

Hon. M. W. Goding  
High Commissioner of the Trust Territory  
of the Pacific Islands  
Saipan, Mariana Islands 96950

FEB 23 1965

Dear Mr. Goding:

This refers to Mr. Taitano's letter of December 22, to which was attached a copy of Mr. Shoecraft's memorandum of December 1, concerning the question whether the \$17,500,000 ceiling applies to Federal funds spent in the Trust Territory in connection with the Poverty Program.

We have given considerable thought to this problem and want further information from you before proceeding. We obtained, first, an opinion from the Assistant Solicitor, a copy of which is enclosed, concurring in Mr. Shoecraft's conclusion and stating that it ought not to be necessary to submit the question to the Comptroller General.

I am, regrettably, dubious on both points. I am fearful that the correct answer may be that the ceiling applies. Further, I believe that we need a definitive answer to the question from an imposing source. (The Comptroller would, of course, do, because he's pretty imposing, but there may be alternatives to consider.) Additionally, the question discussed in the memorandum is part of the very much broader one which we have often considered in the past, but never satisfactorily resolved; i.e., just what does "civil administration" mean, and therefore, just what is covered by the ceiling statute. The question will continue to plague us, probably with increasing frequency, and I think we should obtain an answer.

We need advice from you on two points:

1. Have your efforts with respect to the Poverty Program advanced to a point where it is important that you obtain an early, definitive answer to the question? We would not want to submit to the Comptroller a question which is essentially academic. We might just get an unfortunate answer that would rise to haunt us in the future.

2. How soon do you expect to submit to us the showing we have requested to justify an increase in the ceiling? If it would be soon enough to permit our dealing with the current question in the same bill, we would like to consider that

possibility. Although we of course cannot be sure, it seems to us likely that the Congress might act favorably with respect to legislation stating that the ceiling would not apply to Federal programs carried out in the Trust Territory pursuant to statutes made expressly applicable to the Trust Territory. If you can wait for an answer until such a bill could move forward, this would clearly be a most effective way to settle the question.

Let us know your views on the matter, and we shall be glad to turn to it further.

Sincerely yours,

(Sgd.) Mrs. Ruth G. Van Cleve  
Mrs. Ruth G. Van Cleve  
Director

Enclosure

VanCleve:emw  
2/19/65