



DEPARTMENT OF THE NAVY
BUREAU OF SUPPLIES AND ACCOUNTS
WASHINGTON 25, D. C.

IN REPLY REFER TO
L31.1/7923

10 MAY 1962

From: Chief, Bureau of Supplies and Accounts
To: Chief of Naval Operations

Subj: Draft of Proposed Agreement between the Department of the Navy and the Department of the Interior with respect to the transfer of responsibility for the administration of the Saipan District, Trust Territory of the Pacific Islands

Ref: (a) CNO ltr Op-09B22/flf Ser 254P09B2 of 26 Apr 1962

1. Reference (a) requested comments on the draft of the Proposed Agreement between the Department of the Navy and the Department of Interior with respect to the transfer of responsibility for the administration of the Saipan District, Trust Territory of the Pacific Islands.

2. The Chief, Bureau of Supplies and Accounts concurs with all the provisions of the proposed agreement within the purview of this Bureau except paragraph 4, Section B of Article 1. Paragraph 4 prescribes how Navy Exchange stock and Commissary Store supplies will be handled but omits the treatment of Navy Exchange and Commissary Store equipment. It is recommended that paragraph 4 be revised as follows:

"4. Navy Exchange stock and Commissary Store supplies will be offered to the Trust Territory Government sponsored organization at cost and the remaining stocks will be returned to the appropriate Naval activities on Guam. Navy Exchange and Commissary Store equipment that have been procured with appropriated funds may be transferred to the Department of the Interior and/or the Government of the Trust Territory without reimbursement, but if not so transferred will be returned to the Naval Supply Depot, Guam for appropriate disposition. Navy Exchange owned equipment purchased with non-appropriated funds and Commissary Store equipment purchased with Commissary Store reserve funds may be made available to the Department of the Interior and/or the Government of the Trust Territory and/or the Trust Territory Government sponsored organization at residual book value price as determined by the Navy Ships Store Office. All such non-appropriated fund and reserve fund equipment not transferred with reimbursement will be returned to the Navy Exchange and Commissary Store, Naval Station, Guam as appropriate."

Noted

T. A. LONG
Deputy and Assistant Chief of Bureau

Saipan (Turn-over)