

April 10, 1975

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MSH: The following telex was dictated over the phone by Adrian deGraffenried's secretary this morning. BW

To HIGHCOM

From DODA

Marianas District Legislature Act No. 100-1975 has been reviewed. There are no deficiencies of sufficient gravity to merit veto. We recommend approval. MDL should, however, be formally advised by the Attorney General that some additional remedial actions are required. These actions can be done by the entity. In particular, the entity must formally agree that land transfers are subject to valid and existing claims and existing land agreements. TTPI should issue quit claim deeds with covenants to contain language to this effect as well. The legal entity must also formally agree to hold the U.S. and TTPI harmless from all claims arising after transfer regardless of quantity and quality of documentation received from TTPI as to claims, surveys, etc. TTPI quit claim deeds must also contain language to this effect. Provisions of Section 6(b) and (c), recognition by the entity of the powers of eminent domain and the authority to regulate coastal activities, should be recognized to extend after separate administration to successor government of TTPI central government. Incorporators must further insert requirements into the Articles of Incorporation to obligate the entity to undertake positive actions to meet the mandatory powers and duties for which legislature did not

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provide. These actions should in no way prevent early formation of the entity nor prevent drafting of by-laws and articles of incorporation. Attorney General should work closely with incorporators and with entity to see that defects are remedied so lands can be returned expeditiously.