

Floor Leader Lizama: That's understood, Delegate Torres; you don't have to mention that. It was explained already by Delegate Nabors.

Delegate Torres: Well, if you do understand that, then perhaps you wouldn't question.

Floor Leader Lizama: That's not my problem. I don't have any problem with that. As I stated already, I discussed this with a consultant that this wouldn't have any retroactive effect even if the provision of grandfathering in is not there. However, it poses a problem. Perhaps, that's what I am suggesting. Now, the point that lastly that I want to emphasize in this committee recommendation is that suppose that this is ratified in the next general election, would anyone of us here believe that outside investors are going to come into the Commonwealth and incorporate themselves? Or what would be the effect?

Delegate Nabors: May I respond to that?

President H. Guerrero: Delegate Nabors?

Delegate Nabors: We dealt with this issue in-depth and the Attorney General suggested and I agree with him wholeheartedly and Attorney Bergsma that the Northern Marianas descent corporation owns the land. You form another corporation with the Japanese or outside investing partner. This corporation

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

leases the land to the outside, the mixed corporations. The land ownership is intact. And you get a legitimate corporation to the business.

Floor Leader Lizama: Yes. I understand that, Delegate Nabors. Perhaps it is conceivable that the outside investors will form a hundred percent corporation here in the Commonwealth and then they would probably form another corporation to manage the one hundred percent corporation. I understand that. But I have a little bit of a problem here because as it is right now, foreign corporations can be registered in the Commonwealth and they can be legitimate corporations. Now, what this means is that many of those foreign corporations are going to come into the Commonwealth and they are not going to incorporate themselves locally. What they are going to do, they are going to register their corporations that were created somewhere else. And so, do you think that this would encourage that to happen? I doubt it. That's the only thing I would want to say.

Delegate King: Privilege.

President H. Guerrero: State your privilege, Delegate King.

Delegate King: Delegate Villanueva is laughing. I'm just wondering why he is laughing.

(Laughter)

President H. Guerrero: Delegate Guerrero?

Delegate DL. Guerrero: Yes, thank you, Mr. President. I, for one, support the committee substitute amendment. As I stated earlier also when I raised my concern regarding this particular issue during the Committee of the Whole's discussions that I don't think the intent is that our people or the past history of our people in incorporating with foreign corporations or foreign interests is that we are selling our rights, and I stated that I don't think that that was the intent. The committee substitute recommendation is simply to protect our indigenous interest which is the CNMI descent from carrying it away with outside investors. And I believe the committee did a well done job on this one by protecting the interests of our people and I believe that's the direction of this Convention that must be adhered to. So I support it for the benefit of our citizens.

Floor Leader Lizama: Mr. President?

President H. Guerrero: Delegate Lizama?

Delegate Villagomez: Point of order. Mr. Lizama has been recognized too many times and for a long time. I've raised my hand thirty minutes ago and my name should be in the list.

President H. Guerrero: I'm sorry. I apologize; I did write your name down.

Floor Leader Lizama: I will yield to Delegate Villagomez.

Delegate Villagomez: In addition to the existing corporations not being affected by this amendment also if they continue to exist under the current provision, which is fifty-one percent, then they would not be affected by the one hundred percent. If they go below the fifty-one percent, even after the effectiveness of this amendment, that's when they would lose their ability

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

own land. So the effectiveness of fifty-one percent to those corporations that now exist will continue in to the future even after the approval of this amendment. I want that to be very clear in the record for court purposes. Thank you.

President H. Guerrero: Delegate Lizama?

Floor Leader Lizama: I just want to say this now that if the existing constitutional provision is not doing any good for the island, in particular, of Rota, I wonder how this would do more better for the island of Rota.

President H. Guerrero: Delegate Ogumoro?

Delegate Ogumoro: Thank you, Mr. President. When we voted on the Covenant we were campaigning for the Covenant, many of our people were very concerned about what is going to become of our land and many of them opposed that Covenant based on that thinking that they would lose their land. Now, the people that went out to campaign for that document assured that with the provision in our Covenant and a further provision in our Constitution, our lands will be protected and that persons of non-Northern Marianas descent would not buy lands, except pursuant to the provision that is included in the Constitution. Now, after hearing the discussion on the measure, I have got the impression that individuals of non-Northern Marianas descent are now holding lands here in the Commonwealth. From the public hearing that was conducted by the Committee on Local Government, did the Committee get that information or get the information as to how many non-Northern Marianas descents are now holding land in the Commonwealth under the guise of Section on Corporations?

Delegate Nabors: May I respond to that?

President H. Guerrero: Delegate Nabors?

Delegate Nabors: Thank you, Mr. President. I apologize to my colleague, Delegate Ogumoro, if we conveyed the impression that there were persons of non-Northern Marianas descent or corporations holding land. What is happening is that individuals are forming dummy corporations using people of Northern Marianas descents as fronts. They go to the lawyer with the foreign investor, the lawyer prepares the corporation documents, they all sign and go outside the lawyer's office and the local person gets paid off. Here is your fifty-percent share, see you next year and in the interim I will vote your share.

Delegate Ogumoro: I'm still not satisfied. Did the Committee make that finding, or did the Committee learn anything in their investigation with regards to this question that I'm now posing?

President H. Guerrero: Can a member of the Committee answer that? Delegate Torres?

Delegate Torres: Yes. I think Delegate Ogumoro hit on the key word -- guise. It is extremely difficult to detect these kinds of people because they are using guises. As a matter of fact, we requested the Registrar of Corporations to be present in this public hearing and unfortunately we got the letter -- which says that the Registrar doesn't know anything.

Delegate Ogumoro: Now, thank you very much, Delegate Torres. I am not going to support any further amendments on anything that has to do with land alienation.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

tion until we start correcting what is really happening, until we find out what is really wrong with the present system. I think something is going on. We got to be honest to our people. I would like to get that information. I'm sure that a lot of our people that do not know what is going on are not aware of what actually is happening in the Commonwealth. I would like to have that information so that I could go out to the people of the Northern Marianas and tell them exactly what is happening in the Commonwealth. The termination of the Trusteeship Agreement has not been terminated yet and these kind of abuses or shall we call them abuses, are now ongoing. Now, what is happening to us?

President H. Guerrero: Delegate Kaipat?

Delegate Kaipat: Thank you, Mr. President. In my previous discussion on the same matter, I mentioned that time that I was quite concerned about the gradual but progressive loss of land and I had been looking around for the loophole. There must be a loophole somewhere in our laws -- Constitution. And most of us have probably seen the tremendous increase in number of ownership of land government lands and private lands in the Marianas by outside investors. And I also mentioned at that time that there were guises who are hiding behind the fifty-one percent vote rights and also behind the very word being labeled as a Northern Marianas descent -- the corporation of the Northern Marianas descent. Now, we have found the loophole. What we are doing now is just plugging up the loophole; so simple as that. We have found the loophole and these people have been using us, using our names, hiding behind the false title of Northern Marianas descent, using our people and playing with the fifty-one percent voting rights and power. So I think the Committee have found the loophole. This is not the only loophole, I'm sure. There are many other areas. We have to really dig it down deeper into land alienation business corporation. I have a feeling that these are the two other major leaks in our land, you know, land going into outsiders or alien corporation. So, it's so simple as that. We have found the defect or the loophole in our law and we are now in the process of plugging it. And after the effect or the consequences, after we plug with hundred percent as the Committee used, then the leak will slow down, then we have time to sit back and analyze how can we go about these. Probably we can make it more stronger by bringing out more power on the part of the people of the Northern Marianas in this area. And this maybe would double plug the same loophole. Thank you, Mr. President.

President H. Guerrero: Delegate Villanueva?

Delegate Villanueva: Mr. President, I have two questions to the Committee. First, is it correct that the present corporations that are incorporated under the fifty-one percent would be grandfathered by this committee recommendation that only for one year during the livelihood of this, or every year we have to, or is it indefinite?

Delegate Nabors: It's indefinite as long as the corporation, the ownership does not go below fifty-one percent, as Delegate Villagomez has pointed out earlier. But only, or presently, only for land that you have already acquired you may not acquire any more.

Delegate Villanueva: The other question is, can you persuade me to believe that those people who appeared in the public hearing are not in favor of the hundred percent so they will be protected?

President H. Guerrero: Can any of the members has response to Delegate Villanueva's question?

2ND CON CON JOURNAL -- 31st Day
July 13, 1985

Delegate Torres: Please repeat your question and try to be more specific?

Delegate Villanueva: In line with the question that Delegate Nabors answered that those people who are incorporated now under the fifty-one percent will be grandfathered after the effective date of this one hundred percent requirement. Those people who appeared in the public hearing who testified and are representing real-estate brokers or corporations, I want the Committee to persuade me that these people or these representatives are not really in favor of this so that they will be protected from other competitions that might come in.

Delegate Torres: May I answer that?

President H. Guerrero: Delegate Torres?

Delegate Torres: I think Delegate Villanueva is kind of twisting things around by saying that those who were present are not in favor of this proposal. I find that kind of eccentric. Anyway, let me answer it.

Delegate Villanueva: I'm saying that they are in favor.

Delegate Torres: Are you saying they are or are not in favor?

Delegate Villanueva: I'm saying that can you persuade me that they are in favor of this because they are protected.

Delegate Torres: Okay. I asked a specific question about this specific provision. We all recognized at that public hearing that it is not working so I posed the question. The fact that it is not working, should the fact that it is not working convince us to repeal the entire section. The answer was negative. Okay. So I asked again. So how then can we improve this section if you do not want to repeal it since it is not working. Judge Laureta came out with a pretty novel idea when he said that you should tighten that thing up but you should also recognize that you still need investors to come in. The way to do that is to extend the life of the leasehold interest.

Delegate Nabors: May I also provide an information to my colleague?

President H. Guerrero: Delegate Nabors?

Delegate Nabors: It may boil down, Delegate Villanueva, those individuals in existence today, they are controlling land. And actually, I guess the bottom line is that it is a lesser of two evils. So you close the loophole to avoid further proliferation, or do you leave it as it is which is sure to increase.

Delegate Villanueva: Well, the question I'm asking is this. Why don't we just close the loophole and not give those people the opportunity to acquire more lands through the guise of fifty-one percent local ownership?

Delegate Torres: I think this proposal will close that loophole. But as Delegate Villagomez and as Counsel Lizama and I'm sure Colleague Nabors had explained that we cannot make laws applied retroactively, cannot. It's just like the case of aliens getting permanent residency, they have vested rights already. We cannot correct the wrongs already. What we are trying to do is to prevent future wrong doings. These people have vested rights already. We cannot take it away from them. So I think this proposal will prevent, will close future loopholes. Thank you.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Delegate Villanueva: Would this stop those guises who have twenty-one per cent ownership from continue owning other land?

Delegate Villagomez: They cannot buy new lands.

President H. Guerrero: Delegate Mafnas?

Delegate Mafnas: What we are saying then, Mr. President, that the framers of our Constitution failed us?

Delegate Villagomez: Yes.

Delegate Nabors: Point of information.

President H. Guerrero: State your point, Delegate Nabors.

Delegate Nabors: The framers of the Constitution attempted to stimulate the economy. As one of the witnesses in the hearing, Mr. Manuel A. Sablan, said he, too, was a framer or in the Covenant had attempted to provide a vehicle stimulate investments and it didn't work. They didn't fail.

Delegate Mafnas: It did not work?

Delegate Nabors: It is not working.

Delegate Mafnas: So as a result of the failure of the framers, many of our people were robbed. Is that what you are saying here and we should stop them from being robbed tomorrow and day after tomorrow?

Delegate Nabors: Certainly to that effect.

Delegate Mafnas: Mr. President, if that is the case, then I condemn the framers of the first Constitution of the Northern Marianas.

Delegate Villagomez: Thank you.

Delegate DL. Guerrero: Point of information, Mr. President.

President H. Guerrero: State your point, Delegate Guerrero.

Delegate DL. Guerrero: Yes, you know, the concern raised by Delegate Mafnas about the framers of the First Constitutional Convention, it is now the people are being ripped or being robbed. I think that's an incorrect statement.

Delegate Torres: Point of information.

President H. Guerrero: State your point, Delegate Torres.

Delegate Torres: I think that the framers, although I have my own observations had intended to protect the people within that fifty-one percent; but you know I mean we are operating on assumptions and I'm sure they also did operate on that assumption. We have experienced the fifty-one percent for seven years. It's not working. We also have experienced the remodeled system of Local Government; it's not working. So I guess the purpose of this Convention is look at these things and make them work. Thank you.

President H. Guerrero: Delegate Lizama?

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

Floor Leader Lizama: Yes, Mr. President, I agree that the fifty-one percent is not working. And I can tell you why. Because I, for one, if a client comes to me and says, incorporate fifty-one percent at a title holding company I would say, no, because this does not give any much assurance to outside investors. Now what we have here is really providing for this kind of a system where legitimate corporations can come here and take advantage of this as oppose to illegitimate corporations. Now, that's why I'm saying that there's nothing wrong retaining this one because this is not working. Now, a client comes to me and says he wants to form a title holding company. I'll say, we before you do that -- there are two possibilities actually. First, I could have that land leased to that person after the company buys it. So it's not working. That's very true; it's not working. But imagine, increasing it from fifty-one percent to one hundred percent, you are going to be eliminating the alternatives and that is to provide for opportunities for legitimate corporations to be established in the Commonwealth and the people of the Commonwealth can take advantage of that by becoming participants in that corporations. As like I said earlier already, the possibilities of those individuals perhaps can acquire some kind of a future interest in the company.

Delegate Torres: Point of information.

President H. Guerrero: State your point, Delegate Torres

Delegate Torres: Yes, we do recognize legitimate and illegitimate business. I think this amendment, in addition to the accompanying amendment which is I would take care of that problem. What we are saying here is, okay, we recognize a problem; lands are being taken away from us. What can we do? Let's try to prevent that from happening again. Well, what do you do with economic development? Well, let's not stifle it. Let's attract more foreign investors. How do we do that? Extend leasehold interest. In this scheme not only will the local people benefit from an extension of leasehold interest but the outside investors as well because the investors will have enough time to recover, to amortize their capitalization cost and at the same time maximize profits. And then by all means depart for a greener pasture elsewhere. Thank you.

Delegate Nabors: Motion to end debate.

President H. Guerrero: No. Delegate Reyes?

Delegate Reyes: Just a short notice here, Mr. President. Maybe to release a little of the fear of our colleagues on abrupting this corporation, I'd like to just mention that the outside capital can still be attracted here by the use of other forms of businesses such as partnerships, subsidiaries, agencies, sole proprietorships and foreign corporations. These are still available for outside capital to come in. And perhaps if the corporation is one hundred percent CNMI, then they can go on a truly, evenly divided partnership and businesses. Thank you, Mr. President.

President H. Guerrero: Delegate Villagomez?

Delegate Villagomez: Mr. President, we've gone over the same grounds over and over again. I move to end debate.

Delegate Nabors seconded, and the motion was carried by voice vote.

Delegate Mafnas: Privilege.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

President H. Guerrero: State your privilege.

Delegate Mafnas: I would like the record to show that the Second Northern Marianas Constitutional has come to rescue the wrongdoing or the failure of the framers of the First Northern Marianas Constitutional Convention. Thank you.

At this point, Secretary Nabors started calling the roll.

President H. Guerrero: Just before you do that, let me state that we are voting on the Committee Substitute for Committee Recommendation No. 40, as technical amendments were made. Secretary Nabors, can you take the roll call?

Secretary Nabors called the roll, and the motion to adopt the Substitute Committee Recommendation for Committee Recommendation No. 40 on Second and Final Reading was voted on as follows:

YES: Delegates Vincent Calvo, David Cing, Herman T. Guerrero, Lorenzo D. Guerrero, Alonzo Igisomar, David Igitol, Benusto Kaipat, Esteven King, Luis Limes, Jesus Mafnas, James Mendiola, Paul Manglona, Aniceto Mundo, William Nabors, Karl Reyes, Joaquin Tenorio, Francis Tomokane, William Torres, Ramon Villagomez and Ignacio Villanueva.
(20 votes)

NO: Delegates Juan Lizama and Felicidad Ogumoro. (2 votes)

ABSENT: Delegate Maria Pangelinan.

And the motion was carried.

Secretary Nabors: Mr. President, I have 20 affirmative votes, I have two negative votes, I have one abstention and one absent.

Floor Leader Lizama: Point of information, Mr. President.

President H. Guerrero: What's your point.

Floor Leader Lizama: Delegate Nabors, two negative votes?

Secretary Nabors: Yes, Delegate Lizama and Delegate Ogumoro.

President H. Guerrero: Committee Recommendation No. 40 passed by 21 votes. The Chair would like to recommend in view that we have been working nights for the past week that it might be in the best interest that we might have a good night rest. And if no one objects, the Chair would like to suspend the Order of Business and probably go back under (f), Committee Recommendations, to include Committee Recommendation No. 66 and also to consider it as First Reading so we can entertain it tomorrow on the General Orders.

Delegate Torres: Mr. President, is that 66 or 65?

President H. Guerrero: Excuse me, 65.

Delegate Mafnas: No objection.

COMMITTEE RECOMMENDATIONS/REPORTS

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

President H. Guerrero: Can I call then on Chairman Lizama to submit your report on Committee Recommendation 65?

Chairman Lizama: Thank you, Mr. President. Mr. President, the Committee on Governmental Institutions submits Recommendation No. 65.

President H. Guerrero: The Chair accepts Committee Recommendation No. 65. C you read the title at least for introduction and consider it as First Reading.

INTRODUCTION, FIRST READING AND REFERRALS OF PROPOSALS

Chairman Lizama: This is a proposed constitutional amendment to amend Section 2(a), Section 3(a) and Section 3(b) of Article II of the Northern Marianas Constitution relating to the composition of the Senate and the House of Representatives.

President H. Guerrero: Thank you, Chairman Lizama. Now we'll go all the way down to Miscellaneous, Item (M). Chairman Lizama?

MISCELLANEOUS BUSINESS

Chairman Lizama: Mr. President, on behalf of the President, I move to reconsider Committee Recommendation No. 26 on the Washington Representative. Pursuant to Rule 51(c), the vote on this motion to reconsider will come under Second and Final Reading on Saturday.

Delegate Mendiola seconded the motion.

Delegate Mafnas: No problem.

President H. Guerrero: Chairman Manglona?

Chairman Manglona: Mr. President, I move to reconsider page 6 of Committee Recommendation No. 41 on Local Government. Pursuant to Rule 51(c), the vote on this motion to reconsider will come under Second and Final Reading on Saturday.

Delegate Nabors seconded the motion.

President H. Guerrero: Under our Rules, this will be considered on Saturday.

Delegate Mendiola: Mr. President, I move to reconsider Committee Recommendation 20 on Land Acquisition, under Rule 51(c), on Saturday.

Floor Leader Lizama seconded the motion.

Delegate Mafnas: Mr. President, what was Delegate Manglona's motion?

President H. Guerrero: Can you restate your motion, Delegate Manglona?

Delegate Manglona: Yes. The motion I made was to reconsider page 6 of Committee Recommendation No. 41 on Local Government. Pursuant to Rule 51(c), the vote on this motion to reconsider will come under Second and Final Reading on Saturday.

Delegate Mafnas: Mr. President, I have no objection to that and I will ask the Chair not to place it on the first Order of Business. No, not on the first.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

President H. Guerrero: That's the prerogative of the Chair.

Delegate Mafnas: I will ask the Chair to....

President H. Guerrero: Delegate Nabors?

Delegate Nabors: I would like to make a motion to reconsider Committee Recommendation 16 on ratification of the proposed amendments and be placed on Saturday's calendar or subsequent.

Delegate DL. Guerrero seconded the motion.

President H. Guerrero: Delegate Ogumoro?

Delegate Ogumoro: Thank you, Mr. President. I would like to move that we reconsider Committee Recommendation No. 40, with all due respect to the Committee on Local Government, relative to corporations.

Delegate Mafnas seconded the motion.

Delegate Ogumoro: And I also would like to move that we reconsider Committee Recommendation No. 42 relative to gambling. Thank you.

Delegate DL. Guerrero seconded the motion.

President H. Guerrero: Was there a second to both motions? If there's no second, so at least it would require a majority votes according to Rule 51 at such time whether it can be taken up. All these reconsiderations will be taken up on Saturday at the earliest, pursuant to our Rules. Yes, Delegate Mafnas?

Delegate Mafnas: Mr. President, are we voting on the reconsideration? When are we voting on the reconsideration?

President H. Guerrero: According to our Rules, subsection (c) of Rule 51, it states: "A motion to reconsider in a Convention may not be called upon to the second day after it is moved and shall require an affirmative vote of majority of the delegates to the Convention." So the vote is on Saturday. They are just basically giving notice.

Delegate Mafnas: Okay.

President H. Guerrero: Any other miscellaneous? If none -- yes, Delegate Limes?

Delegate Limes: Thank you, Mr. President. Tomorrow at three o'clock there is a ceremonial....

President H. Guerrero: Can we wait until Announcements?

Delegate Limes: Well, wouldn't that be a miscellaneous? There was already an announcement that was passed out yesterday. I'm just reminding, Mr. President about the time tomorrow which is three o'clock for my fellow delegates who ever would like to go down to be with us tomorrow at 3:00 p.m. Thank you, Mr. President.

President H. Guerrero: My apology, Delegate Limes. I'm somewhat tired. So

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

probably if we have a good-night sleep tonight and come in early and then probably recess before or adjourn tomorrow at least an hour prior to the convening in view that you are the Master of Ceremony. Delegate Mafnas?

Delegate Mafnas: May we have a list of those committee recommendations that we passed by tomorrow, Mr. President, for our inventory? Those that had already passed the Convention or had been adopted by the Convention, can we have a clean sheet listing them?

President H. Guerrero: We do, but we have not taken up as of today.

Delegate Mafnas: By tomorrow.

President H. Guerrero: By tomorrow? Okay. The status sheet, in other word

Delegate King: Mr. President?

President H. Guerrero: Yes.

Delegate King: I was thinking that it is better for us to rest tomorrow rather than tonight because the Carolinian Affairs are inviting us to come down tomorrow at three o'clock and the wake also. So I think if it's possible to work tonight at least up until ten o'clock.

Delegate Nabors: I nominate Delegate King to work tonight.

(Laughter)

President H. Guerrero: Delegate King, if we have a good-night sleep so we can.... It seems like the debate is going around in circle and we kept asking probably the same....

Delegate King: No, I'm not debating. I'm just making a suggestion.

President H. Guerrero: Well, the Second and Final Reading is debate and it's best if we get a good-night sleep and be well rested and come in early in the morning, like eight o'clock and start from there.

Floor Leader Lizama: Eight o'clock or nine o'clock, Mr. President?

President H. Guerrero: Eight-thirty.

Delegate King: Seven-thirty.

Delegate Mendiola: Mr. President, make it 7:30 so everybody could be here at 9:30 as usual.

Delegate King: I believe we never conducted our meeting on time so why don't we come here 7:30?

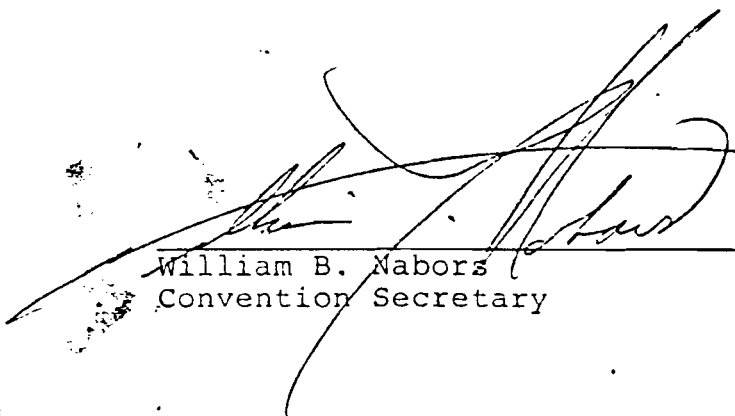
President H. Guerrero: Because when we say 7:30, everybody shows up later. But can we make it at 8:30? If there's no objection, we'll adjourn until tomorrow at 8:30 promptly.

There being no objection, the Convention adjourned at 5:53 p.m. and to reconvene at 8:30 a.m., Friday, July 19, 1985.

2ND CON CON JOURNAL -- 31st Day
July 18, 1985

APPROVED:

Herman T. Guerrero, President
Northern Marianas Constitutional
Convention



William B. Nabors
Convention Secretary

SECOND CONSTITUTIONAL CONVENTION
of the
NORTHERN MARIANA ISLANDS
Convention Hall - House of Taga
Saipan, CM 96950

SUMMARY JOURNAL

Thursday, July 18, 1985

Thirty-first Day

The session for the 31st Day of the Northern Marianas Constitutional Convention was called to order at 10:05 a.m., by President Herman T. Guerrero. Twenty-two (22) members were present; Delegates Maria Pangelinan and Juan Lizama were excused. The Summary Journal for the 30th Day (July 17, 1985) was adopted by a voice vote.

There were no Communications. There were no Committee Recommendations/Reports. There was no Introduction and First Reading or Referral of Proposals.

On Second and Final Reading, a total of 16 matters were to be considered. CR No. 20 (Acquisition) was taken up, discussed and approved 20-0, with four (4) members absent. CR No. 56 (Attorney General) was taken up, discussed and approved on a 20-1 vote, with three (3) members absent. CR No. 36 (Legislative Veto) was deferred. CR No. 42, which did not appear on the original agenda, was taken up. Delegate Bill Nabors offered a substitute amendment to CR No. 42. Following discussion of the Nabors amendment, it was approved by a 12-7 vote. Delegate Ramon Villagomez offered an amendment to the report, which passed by a 19-2 vote, with 3 members absent. Following that vote, the Convention recessed at 12:50 p.m., until 2:30 p.m.

At 2:45 p.m., the session resumed. After further discussion of the effect of the Villagomez amendment to CR No. 42, which had passed prior to lunch, the proposal received Second and Final Reading by a 19-2 vote, with 2 members absent. CR No. 61 (Legislative Bureau) was taken up, discussed and passed on a 23-0 vote with one (1) member absent. CR No. 8 (Victims of Crimes) was taken up, discussed and passed on a 23-0 vote, with one (1) member absent. CR No. 25 (Civil Service Commission) was taken up, discussed and passed on a 23-0 vote, with one (1) member absent. CR No. 49 (as amended; Public Debt) was taken up, discussed and passed on a 20-2 vote with two (2) members absent. CR No. 40 (Corporations) was taken up, discussed and passed (in substitute form) on a 21-2 vote, with one (1) member absent.

At 5:47 p.m., under suspension of the rules, Governmental Institutions Committee Chairman Juan Lizama read CR No. 65 for Introduction. It will be calendared for July 19, 1985. Delegate Lizama moved to reconsider CR No. 26 (Washington Rep.) on July 20, 1985. Similar reconsideration motions were made by Delegate Paul Manglona on CR No. 41 and by Delegate Felicidad Ogumoro on CR No. 40.

In Miscellaneous Business, Delegate Luis Limes reminded members of the dedication of the Carolinian Utt at 3:00 p.m., on Friday, July 19, 1985. Delegate Jesus Mafnas asked for a list of proposals passed and pending. Delegate King urged an evening session. He received no support.