

public lands would be transferred to the new government created upon termination of the Trusteeship.

We recommend that the corporation be established under the laws of the Trust Territory. However, the present corporate law of the Trust Territory is either silent or, in our judgment, incomplete in many significant respects. For this reason, we urge the Congress of Micronesia, in implementing the Policy Statement, to empower the district legislatures to charter (and provide for the administration of) corporations such as the one proposed. As an alternative, the Congress of Micronesia could itself adopt a modern non-profit corporation law, such as the Model Nonprofit Corporation Act drafted by the Committee on Corporate Laws of the American Bar Association, or the United States could so provide by an executive order of the President or order of the Secretary of the Interior. Notwithstanding the somewhat greater uncertainty, however, we believe the corporation may be successfully formed and operated under the present provisions of the Trust Territory Code if it is not possible to enact a more satisfactory statute promptly.

Finally, recognizing that both the U.S. and the people of the Marianas would require the corporation to be independent, we have considered at some length the question whether the executive or legislative branches of the United States or Trust Territory governments might be free to interfere in the rights or activities of the proposed corporation.