



UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON 25, D. C.

JUN 26 1962

Dear Mr. Secretary:

I am forwarding herewith a draft of a 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 that portion of the Trust Territory of the Pacific Islands referred to as the Saipan District. The original draft was prepared jointly between Commander in Chief, Naval Forces Marianas and the High Commissioner. A number of points of difference were noted for resolution on the departmental level. The draft was revised in the Navy Department with the participation of representatives of the Department of the Interior, Office of Territories, and as now forwarded represents the views of my Department on the specific areas covered by the agreement as reconciled with the views of your representatives.

I would appreciate your early consideration and approval of this draft in order that the resulting agreement may be forwarded for implementation prior to July 1, 1962.

Sincerely yours,

Assistant

John A. Cannon, Jr.
Secretary of the Interior

Hon. Fred Korth
Secretary of the Navy
Washington 25, D. C.

Enclosures

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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 GOVERNMENT OF THE SAIPAN DISTRICT
OF THE TRUST TERRITORY OF THE PACIFIC ISLANDS

EXECUTIVE ORDER 11021

ADMINISTRATION OF THE TRUST TERRITORY OF THE PACIFIC
ISLANDS BY THE SECRETARY OF THE INTERIOR

WHEREAS the Trust Territory of the Pacific Islands was placed under the trusteeship system established in the Charter of the United Nations by means of a trusteeship agreement approved by the Security Council of the United Nations on April 2, 1947, and by the United States Government on July 18, 1947, after due constitutional process (hereafter referred to as the trusteeship agreement); and

WHEREAS the United States of America was designated under the terms of the trusteeship agreement as the administering authority of the Trust Territory referred to above (hereinafter referred to as the trust territory); and

WHEREAS the United States has heretofore assumed obligations for the civil administration of the trust territory and has carried out such civil administration under the provisions of Executive Orders Nos. 9875 of July 18, 1947, 10265 of June 29, 1951, 10408 of November 10, 1952, and 10470 of July 17, 1953; and

WHEREAS thereunder the Secretary of the Navy is now responsible for the civil administration of the Northern Mariana Islands except the Island of Rota and the Secretary of Interior is responsible for the civil administration of all of the remainder of the trust territory; and

WHEREAS it appears that the purposes of the trusteeship agreement can best be effectuated at this time by placing in the Secretary of the Interior responsibility for the civil administration of all of the trust territory;

NOW, THEREFORE, by virtue of the authority vested in me by the Act of June 30, 1954 (68 Stat. 330; 48 U.S.C. 1681) and as President of the United States, it is ordered as follows:

Section 1. Responsibility of Secretary of the Interior. The responsibility for the administration of civil government in all of the trust territory, and all executive, legislative, and judicial authority necessary for that administration, are hereby vested in the Secretary of the Interior. Subject to such policies as the President may from time to time prescribe, and in harmony with applicable law, and, where advantageous, in collaboration with other departments and agencies of the Government, the Secretary of the Interior shall take such actions as may be necessary and appropriate to carry out the obligations assumed by the United States as the administering authority of the trust territory under the terms of the trusteeship agreement and under the Charter of the United Nations: Provided however, That the authority to specify parts or all of the trust territory as closed for security reasons and to determine the extent to which Articles 87 and 88 of the Charter of the United Nations shall be applicable to such closed areas, in accordance with Article 13 of the trusteeship agreement, shall be exercised by the President: And provided further, That the Secretary of the Interior shall keep the Secretary of State currently informed of activities in the trust territory affecting the foreign policy of the United States and shall consult with the Secretary of State on questions of policy concerning the trust territory which relate to the foreign policy of the United States, and that all relations between the departments and agencies of the Government and appropriate organs of the United Nations with respect to the trust territory shall be conducted through the Secretary of State.

Sec. 2. Redelelegation of authority. The executive, legislative, and judicial authority provided for in section 1 of this order may be exercised through such officers or employees of the Department of the Interior, or through such other persons under the jurisdiction of the Secretary of the Interior, as the Secretary may designate, and shall be exercised in such manner as the Secretary, or any person or persons acting under the authority of the Secretary, may direct or authorize.

Sec. 3. Cooperation with Department of the Interior. The executive departments and agencies of the Government shall cooperate with the Department of the Interior in the effectuation of the provisions of this order.

Sec. 4. Prior orders. To the extent not heretofore superseded or otherwise rendered inapplicable, the following are hereby superseded:

- (1) Executive Order No. 10265 of June 29, 1951.
- (2) Executive Order No. 10408 of November 10, 1952.
- (3) Executive Order No. 10470 of July 17, 1953.

Sec. 5. Saving provisions. (a) Existing laws, regulations, orders, appointments, or other acts promulgated, made, or taken by the Secretary of the Interior or his delegates under the authority of Executive Order No. 10265, as amended and in effect immediately prior to the effective date of this order, shall remain in effect until they are superseded in pursuance of the provisions of this order.

(b) Nothing contained in this order shall be construed as modifying the rights or obligation of the United States under the provisions of the trusteeship agreement or as affecting or modifying the responsibility of the Secretary of State to interpret the rights and obligations of the United States arising out of that agreement.

Sec. 6. Effective date. The provisions of this order shall become effective on July 1, 1962.

JOHN F. KENNEDY

THE WHITE HOUSE

May 7, 1962.

(F.R.Doc.62-4556; Filed, May 8, 1962; 9:39 a.m.)

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Whereas Title 48, Section 1685, of the United States Code states that:

"After June 30, 1952, transfers to the Department of the Interior pursuant to the Federal Property and Administrative Services Act of 1949 of equipment, material and supplies, excess to the needs of Federal agencies may be made at the request of the Secretary of the Interior without reimbursement or transfer of funds when required by the Interior Department for operations conducted in the administration of the Territories and the Trust Territory of the Pacific Islands."

Therefore it is agreed as follows:

ARTICLE 1

LOGISTICS

Section A - General

1. Support by Navy on Guam

Certain facilities, services and supplies will be furnished to the Government of the Trust Territory from U. S. Navy activities on Guam, on a reimbursable basis as appropriate insofar as they can be made available for release by the Department of the Navy. These will include:

- a. POL - POL products, both packaged and bulk, at prices normally charged other government agencies.
- b. Supplies - In the interest of effecting overall government economy, spare parts, supplies, including medical supplies, at prices normally charged other government agencies.
- c. Logistic services on a cost basis (which includes repair work, packing and crating, handling and land transportation on Guam to points of shipment).

2. U. S. Navy requirements and support responsibility for the Saipan Branch Facility of the Bank of America will terminate at the close of business on 30 June 1962. Subsequent arrangements for banking facilities will be the responsibility of the Government of the Trust Territory.

3. All licenses, leases, agreements, charters and franchises issued, executed or granted by the Navy in connection with administration of the Saipan District will be honored by the Government of the Trust Territory. Licenses, leases, agreements,

charters and franchises executed, issued or granted between the date of this agreement and the actual date of transfer of responsibility will be coordinated with the Government of the Trust Territory.

ARTICLE 1

LOGISTICS

Section B - Personal Property and Materials

1. To the extent authorized by law and in accordance with CNO letter OPO9E22 serial 200PO9B2 date 9 January 1962, Navy-owned personal property located in the Saipan District of the Trust Territory will be disposed of as follows:

a. Personal property employed primarily in accomplishing the Navy's mission on Saipan (except civil administration) will remain the property of the Navy.

b. Personal property employed primarily in the administration of civil affairs of the inhabitants of the Saipan District of the Trust Territory, will be transferred to the Government of the Trust Territory.

c. Custody of all other personal property under the control of the NAVAD Unit (except as otherwise provided elsewhere in this agreement) will be transferred to the Government of the Trust Territory.

d. Personal property which has been charged or obligated against appropriated funds will be listed by items on schedules with estimated current values and separated by plant account classes 3, and 4 as defined by Navy Comptroller Manual. Separate schedules to be approved by both parties, will be prepared for items to be retained by the Navy and items to be transferred to the Government of the Trust Territory. When appropriate signatures are affixed to these schedules, the

schedules will constitute the official record of personal property transferred to the Government of the Trust Territory. Transfer will be on a non-reimbursable basis.

e. Personal property which is not usable will be surveyed and disposed of by the Navy Supply Depot, Guam, in accordance with current Navy directives.

2. To the extent authorized by law and in accordance with CNO letter OP-09B22 serial 200P09B2 dated 9 January 1962, Navy-owned materials and supplies located in the Saipan District of the Trust Territory will be disposed of as follows:

a. Appropriation Purchases Account material will be separated by schedules under cognizance symbols and transferred on a non-reimbursable basis.

b. Navy Stock Account material, and other comparable materials, which have not been charged or obligated against appropriated funds will be itemized by schedules under cognizance symbols with the listing carrying the book values.

c. The total value of each category of materials under the description of Navy Stock Account or comparable material, will be transferred on a reimbursable basis, with the appropriate schedules as the supporting vouchers. Reimbursement to the Navy Stock Fund by the Department of the Interior and/or the Government of the Trust Territory will be at the rate of 12½% of the total established value of Navy Stock Account materials, or comparable material, transferred on or

about 1 July 1962 and 12½% on or about the first day of each quarter thereafter until the total of the established value has been paid. It is agreed on or about the first day of each quarterly period beginning 1 July 1962, the Bureau of Supplies and Accounts will initiate a standard form 1080 drawn on the Department of the Interior for 12½% of the established value and this voucher will be honored by the Department of the Interior from funds allocable to the Trust Territory of the Pacific Islands.

d. All usable materials and supplies including medical supplies not required by the Government of the Trust Territory will be returned to the Navy Supply Depot, Guam, as shipping is available.

e. Materials and supplies which are not usable will be surveyed and disposed of by the Navy Supply Depot, Guam, in accordance with current Navy directives.

3. Stocks of consumable supplies for a minimum of approximately three months' requirements should be maintained by the Naval Administration Unit until the Department of the Interior assumes supply responsibility.

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

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.

5. Naval clothing items will be returned to Naval Supply Depot, Guam, as shipping is available.

6. All other types of Naval material not mentioned above and not required by the Department of the Interior will be returned to Naval Supply Depot, Guam, as shipping is available.

7. All funds of the Saipan District Revenue Fund will be transferred to the properly designated Finance Officer of the Government of the Trust Territory against receipt. 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. The funds of the Saipan Copra Stabilization Fund generated from activities of the Northern Marianas Development Company will be transferred to the High

Commissioner.

8. Every effort will be made to remove by 1 July 1962 or as soon thereafter as possible all Navy material not required or desired by the Department of the Interior for the Trust Territory. Unless otherwise provided for in this Agreement, after the transfer, the High Commissioner will retain all authority and responsibility now held for disposal of residual and abandoned surplus property in the Trust Territory.

9. With respect to all supplies and equipment on order by the Naval Administrator in the Naval Supply System but undelivered at the turnover date, the Government of the Trust Territory will accept delivery at the Naval Supply Depot on Guam, and any commercial shipping charges on such supplies and equipment for which no 1962 appropriation has been obligated shall be for the account of the Trust Territory either by direct payment or by reimbursement.

ARTICLE 1

LOGISTICS

Section C - Real Property

The United States of America, represented by the Department of the Navy, heretofore acquired the right to use and occupy for an indefinite period of time certain areas of land situated on the Islands of Saipan, Tinian and Nafuten Rock from the Government of the Trust Territory of the Pacific Islands, Saipan District, said areas being more particularly described in Use and Occupancy Agreements filed in the Office of the Clerk of Courts, Saipan District on the 22nd of August 1956.

1. It is agreed that:

a. The United States of America does retain all rights and interests acquired as Grantee in the above mentioned Use and Occupancy Agreements;

b. The Government of the Trust Territory of the Pacific Islands has succeeded to all of the rights of the Government of the Trust Territory of the Pacific Islands, Saipan District, including the rights of the said Government of the Saipan District under the above mentioned Use and Occupancy Agreement;

c. All buildings, facilities, improvements and land used for Civil Administration by the Government of the Trust Territory, Saipan District which are not

covered by the Use and Occupancy Agreements mentioned above are and shall remain the property of the Government of the Trust Territory;

d. The Department of the Navy will within 180 days from the date of this agreement review its requirements for the lands covered by the Use and Occupancy Agreements and release in accordance with paragraph 2 of said Use and Occupancy Agreements any land for which no requirements exist.

2. It is further agreed that the Department of the Navy, on behalf of the United States of America, will in accordance with paragraph 3 of the Use and Occupancy Agreements and paragraph 7 of the Land Agreement, Trust Territory of the Pacific Islands dated 23 December 1955, make available to the Government of the Trust Territory, upon its request, for the use and benefit of the people of the Trust Territory, any land, buildings and other improvements which are not released to the said Government pursuant to paragraph 1 (d) above.

*Revised version
9/62*

ARTICLE 1

LOGISTICS

Section D - Surface Transportation

1. The Department of the Navy currently supports the Naval Administration Unit Saipan with vessels stationed at Guam. It is not the intention of the Department of the Navy to transfer these vessels to the Department of the Interior.

a. Small craft listed in Annex A which are now being used and are necessary for continuance of port operations and other civil administration functions will be made available.

b. As authorized by law, custodial title of these small craft will be transferred to the Department of the Interior, without reimbursement, coincidentally with the transfer of administrative responsibility of the Trust Territory scheduled for 1 July 1962.

c. Spare parts on hand or on order but not yet delivered for small craft will be made available.

ARTICLE 1

LOGISTICS

Section E - Air Transportation

1. Responsibility for air logistic support of the Saipan District Trust Territory will remain with the Commander, U. S. Naval Forces Marianas, until the date of transfer of administrative responsibility of the Trust Territory to the Department of the Interior; however, the Department of the Interior may utilize its own aircraft in the support of its phasing in operation before the date of transfer.
2. Any contract with commercial airlines for support of the Trust Territory may be based upon support from Naval Air Station, Agaña, to extent manner and degree then currently provided to Trans-Pacific commercial airlines. In accordance with current directives, payment of landing and other fees have been waived during the period of the current contract.
3. The Trust Territory Government will be authorized to use landing strips and associated facilities in the islands of the Saipan District required for the operation of aircraft employed in the logistic support thereof, on a non-reimbursable basis.

ARTICLE 2

COMMUNICATIONS

1. It is mutually agreed that the Department of the Interior will:
 - a. Beginning 1 July 1962, assume full responsibility for further operation and maintenance of the radio station, Saipan.
 - b. Furnish reliefs for the Navy communications personnel at the above stations by 1 July 1962.
 - c. Provide through the Trust Territory communications network, on a non-reimbursable basis, radio communications services to the military activities in the area to the extent that manning for Trust Territory Government administrative requirements permit.
2. It is mutually agreed that the Department of the Navy will:
 - a. As authorized by law on 1 July 1962, transfer electronics equipment and associated material required for the operation of the radio station, Saipan District of the Trust Territory, listed in subparagraph 1a. above to the Department of the Interior in the amount shown in Annex B attached hereto.
 - b. Establish and operate a terminal of the Trust Territory Communications network at the Naval Communications Station, Guam, for further transmittal or refile as appropriate.
3. The Trust Territory will continue to use the frequencies assigned to the Trust Territory network.

ARTICLE 3

DISPOSITION OF FILES AND RECORDS

1. Pursuant to procedure in connection with transfer of records with transfer of function from one government agency to another, all Naval administration files and records will be transferred to the High Commissioner

ARTICLE 4

SECURITY

1. Unless otherwise provided by executive order or agreement between the Department of the Navy and the Department of the Interior, the procedure outlined in the current revision of the OPNAV INST. 5500.11 series and pertinent Trust Territory laws and regulations shall prevail.

ARTICLE 5

SEARCH AND RESCUE RESPONSIBILITY

1. Search and rescue responsibility for the Saipan District will remain with the Commander, Naval Forces, Marianas.

ARTICLE 6

MESSES, CLUBS AND RECREATION FUNDS

1. General

a. Funds of the CPO mess, Enlisted men's Club, and local recreation funds remain the property of the Navy.

b. Except as may be specifically provided below Chief Petty Officers' Messes, Enlisted men's Clubs and local Recreation Funds will be disestablished in accordance with instructions found in the following directives:

(1) NAVPERS 15800 - Manual for CPO Messes and EM Clubs Ashore.

(2) NAVPERS 15869 - Special Services Manual.

c. It is anticipated that in the Saipan District of the Trust Territory, a hotel will be established by an authorized agent of the Trust Territory. In addition, encouragement will be given to the establishment of private clubs.

2. Property Purchased With Appropriated Funds

a. It is contemplated that items in this category will be required by the Trust Territory. Property purchased with appropriated funds is generally incorporated in a building and is part of the essential equipment or furnishings thereof.

b. As required by NAVPERS 15800 and 15869, messes, clubs or recreation property purchased with appropriated funds shall be listed separately from property purchased with non-appropriated funds.

d. Designated representatives of the Trust Territory may request the Chief of Bureau of Naval Personnel or the Chief of Bureau of Yards and Docks, as appropriate, via Commander Naval Forces Marianas, to transfer to the Trust Territory, such of the above material as they, the Trust Territory, desire.

d. Lists of items of this type or material which are not desired by the Trust Territory shall be forwarded to Commander Naval Forces Marianas who will issue distributive instructions. Bureaus which furnished this equipment shall be forwarded information copies of this correspondence.

3. Property Purchased With Non-Appropriated Funds

a. Each mess, club, or local recreation fund will prepare a list of all material, indicating the condition of the material as provided in NAVPERS 15800 and 15869, and forward such list to Commander Naval Forces Marianas.

b. Commander Naval Forces Marianas will review the lists to determine which of the items will be required by the Navy.

c. Commander Naval Forces Marianas will prepare a list of material which remains excess to the needs of the Navy and which may be offered to Trust Territory on a reimbursable basis. Commander Naval Forces Marianas will be advised of the items desired by Trust Territory.

d. Redistribution or disposal of the materials will be directed by Commander Naval Forces Marianas.

4. Stocks of Distilled Spirits

a. Items will continue to be sold at established prices to authorized personnel until the effective date of transfer.

b. Items remaining will be sold at mess or club cost to a designated agent of the Trust Territory of the Pacific Islands.

c. A list of items not desired by the Trust Territory will be forwarded to Commander Naval Forces Marianas who will provide disposal instructions.

5. Disposition of Future Correspondence

The bank or banks in which non-appropriated funds of clubs, messes and recreation funds are deposited will be advised that the Commander Naval Forces Marianas is the cognizant authority referred to in NAVPERS 15800 and 15869. The above banks will also be advised that after the disestablishment of the Naval Administration Unit such bank statements as would be forwarded to commanding officers in accordance with deposit agreement, should thereafter be forwarded to the Chief of Naval Personnel (Pers G13).

6. Navy Fleet Plan Motion Picture Service

Navy Fleet Plan Motion Picture Service to the Naval Administration Unit will cease on the date that the Department of the Interior assumes administration control and all motion pictures will be shipped to the Navy Motion Picture Exchange, U. S. Naval Station, Guam.

ARTICLE 7

PERSONNEL

1. The Trust Territory Government will assume responsibility for administration of all personnel employed in connection with the Naval Administration of Saipan, except as stipulated in paragraph 2 below, effective 1 July 1962.
2. Micronesian personnel serving in Excepted Appointments under Rule VIII, Section 08.3 of the Civil Service Regulations, are not eligible for transfer. The Micronesian personnel who are to be re-employed by the Government of the Trust Territory will be separated to accept appointment by the Government of the Trust Territory under its existing Micronesian employment procedures. In the re-employment of Micronesian personnel consideration will be given wherever possible to performance and seniority status. These Micronesian employees who are not to be re-employed by the Government of the Trust Territory will be separated effective 30 June 1962 by reduction in force.
3. The High Commissioner of the Trust Territory of the Pacific Islands and Commander Naval Forces Marianas, are to deal directly with each other in connection with the following personnel matters:
 - a. Turnover of personnel incident to the change in administration.
 - b. Temporary assignments on a reimbursable basis of both Micronesian and non-Micronesian employees either to Saipan District or Guam Headquarters, TERPACIS, for purposes of orientation and training and where necessary, to insure continuity of operation.

4. Unless otherwise directed by competent authority, all Naval personnel will be detached from duty in the Saipan District of the Trust Territory on or before 1 July 1962.

5. Subject to any subsidiary agreement arrived at between Commander Naval Forces Marianas and the High Commissioner, it will be the policy of the Navy to permit contractor supervisory personnel to remain on public works projects under construction in the Saipan District of the Trust Territory on the transfer date or beyond such transfer date until such projects are completed.

ARTICLE 8

LAW ENFORCEMENT - CIVIL AND CRIMINAL

**The Code of the Trust Territory of the Pacific Islands will
apply.**

ARTICLE 9

OPERATION OF POST OFFICES

1. Navy Post Offices in the Saipan District of the Trust Territory will be disestablished on or before 1 July 1962.
2. The present Navy number and mailing address of "c/o Fleet Post Office; San Francisco, California" will be discontinued upon disestablishment of the Navy Post Offices.

ARTICLE 10

WEATHER SERVICES

1. The Department of the Interior will institute negotiations with the Department of Commerce for the establishment of a weather station at Saipan by the U. S. Weather Bureau.
2. Weather messages will be transmitted by radio stations of the Trust Territory as mutually agreed by the Department of the Interior and the Weather Bureau.
3. The logistic support for the Weather Bureau personnel will be a function of the Trust Territory Government.

ANNEX A

BOATS FOR CIVIL ADMINISTRATION UNITS

FOR THE TRUST TERRITORY

- | | |
|----------------|--------|
| 1. LCW | Each 1 |
| 2. Picket Boat | Each 1 |