



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUN 20 1980

Honorable Cecil D. Andrus
Secretary of the Interior
Washington, D.C. 20240

Dear Mr. Secretary:

In response to your June 18 letter to OMB, I have approved the proposed 1980 reprogramming and will recommend that the President propose a 1981 budget amendment of \$13.6 million for the Trust Territory Government, as requested. The additional funding covers fuel costs for the entire Trust Territory and a block grant for operations of the Federated States of Micronesia. Funding for the three Micronesian capitals will be considered in the context of the 1982 Budget.

I do not wish to escalate the debate concerning these items, but do believe that two points should be made.

First, it was the President's Representative for the Micronesian Status Negotiations who recommended that these items be linked with the status talks. Your letter incorrectly states that it was I who linked the funding requests to the talks.

Second, I must express my profound displeasure at the way the staffs of the various agencies concerned handled this issue of Trust Territory funding in connection with the status talks. I firmly believe it is the responsibility of Administration officials to understand and support a negotiating position once it is decided, and they should not undercut that position immediately and publicly once opposition arises.

Sincerely,

(Signed) Jim McIntyre

James T. McIntyre, Jr.
Director

cc: Zbigniew Brzezinski ✓
Stuart E. Eizenstat ✓
Peter R. Rosenblatt