

57-1578

MAY 9 1957

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT: Records Center Construction: Paper attached -
Possible Position attached.

1. I believe that you should carefully consider other alleviating possibilities before submitting this paper.

a. The U Street building we looked at has two floors (fourth and fifth) yet unleased. It is clearly suitable for our purpose, and the total of 30,000 square feet available are exactly the same as the proposed construction at [REDACTED]. (15,000 square feet would carry us two years, probably, at the present and immediate-future rate of disposition.) Of course, it will cost some more OI funds.

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(1) The first, second, and third floors of this building have been taken by the Selective Service and the U. S. Coast and Geodetic Survey for storage purposes.

b. There is another building available on 14th Street near P Street, N.W., formerly operated by the Trew Motor Company, which will also suit the purpose (floor load included). It contains 35,000 square feet.

c. There may be others - these above being casual pieces of information from [REDACTED] today.

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2. I personally do not recommend our proposed construction at this time, solely because of a visceral feeling about the President's anti-inflationary position with its talk ramifications which might very well descend on us if we went ahead. (Obviously, this judgment is not within my responsibilities.) I think it would be wiser to spend some alleviating extra dollars (which necessarily must be considered as additional costs of the new postponed addition)- roughly estimated as follows:

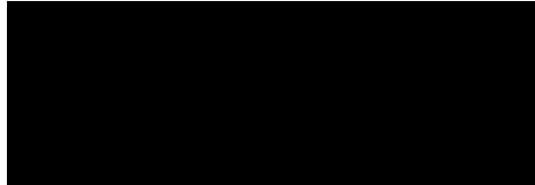
- OI funds: 2 employees minimum
- Guard: 1-24 hour - 7-day post
- Rental: \$15,000. per floor
- Some janitor cost
- Operational trucking now absorbed in the regular runs
- Courier service; 1 employee, plus vehicle
- Moving material [REDACTED]

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3. Clearly because of the Records Center deadline (September 1957), we ought to have the decision promptly. If we rent one floor we could take a one-year alleviation by moving the 8,000 cubic feet of NIS material and service it with two people in a removed location. This would have another 22,000 cubic feet (on one floor) for small NIS increase plus moving another unit or two from [REDACTED] as the need arises.

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4. I am not an economist. However, for what it is worth, the present attitude of the Administration is based on politics just as much as economics. Nevertheless, as the economic bind imposed by the President and the Federal Reserve Board begins to take hold, there also begins the counter-acting pressures against it. The President can't allow his curtailment to go too far; he must permit relaxing when the economy shows significant slowing-down. His objective then will have been served. The \$64.00 question is, of course, when. I will guess sooner rather than later!



Chief, Management Staff

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Attachments