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Mr. Hansen

March 27, 1963

Resources and Civil Works Division (D.C. Lindholm)

Trust Territory study.

Subsequent to our meeting with you and the HSI staff members we have explored (1) the possible cost of a study of the Trust Territory, and (2) possible sources of financing the study.

Several sources were checked in trying to determine the cost of the Ryukyu study with little success. The study was done by Government personnel with travel, per diem, and salary costs paid by the home agency of the respective study group members. Twelve staff members spent approximately 50 percent of their time during a two month period on the study and another eight higher level officials spent 25 to 100 hours.

Rather than attempt to piece together the cost information on that study, we have made a rough cost estimate for a study lasting two to three months utilizing approximately fourteen people.

Consultants:

Group leader - 75 days @ \$75 per day
Three other consultants - 45 days @ \$75 per day \$15,750

Government personnel:

10 staff members salaries
paid by home agencies

Transportation:

Allow for one first class round trip for
each staff member (assume use of military
or Trust Territory transportation in the
Territory)..... 21,400

Per diem:

14 staff members, 30 days
@ \$11 per day 4,620

Contingency 3,000

TOTAL \$46,770

The above estimate was discussed with Frank Johnson. He thought it was reasonable and represented the type of study Mike Forrestal had in mind.

The following accounts are possible sources of financing:

1. Trust Territory of the Pacific Islands - Interior

A 1963 supplemental request for this account is now before the Congress. Hearings were held before the House on March 25, 1963. The earliest these funds could be available is May 1, the expected date of availability is May 15. If it is decided to use this account, the justifications to the House (likely to be prepared about the second week in April) should identify the use of funds for the study. If the May 15 date will not seriously affect the timing of the study, we recommend that this account be used for funding it.

2. Administration of Territories - Interior

Funds could be made available immediately from this account with the concurrence of the Appropriations Committee. However, committee concurrence may be difficult to obtain since the Trust Territory has a supplemental request pending before the Congress. In addition it is unlikely that commitments could be paid from this account because of a congressional limitation. If it is decided to use this account for expenses other than commitments, the Department should be notified by April 1 so the available funds will not be committed for use in American Samoa.

3. Special Projects - White House

Funds in this account could be used only with the approval of the White House. The advantage in using this account is (a) the immediate availability of funds, and (b) no risk is involved in a congressional turn-down, such as is present in 1 and 2 above. As a "con" argument, the White House has tried to use this fund only for immediate staff assistance to the President. On balance, we would recommend that in order to initiate the study as soon as possible, the special projects account be used to pay the study group leader and the remainder of the expenses be met from the Trust Territory account. This would permit the group leader about a month to design the study and select staff before the field work got underway.

4. Expenses of Management Improvement - Bureau of the Budget

The proposed study is generally outside the scope of the use of management improvement funds. However, if the special projects funds could not be used for financing the study group leader, consideration could be given to using this account.

If you concur in our recommendations and so desire, we will discuss the funding matter with Johnson and Foranthal.

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