

body would be abandoning one of the central responsibilities of public administration: selecting among competing demands on the public purse. The corporation is intended to operate as a democratic institution independent of U.S. control. As such, it could provide an ideal vehicle for making essentially governmental decisions as to the allocation of any profits in the interest of the citizens of the Marianas. Or it could be required to take directions, with respect to the allocation of profits, from some other independent democratic institution which lacks the resources to deal effectively with the public problems of the Marianas -- such as the District Legislature.

For these reasons, we believe the corporation should be organized on the not-for-profit basis. We suggest that the corporation be formed as a membership organization, following the apt precedent of homeowners' associations and new communities associations. These entities accomplish the same objective that is sought with respect to the public land of the Marianas: the continuing and democratic administration of public lands, facilities and services by and for the benefit of the citizens of the community. The balance of this memorandum is devoted to a discussion of various aspects of a non-profit, membership corporation to accomplish these objectives.