



United States Department of the Interior

OFFICE OF THE SOLICITOR
WASHINGTON, D.C. 20240

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IN REPLY REFER TO:

April 7, 1975

DGL-T:CBC 95242

Memorandum

To: Moody R. Tidwell III
Associate Solicitor
Division of General Law

From: Assistant Solicitor, Territories

Subject: Monthly Report - Significant Items During March 1975

1. The U.S. Supreme Court denied cert. in the People of Saipan et al. v. Morton, et al., thus leaving the decision of the 9th Circuit standing. 502 F. 2d 90 (1974). This is a significant victory since it establishes that the Government of the Trust Territory, though staffed at the top levels with Federal employees, is a separate sui juris legal and political entity and not a Federal agency or instrumentality. Accordingly, the requirements of the National Environmental Policy Act are not applicable to actions by that Government. Involved was the construction of a hotel (now completed) on Saipan pursuant to permission granted by the High Commissioner. Plaintiffs had sought to halt the construction until an environmental impact statement was filed.

2. Legislation was prepared, cleared and submitted to the Congress to provide for the payment into the local treasury approximately \$2.8 million in license fees collected up to January 31, 1975, on oil imported into the United States customs territory from the Virgin Islands. This is of significant

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importance to the Virgin Islands because its economy, based largely on tourism, is sagging badly. The legislation was required because the Justice Department had ruled that the part of the Presidential Proclamation establishing the oil import license fee program, which ordered refunds on license fees collected on oil imported from the Virgin Islands, was unlawful.

3. A Secretarial Order and Proclamation were prepared and signed. The Proclamation calls for a referendum to be held in the Northern Mariana Islands District of the Trust Territory of the Pacific Islands on the question of whether the people of that District wish to join in political union with the United States as a commonwealth. This is a most important plebiscite because if the people vote "yes," it will signify the beginning of a process whereby the United States will, for the first time since 1917 when it purchased the Virgin Islands from Denmark, acquire new territory.

C. Brewster Chapman, Jr.

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Pending

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