

**31ST DAY - 2ND CONSTITUTIONAL CONVENTION
JULY 18, 1985
COMMITTEE RECOMMENDATION NO. 42**

The Chair recognized Delegate Nabors.

Delegate Nabors: Committee Recommendation No. 42 - A proposed constitutional amendment to add a new section to the Constitution relating to gambling in the Northern Mariana Islands.

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 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 involves bingo, batu, cockfighting, raffles, or other activities owned and operated by religious, governmental, or non-profit corporation."

"Section 2. Legalized Gambling. Other forms of gambling may be permitted if 2/3 of the registered voters in a referendum held in a Senatorial District approved of a gambling activity within that district. Upon approval of gambling pursuant to this section, the Legislature shall regulate the gambling activity by law."

The Chair recognized Delegate L. Guerrero.

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

The motion was seconded.

The Chair recognized Delegate Nabors.

Delegate Nabors: Thank you, Mr. President. On behalf of myself and fourteen others, I wish to offer a substituted measure for Committee Recommendation No. 42. The substitution has been passed out to each of our delegates, and if you like, I could read.

Delegate L. Guerrero: I would like the mover to read and I will second it.

Delegate Nabors: Thank you.

The Chair recognized Delegate Ogumoro, who moved for a brief recess. The convention recessed for five minutes.

The convention reconvened its session.

Delegate Nabors: Mr. President, may I continue? (The Chair recognized him.) Thank you. This is a proposed amendment and a substituted 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 2/3 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 30 percent of the revenue generated shall remain within that Senatorial District for local community projects.

I so move, Mr. President.

The motion was seconded. Delegate King raised a point of order. The Chair recognized him.

Delegate King: May I ask why we're discussing Committee Recommendation No. 42 when it's not listed under item "H", 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 talk soft.

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

The Chair recognized Delegate Mafnas on point of observation.

Delegate Mafnas: That was the first joke for the morning. (Laughter)

The Chair recognized Delegate Tenorio.

Delegate Tenorio: When Delegate Nabors first submitted this proposed amendment, he prefaced his 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 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 address gambling. I was satisfied with the original

proposal. When I read this proposed amendment, I felt rather scared. I would support 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 accept or I would not support this proposed amendment but I will continue to support the original proposal. Thank you.

The Chair recognized Delegate Nabors.

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

The Chair recognized Delegate Mafnas.

Delegate Mafnas: 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 7 years. The information that we received with respect to the revenues generated by the poker machines changed my position and now I am supporting the inclusion of poker machines. We have been asked by the U. S. Government to reduce the work force in our government. This business generates 150 jobs of which 80 percent is local or 130 some. It allows our people to earn approximately \$900,000 in salaries. It allows our people every 15 days to say that "I earned this and I am able to feed my children because I worked 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 or establishments 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 Loan 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 are we 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're going under assumptions. Are we talking about people in this chamber? or are we talking about 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 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 will 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 one 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 stability. And this, Mr. Chairman, will clearly indicate our instability. I do not understand or I do not know where are we going to get the money to find jobs for the 130 local people who are now earning their bread and butter from this business. The Government as I stated earlier has been requested by the U. S. Government to reduce its workforce. In June of next year, we will have approximately 300 new high school graduates. Over 200 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 in the Northern Marianas is very unstable and discouraged 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 any further delay. Thank you.

The Chair recognized Delegate L. Guerrero.

Delegate L. Guerrero: First of all, as Chairman of the Committee that reported this thing out to the floor the Committee Recommendation No. 42, it was supported with documents during public hearings. During this last few days we received some statistics that I do not know how accurate these statistics are, but the committee's recommendation before reported to this convention will be at that particular point and time when we're conducting public hearing, will be most appropriate that this particular information that is distributed to us today will help will be very helpful to the committee to make that determination to include -- should be included as presented by the public hearing. 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. They were invited, for the record. And to my surprise that they waited to this very last momentum when this convention had to make this decision. I for one, I am not totally against gambling because I play poker myself, but the statistics before us is only mentioning the total number of people employed -- 150 or maybe more. Out of this, assuming of 80 percent, I would like to know how many local people, how many Filipinos, how many

Americans, should there be any American. I think it will be very helpful, really, when we're talking about its contribution to the community. It just gives us a lumpsum figure. Certainly the revenue generating will defray cost of the government operations, but we're talking about \$900,000 some. How many of this \$900,000 really or even the employees are really of Marianas descent -- local, indigenous. The statistic doesn't convince me really how many of these money that we're generating is coming from outsiders, such as tourists. It only gave us the total amount. Our very concern on this particular issue is really the stability of our people in their economy situation of their families whether these people who are playing can really support their families. But I hope that under no interpretation that I for one against legalized gambling. I believe, if it's well conducted, well legalized, established by law to regulate how much or what percent will be paid out to the players, I will 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 are receiving when you're playing the machine. I think we still have to ask that question in our mind. We understand gambling is a gambling. It's a game of chance. But, Mr. President and members, I could only support the amendment simply because there were religious people that were present during that public hearing. They didn't make any official position regarding the poker machines because I addressed that question myself to Monsignor Martinez whether the Catholic religion has made any position regarding the poker machines. And he said there is 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 other members of my committee will be present at least, be given an opportunity such as Delegate Pangelinan that she is very much opposing of legalizing this gambling. Unfortunately, she's not present today to defend her position, but I hope also that she'll be present at this point in time so that 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 they came up to the very last day when this convention has to make this decision. The statistics that was passed would have been very much helpful, should have been presented during the public hearing that we conducted twice. For some reason, they were not present and now we are receiving this information before us. I appreciate providing the committee this necessary information so we can finalize our decision in casting our vote whether we vote "yes" or "no". Thank you.

President H. Guerrero: For the point of information for Delegate Guerrero, the Chair did request that Delegate Pangelinan, as well as Delegate Lizama be tried to get in touch. I was informed that they cannot track down at this time where Delegate Pangelinan is and Lizama indicated that he might come, he might not. So the Chair has taken the initiative to ensure that we track down the original sponsor 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 would not be able to have poker machines at the departure section?

The Chair recognized Delegate Nabors.

Delegate Nabors: 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 at the airport. So now it 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?

Delegate Nabors: That is 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 in which the businesses are they located have their own agreement for splitting of the profits, but I do not know what the odds pay out is.

The Chair recognized Delegate Villagomez.

Delegate Villagomez: The way that we are discussing Committee Recommendation No. 2 (42) is the way that subject matters are discussed in the Legislature. We're discussing very specific matters. We have before us details on who owns poker machines, where they are, how many people are employed, how much is generated, et cetera, et cetera, et cetera. 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 are 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. You don't in the Constitution start appropriating money to certain parts of a 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 in 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 is a general feeling that abortion is not proper for the CNMI. So what we have done is prohibit it 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 gambling also. So we don't have to go into details about appropriating money or listing individual type of gambling to be permitted or prohibited or giving the Legislature specific powers, et cetera, et cetera. For that reason, I am against the motion.

The Chair recognized Delegate Mendiola on point of information.

Delegate Mendiola: 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.

Delegate Villagomez: That is correct. I didn't say you cannot allocate it. I am 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 a 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.

The Chair recognized Delegate Inos.

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

The Chair recognized Delegate Nabors.

Delegate Nabors: 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 to the western Pacific will 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. Leave it open.

Delegate Inos: The second question then, in our original committee recommendation we indicated exactly in the first section that the committee feel that other activities own and operated by religious, governmental, or non-profit activities are not prohibited under the committee recommendation. I noticed in the second sentence that the government and non-profit organizations may engage in gambling activities as provided by the Legislature. 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: I have no strong feelings, one way or the other. It will be perfectly fine with me if the Airport Authority is to own the machines.

The Chair recognized Delegate Torres.

Delegate Torres: Fellow delegates, it seems like it's only yesterday that we committed our cardinal sins 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 are wrong. We don't want this." We are playing this old scenario all over again here in this convention. Perhaps we haven't learned from our mistakes. I do not understand this. I agree that each individual has that 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 of the Commonwealth can't make mature, personal judgment. And I don't say that to under-estimate or to denounce our local people. If they can make mature, personal judgment, why then are we requiring them or requiring the land owners to have appraisals on real property? Why do we have land alienation provision? Why are we tightening up our corporation 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.

The Chair recognized Delegate Mendiola on point of information.

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.

The Chair recognized Delegate King.

Delegate King: I just like to point out a simple information to the delegates. This will reflect back to the comments that were made by Delegate Mafnas that the people here in the Northern Marianas did not really line up to get food stamp benefit because they are unemployed, but because they are playing poker machines and ending up to have no money to support their families. That's the effect of these poker machines.

The Chair recognized Delegate Mafnas on point of information.

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 surprised that the former assistant Administrator of the Food Stamps will make that statement.

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

Delegate Igitol: I refer that question to Karl (Delegate Reyes) since he originated the statistics.

The Chair recognized Delegate L. Guerrero on point of information.

Delegate L. Guerrero: Is Chairman King referring to the Committee's Recommendation?

Delegate King: I'm referring to the analysis that was just passed out.

Delegate L. Guerrero: Well, I'm sorry. I don't see that analysis.

Delegate Reyes: Mr. President, I think two days ago there was this rough sketch as to the income derived from government based on the number of machines and that estimate was then 270 machines. Now, we have in front of us 220 machines and that is based on the 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 it.

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

Delegate L. Guerrero (inaudible).

Delegate King: If this is the anticipation 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. (The Chair recognized Delegate L. Guerrero.)

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

The Chair recognized Delegate Nabors.

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

Delegate King: Mr. President, I believe that if we are going to come up with this type of law in the constitution, to be very specific in the exempting type of machine in the Commonwealth to be legal, I rather see that the machine or the gambling device that are going to be used in the Commonwealth should be placed under the decision of the people by referendum instead of putting it in the Constitution. I would prefer and I would rather see it 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.

The Chair recognized Delegate Villanueva.

Delegate Villanueva: When the Committee was deliberating on the three proposals, regarding gambling. One was to prohibit all forms of gambling unless 3/4 of the voters voted for gambling. There was another proposal that was to prohibit slot machines and poker machines and keep the others that are considered traditional, games 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 talk to these people themselves, they say "tell them to mind their own business. I'm not broke." I brought this up 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 member of my family is going broke because of poker machines 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 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 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 houses and properties because of cockfighting. The church probably has not taken a position on that. Cockfight 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 people -- my uncle was born 1899, anyway -- that they have cockfighting, but they don't have those poisonous blades on the rooster. Somebody introduced that. And I cannot accept the fact that we are in favor of killing chickens or putting these blades on chickens to kill each other because the only time I feel 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 to 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 are 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 is no statistic to prove to me that there are people who are forced to go and get in line at the food stamps because they are going broke on poker machine. I haven't seen any statistics even from the hospital. Even from the so-called Department of Youth Service or the Catholic Social Service that this family or those children are getting sick, or don't have any clothes, or slippers because their parents are spending all their money in poker machine. This is, at this time, if this issue is put to vote, I would vote for in favor of including poker machine because I want the retirement program to have guaranteed funding.

The Chair recognized Delegate Torres on point of information.

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 will gladly give you statistics on the benefits 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 privacy provision. Thank you.

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

Delegate Villanueva: Thirty seconds. I was taken by Delegate Torres. (The Chair advised him to continue.) To continue, Mr. Chairman, I would like to repeat that I am in favor of including poker machines because it also earmarks the revenue. (End of tape)

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 supposed to have paid almost \$68 million to the retirement program on the 19.5 employers' contribution to the program. Thank you, Mr. Chairman.

The Chair recognized Delegate Mafnas.

Delegate Mafnas: 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 cost have increased significantly because many of our people need to be attended in the hospital on Guam and Honolulu and San Francisco. The scholarship requirements for our children when the people voted down the gambling or 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 200 graduated and before that, over two 200 graduated. Next year, there will be approximately 300 more high school 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 10 to 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 a 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 cost to operate it compared to the 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 the concern to operate the hospital. You have to acquire modern equipment, you have to have trained and qualified people to operate the hospital. Here we are trying to do away again with something that generates revenues to the Northern Marianas to help the General Fund. Mr. Chairman, there will be more than 200 government employees who are eligible to retire at this point and time, right now. Where are we going to get the funds to continue to pay the benefits of these people who have worked over 25 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 call our Friday Night Club together. I don't know what's immoral about that. We are here making judgment that many of our people cannot exercise or cannot make their own decisions. I support the amendment. I would oppose the amendment if I am given sources of revenues where no additional tax burden will be place on the people. So Mr. President, I ask the members to vote in favor of the amendment. Thank you.

The Chair recognized Delegate Torres on point of information.

Delegate Torres: I would like to ask Delegate Villanueva, since he's 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 without subsidized by the government?

Delegate Villanueva: There is no figure.

Delegate Torres: Estimate.

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 out hospital. Right now, at least the average that we are involve in Honolulu is almost \$1.3 million and that includes transportation, outpatient allowance, hospitalization. For your informatin, Tripler Hospital charges daily in-patient \$449 a day and that's cheap. Straub Hospital charges about \$800 a day for intensive care and regular care is about \$225 a day.

Delegate Torres: Is that 100 percent government subsidized?

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

Delegate Torres: That's the referral program?

Delegate Villanueva: Yes.

The Chair recognized Delegate Mafnas on point of information.

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

Delegate Torres: I need the information. (The Chair gave him the floor.) So I gathered that it's \$2.5. Delegate Mafnas, how about 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 employer's contribution is 19.5 percent.

Delegate Torres: What about the government's contribution?

Delegate Mafnas: 19.5 percent.

Delegate Torres: So that roughly comes up to \$5 million? \$3 million?

Delegate Mafnas: \$3 million or more.

Delegate Torres: Okay, \$3 million or more. Do you know how much will be generated from the poker machine? Do you have a rough figure, any information as to how much might be generated from this poker machine?

Delegate Mafnas: In terms of salary, approximately \$900,000. You take away the appropriate tax rate and just the revenues and fees, more or less, \$900,000 plus or \$1.0 million.

Delegate Torres: \$1 million? Okay, so if we add the referral and we take the extreme figure -- we add the referral to the retirement fund which could be \$4 million? So we're asking approximately \$7 million? Right? Is that correct?

Delegate Mafnas: Yes.

Delegate Torres: Approximately if you combine the two programs. Now, Delegate Reyes, I believe summarized how these things will work and what benefits will go to the government and it is very surprising that the Government will be actually incurring \$3 million. So the problem with the referral and the retirement will still be there. And I might also add that we just recently signed a 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?

President H. Guerrero: Can I get a clarification? Apparently, you are asking for a point of information. Point of information is just 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 for the benefit of the delegates, let me just point out that we recently signed a Covenant Agreement totalling up to \$228 million and perhaps that takes into account the referral and retirement program. Thank you.

The Chair recognized Delegate L. Guerrero.

Delegate L. Guerrero: Yes, and I hope this is the last from my side. Mr. President, hearing all the arguments as well as the intent of the amendment or subsequent amendment to include such as retirement, referral, I believe those particular concerns can be easily addressed through the present statute that the Legislature did pass. Should this particular recommendation from the committee will confuse again the voters since a referendum has been called for in the previous years and the people has very well spoken on the issue on the gambling, and they voted it down, the provision that the committee is trying to entertain here to legalize it such as traditional gamblings, batu, bingo, raffle, name it, whatever. It's already established by law. Now the concern here that we are trying to accommodate is -- and the foremost concern that we're trying to accommodate is that each Senatorial District will have to decide that. Now that particular issue is in the local government provision that they can go by initiative of 2/3. But it convinced me with all these arguments now that were presented before us that practically may not be necessary that this convention should take this up at this moment and time. The statute is there already. The so-called provision in the local government....

The Chair recognized Delegate Mafnas on point of clarification.

Delegate Mafnas: If that is the case, then why are we -- why did you recommend to the convention?

Delegate L. Guerrero: Can I proceed, please? (The Chair told him to continue.) The point of information is not addressed me of my concern. A delegate's proposal has to be entertained by each of the respective substantive committee. And for that very concern of delegate proposal, that's why this particular issue is now before the convention. So, should we have to earmark retirement, referral, operation of the government, the statute is there already. The mechanism is working? The amendment will simply confuse again the referendum. So if we have to vote it down, please make a second thought. Thank you.

Delegate Nabors moved to end debate. The motion was seconded. The motion was voted on and passed. The motion to amend Committee Recommendation No. 42 was voted on by raising of hands; and the motion was carried. Committee Recommendation No. 42 was amended.

The Chair recognized Delegate Villagomez.

Delegate Villagomez: I move to amend Committee Recommendation No. 42 to strike the entire proposal and to have it 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."

Delegate Nabors seconded the motion and subsequently moved to end debate. The motion to end debated was voted on and carried. The motion to amend Committee Recommendation No. 42 was voted on by raising of hands and carried. The Chair recognized Delegate Villagomez.

Delegate Villagomez: 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. Number 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 will be permitted if the Legislature finds that those types of gambling are permissible and they have so found. All the gambling 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 machine, can have the poker machine. The third concern, which is that if a Senatorial District wants to have casino gambling, 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 if they want or the individual district, Senatorial District may 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. And for that reason, I think that this is the most accommodating language of the Constitution.

Delegate Mafnas yield the floor to Delegate Nabors.

Delegate Nabors: 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 are 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 we are having all these problems because we are 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 stay a status quo.

The Chair recognized Delegate Mafnas.

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

Delegate Villagomez: That is correct.

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

Delegate Villagomez: Then we still have whatever we have.

Delegate Mafnas yield the floor 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 the three senators from Rota or Tinian.

Delegate Nabors: So four individuals can make a decision that we here refused to make?

Delegate Villagomez: No. I think you are 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 island under the local law provision of our constitution. They can also do it through initiative or referendum in their respective district.

The Chair recognized Delegate Mafnas.

Delegate Mafnas: 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 No. 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 No. 42 as amended by Delegate Villagomez.

The Chair recognized Delegate L. Guerrero on point of information.

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

Delegate Mafnas: Mr. Chairman, 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.

The Chair recognized Delegate Villagomez.

Delegate Villagomez: For the record, and so that the court would know what I mean when I submitted this motion which has been passed -- number 1, this amendment prohibits any type of gambling in the CNMI. Number 2, this amendment grants to the Legislature the authority to permit any kind of gambling that they see fit. Number 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. Number 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, poker machine are currently existing because they are permitted by law they shall continue unless that law is changed by the Legislature. Thank you.

Delegate Ogumoro moved for a brief recess. The convention recessed for five minutes and reconvened after five minutes.

The Chair recognized Delegate Villagomez.

Delegate Villagomez: So that we won't waste -- not waste -- but 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.

The motion was seconded. Several members objected. The motion was voted on and carried.

The convention reconvened.

The Chair recognized Delegate Manglona. Delegate Nabors interrupted on point of information before Delegate Manglona started to say something.

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

Delegate Manglona: Privilege. (The Chair recognized him.) Mr. President, before we start on our business this afternoon, I have a motion to make 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 on discussion on the first order of business, Saturday, July 20, 1985.

Delegate Nabors seconded the motion.

Delegate Manglona: I'm sorry. That will be page 6 of Committee Recommendation No. 41.

Delegate Nabors: No objection.

The Chair requested Delegate Manglona to repeat his motion, which he did so. The Chair recognized Delegate Villagomez on point of order.

Delegate Villagomez: (Inaudible) There is a provision in our Order of Business that would allow for that motion under Miscellaneous Business or Unfinished Business or even General Orders of the Day. I would have no objection into putting it into 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 will be the most appropriate place to bring this up.

Delegate Manglona: I will then withdraw my motion.

The Chair recognized Delegate Nabors.

Delegate Nabors: I would 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 on the fifth line strike "or referendum".

Delegate Villagomez: I will incorporate that in my motion.

There was a motion to end debate. The motion was seconded and carried by voice vote. Delegate Mafnas moved for the previous question. Delegate Mendiola seconded the motion.

Delegate Villagomez: That's the same thing.

Delegate Mafnas: Yes.

The Chair recognized Delegate Nabors on point of clarification.

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 Delegate Nabors?

Delegate Nabors: According to my records, this is what we are now voting on. Let me first of all ask 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, he's amending your entire amendment.

Delegate Nabors: You mean your amendment is a substitution?

President H. Guerrero: For your amendment.

Delegate Villagomez: We can call it a substitution.

President H. Guerrero: So that's what we are entertaining. Can you read your motion again incorporating the changes?

Delegate Villagomez: My amendment is to amend Committee Recommendation No. 42 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: And that would be the total of Committee Recommendation No. 42?

Delegate Villagomez: Yes.

The Chair recognized Delegate Lizama on point of information.

Delegate Lizama: Delegate Villagomez, how will your amendment then conflict or will it not conflict 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.

Delegate Nabors: Point of clarification. We had a statement for the record earlier. Is that statement for the record still accurate?

Delegate Villagomez: Yes.

Delegate Mafnas: It is accurate.

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.

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

The Chair recognized Delegate Lizama on point of information.

Delegate Lizama: I apologize I wasn't here this morning, but I have a copy of Delegate Nabors' amendment.

(He was informed that it was passed during the a.m. session, and Delegate Villagomez amended it again.)

The Chair recognized Delegate Ogumoro on privilege.

Delegate Ogumoro: Just so that we be very clear on what we are voting for, will the secretary read the whole thing? Or somebody read the mover of the motion? Read the entire amendment that we are trying to adopt before we vote?

Delegate Nabors: This is going to be 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'll be out of order because we are voting now on roll call.

Delegate Ogumoro: Thank you.

Delegate Nabors called the roll with the following results:

Delegate Calvo, Vicente	Yes
Delegate Cing	Yes
Delegate Guerrero, Herman	Yes
Delegate Guerrero, Lorenzo	(?)
Delegate Igisomar	Aye
Delegate Igitol	Abstained(?)
Delegate Inos	Yes (second time around)
Delegate Kaipat	No
Delegate King	Hungan
Delegate Limes	Yes
Delegate Lizama	Yes (second time around)
Delegate Mafnas	Yes
Delegate Mendiola	Yes
Delegate Manglona	Yes
Delegate Mundo	Yes
Delegate Nabors	Yes
Delegate Ogumoro	No
Delegate Pangelinan	Absent
Delegate Reyes	Yes
Delegate Tenorio	Abstained
Delegate Tomokane	Yes
Delegate Torres	Abstained

Delegate Villagomez
Delegate Villanueva

Yes
(?)

Delegate Nabors: Mr. President, I have 16 affirmative votes. I have two negative votes. I have three abstentions and I have two absences.

President H. Guerrero: Committee Recommendation No. 42 passed by 19 votes.