



UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY

WASHINGTON 25, D. C.

JUN 19 1962

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Dear Mr. Secretary:

On May 7, 1962, the President signed Executive Order No. 11021 which, effective July 1, transfers administration of the Saipan District of the Trust Territory of the Pacific Islands to the Department of the Interior. The final decision with respect to the timing of the transfer was made after budget requests had been submitted and the Department of the Interior did not, therefore, budget for administration of the Saipan District for fiscal year 1963.

This is to request formally the transfer of the Department of the Navy Saipan appropriation for fiscal year 1963 to the Department of the Interior for the latter's administration of that district. Based on a review of the Navy Saipan appropriation requested for fiscal year 1963, the High Commissioner of the Trust Territory, who will be charged with administering the Saipan District, estimates that of such appropriation, \$1,380,000 was to be devoted by the Navy for civil administration in Saipan. The major items included in the Navy request are:

1. NAVAD Saipan Operations and Maintenance Budget	\$ 890,000
2. Maintenance of NAVAD Housing	35,000
3. Replacement of Automotive, Weight-Lifting and Materials Handling Equipment	90,000
4. Military Positions Requiring U. S. or Micronesian Personnel Replacements	160,000
5. Navy Special Projects (Construction)	95,000
6. Air Transportation Services, Provided by Other Naval Services	25,000
7. Surface Transportation Services, Provided by Other Naval Services	50,000
8. Freight on Materials and Supplies, not charged to NAVAD Saipan	<u>35,000</u>
Total	\$1,380,000

While we recognize that the main budget item No. 1, above, is formally directed to civil administration, the other items are directly concerned with civil administration and as such, we would have to assume responsibility for them. Therefore, we feel the money presently budgeted by the Navy for these other items should be transferred to enable us to properly discharge these responsibilities.

Sincerely yours,

(sgd) D. Otis Beasley

Assistant

Secretary of the Interior

Hon. Robert S. McNamara
Secretary of Defense
Department of Defense
Washington 25, D. C.

cc: Bureau of the Budget ✓
Secretary's reading file