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June 16, 1976

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Memorandum

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To: Director of Territorial Affairs  
Attn: Ron Peterson

From: Assistant Solicitor, Territories  
Division of General Law

Subject: The Saipan Trust Fund

The Saipan Trust Fund was created in 1956 by the Navy. The corpus of the trust was made up of monies representing the value of public lands in the Saipan District retained for use by the U.S. Government. The funds are "for use in connection with programs and projects designed to serve and enhance the indigenous inhabitants of the Saipan District."

Pursuant to the letter of agreement dated June 29, 1962 from the Secretary of the Navy to the Secretary of the Interior "All assets of the Saipan Trust Fund will be transferred to the High Commissioner of the Trust Territory Government as the sole trustee of the Trust Fund."

In view of the establishment of a separate administration for the Northern Mariana Island District, a suggestion has been made that the Secretary of the Interior appoint the new Resident Commissioner for the NMID as the trustee of the Fund.

Since the Navy, by the 1962 letter divested itself of the Saipan Trust Fund and, in effect, transferred ultimate responsibility therefor to the Secretary of the Interior because of his general supervisory authority overall of the High Commissioner, we think it appropriate and necessary that the Secretary make the appointment of the Resident Commissioner (who is also under his general supervisory authority) as the new Trustee of the Fund. He should also relieve the High Commissioner of his responsibilities.

The files you gave me are returned herewith.



C. Brewster Chapman, Jr.

Terr Subj  
Terr Reading  
DGL Chron (2)  
CBC, Jr. :bb:6/16/76

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