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Mr. Schnarts

January 21, 1963

D. C. Lindholm

Follow up on GAO audit report for Trust Territory - 1957 through 1960.

An earlier memorandum (October 9, 1962) on this audit report indicated that we would discuss at the fall budget hearings the need for an organizational study of the Trust Territory. This was done at the hearings, but the High Commissioner evidenced little interest in such a study. The Office of Territories' representatives were favorably inclined, but did not want to force a study on the High Commissioner. In view of the High Commissioner's lack of interest, we would not press him further since the usefulness of the study would depend to a great extent on his cooperation both during the study and in carrying out any recommendations for change.

During the Preview discussions on the 1964 budget the Department agreed to strengthen the administration of the Territory. Although this has not yet been done, we believe the Department still is working on the problem and expects to take some action. After this is done, the climate for a study might be more favorable and we would again raise the issue.

Attachment