



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JUN 26 1980

Memorandum

To : Secretary
Under Secretary

From : Deputy Under Secretary
Territorial and International Affairs

Subj : OMB Decision to Eliminate Linkage Between 1981 Trust Territory
Funding and the Micronesian Political Status Negotiations

As I have indicated verbally, OMB officials agreed on Friday (June 20) to eliminate the linkage of Trust Territory funding to the signing of compacts of free association. The significance of this action cannot be over-emphasized. Because of it, we will be able to carry out our pre-termination responsibilities, and the negotiations will be continued.

The Department's views prevailed in this important decision because of your support. In the history of the Federal government's relationship with Micronesia, it may be viewed as one of the critical events among the efforts by the United States to fulfill its responsibilities to the people of the Trust Territory.

Wallace O. Green

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NOTE: The OMB decision was to approve funding as a FY 1981 budget amendment to be forwarded to the Congress for (1) government operations and other needs in the Federated States (\$6.3 million); and (2) unanticipated increases in the cost of fuel to the Trust Territory government (\$7.3 million).

In addition, OMB agreed to consider a request for \$21 million in FY 1982 to fund new capitals in the three entities--Federated States, Palau, and Marshall Islands.

cc: Mr. Jeffery Farrow