



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

OCT 21 1951

My dear Mr. President:

During our recent conversation concerning the administration of the Trust Territory of the Pacific Islands, I explained briefly the emergency situation which exists because of inadequate appropriations. I indicated, as you will recall, that our original presentation for fiscal 1952, which was supported by the Bureau of the Budget, requested a grant in the amount of \$5,883,251 which was cut \$1,800,000 by the Congress.

The Department has been administering the Trust Territory since July 1, and its experience clearly indicates that the amount appropriated by the Congress is insufficient to provide the minimum public services required in the area for the balance of the year. Inflated prices and increased transportation costs further aggravate the financial situation of the Trust Territory. Furthermore, substantial costs, such as for transportation of personnel, have arisen during the current year which were anticipated would be covered by fiscal 1951 appropriations, but the funds provided therefor have necessarily lapsed. Unless a deficiency appropriation is obtained, up to 30 percent of the present restricted force of stateside personnel and a similar percentage of native personnel will have to be discharged and services of all kinds reduced below the minimum necessary to comply with our obligations under the trusteeship agreement.

I was pleased with your sympathetic understanding of our problem and your recognition of our need for additional funds to carry out the program planned for the current year. In accordance with your advice that we seek a deficiency appropriation, I am asking the High Commissioner to expedite the submission of the necessary data in support of such a request.

Sincerely yours,

(Sgd.) DeLoach

Secretary of the Interior

The President

The White House