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JUN 21 1957

TO: Comptroller

FROM: Chief, Psychological and Paramilitary Staff

SUBJECT: Adjustment of Fiscal FY-1957 Budget for Capital Outlay

1. The original DFPIAR request requests for Capital Outlay from its field offices totaled [] . Largely on the basis of the magnitude of previous expenditures, [] arbitrarily reduced these requests by [] . However, during FY-1957, it was necessary to release [] from contingency increasing total Capital Outlay from a total of \$52,400 to [] .

2. Some reasons necessitating this increase were:

a. It was not anticipated that an Administrative Assistant would be sent to Casablanca this year and that suitable office space would be found separate from the Representative's residence. Consequently, provision was not made in the budget for additional household furniture and the costs of renovating and equipping the new office.

b. In Indonesia, the Representative found suitable office space separate from his residence. This cost that exceeded the amount budgeted for household improvements.

c. It was anticipated that the prefabricated house for the Assistant Representative, Korea, would be fully assembled and furnished during the last fiscal year. However, this did not materialize and it was necessary to meet assembly charges and essential equipment from FY-1957 funds.

d. In Japan, the office was in a very unsatisfactory location and more suitable space was unexpectedly available.

e. In Japan, the amount budgeted was insufficient to cover heating and air conditioning equipment for the office.

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This equipment was urgently requested by the Representative to combat lowered productivity of the staff due to health and morale problems. In addition, on the advice of their Tokyo attorney and real estate experts, WPI has purchased the land under a house obtained in 1951 in order to permit the Project to sell the house at a reasonable price and without undue legal complications. Finally, the local customs duties and handling charges of equipment exceeded the amount estimated at the time the budget was prepared.

f. The Project has released a house formerly occupied by the Representative, Taiwan, and both the Representative and Assistant Representative now occupy houses built by the Project. While this has increased the Capital Outlay for the current year, this will result in a significant long-term saving.

g. Careful supervision of administrative expenditures during FY-1957 have enabled the Project to determine at this time that expenditures will total approximately [] less than budgeted. The Project therefore proposes that [] of this amount be transferred from Administrative to Capital Outlay to permit the replacement of some of its most obsolete capital equipment and the acquisition of some additional equipment (see attached list). Original budget provision for this equipment was not made since replacement and acquisition had been scheduled for FY-1956. However, it is felt that the present is an opportune time to permit the Project to proceed with this schedule which will limit its Capital Outlay requirements for next year. This is important in view of the fact that WPI's budget request for FY-1958 is being reduced by [] from [] to [].

h. Your concurrence to the proposed transfer of [] from Administrative to Capital Outlay is recommended.

[]
[]

Chief

International Organizations Division

Attachment:
As stated

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15/ [Signature]] June 13, 1957
Chief, FP

for [Signature]] 6/13/57
Controller

IO/2C [Signature] mc (7 June 57)

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[CAPITAL OUTLAY SUMMARY]

SAN FRANCISCO

2 Adding Machines	[]
1 Station Wagon (replacement) .	[]
6 Electric Typewriters (now resting)	[]
1 Calculator (now resting) . . .	[]

[]

ASIA

Manila
1 Automobile []

Tokyo
2 Automobiles (replacements) []
1 Space Heater []

Korea
1 Jeep and 1 Jeep engine . . []

Manila
1 Automobile (replacement) . []

Swainburg (new office)
1 Automobile []
1 Adding Machine []
2 Typewriters []
2 Air Conditioners []

Freight []

TOTAL []