

MPS  
APR 30 1974

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4,76

APR 74 ACTION.....PBO  
INFO.....D/FI  
INFO.....BUDGET  
INFO.....STATUS LNO  
INFO.....CONG MICRO

ZCZC SHA012VV RUHGPP006  
VZCZCGSA006  
PQTUZYUW RUEAMAF0294 1162350-UUUU--RUHGSAA.  
DE RUEHC #6151 1162351  
ZNR UUUUU  
ZZH  
P 262230Z APR 74  
FM SECSTATE WASHINGTON DC  
TO HICOMTERPACIS SAIPAN MARIANAS ISLANDS  
BT  
UNCLAS STATE 086151  
E.O. 11652: N/A  
TAGS: TO, AFIN  
SUBJ: BUDGET

DOTA NO. 0159-TT

1. AS YOU KNOW, CONSTANT DOLLARS NOW A FACTOR IN BUDGET DETERMINATIONS FOR NEXT FISCAL YEARS. WASHINGTON PARTIES INCLUDING OMB ATTEMPTING TO DETERMINE ACCEPTABLE MEANS OF MEASUREMENT FOR INFLATION AND PURCHASING POWER OF US DOLLAR, AND INSERT SAME IN TIPI BUDGET.
2. AT RECENT CARMEL DISCUSSIONS BETWEEN AMB WILLIAMS AND SEN SALII, US CONSUMER PRICE INDEX SUGGESTED AS MEANS OF MEASUREMENT FOR FREE ASSOCIATION FINANCIAL ASSISTANCE LEVELS. WE NOW FEEL THAT WHATEVER INDEX IS USED FOR FREE ASSOCIATION YEARS ALSO SHOULD BE USED FOR TRANSITION YEARS STARTING NOW.
3. REQUEST YOUR VIEWS ON USE OF US CONSUMER PRICE INDEX AS INFLATION MEASUREMENT FORMULA FOR CONSTANT DOLLARS IN FY 1976 BUDGET. SOLICIT VIEWS OF CHMN, SETIK AND HIS COMMITTEE IF YOU DESIRE.
4. REQUEST YOUR RESPONSE ON AN URGENT BASIS TO DOTA SO WE CAN MEET OMB DEADLINE OF MAY 17. CARPENTER SENDS.

BT  
#6151

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