

States Policy Statement emphasizes the requirement that the legal entity receiving public lands must be "qualified legally to receive real property under the law." 1/ Under the Code,"[o]nly citizens of the Trust Territory or corporations wholly owned by citizens of the Trust Territory may hold title to land in the Trust Territory . . . ." 2/ Although it might be argued that a corporation organized outside the Territory but completely controlled by and operated for the benefit of the people of the Marianas was "wholly-owned by citizens of the Trust Territory", the corporation's right to hold title could be in no doubt if it were organized under the Trust Territory Code. For these reasons, we believe that the corporation should be so organized.

There are certain potential problems in incorporating under the Trust Territory Code which must be considered. In the first place, it might be feared that at some later time the United States or the Trust Territory government might seek to use governmental power not to undermine the validity of the contract (which, as discussed below, they are substantially precluded from doing) but to undermine the legal standing

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1/ p. 2.

2/ 57 T.T.C. § 11101.