

HEADQUARTERS BERLIN COMMAND



BUDGET & FUNDING PROCESS STATUS OF FUNDS

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SUBSIDIARY EXPENSE ACCOUNTS

<u>ACCOUNT</u>	<u>DESCRIPTION</u>
9010.1	<u>HEADQUARTERS OPERATIONS</u> Salaries of DA civilians, LWR employees and cost of supplies consumed in the operation of Berlin Command Headquarters.
9010.2	<u>PRESERVATION OF ORDER</u> Salaries of DA civilians, LWR personnel and cost of supplies consumed in Military Police Operations, Criminal Investigation Activities, Confinement Operations and Security Guard Operations including food and clothing of LSU personnel.
9020.1	<u>RELIGIOUS ACTIVITIES</u> Salaries of LWR personnel and cost of supplies consumed in the operation of Religious Activities.
9020.2	<u>EDUCATIONAL DEVELOPMENT OF MILITARY PERSONNEL</u> Salaries of DA civilian Educational Advisors, contract instructors, LWR employees and cost of supplies consumed in the operation of Army Education Centers.
9020.3	<u>TROOP INFORMATION</u> Salaries of LWR employees and supplies consumed in the operation of the Troop Information Program. Does not include cost of publication of Berlin Observer which is supported by non-appropriated funds.
9020.4	<u>SPECIAL SERVICES ACTIVITIES</u> Salary of 1 DA civilian (Command Librarian), TDY Travel and Per Diem, and cost of supplies consumed in the operation of Special Services Activities.
9030.1	<u>MAINTENANCE OF ACTIVE FACILITIES</u> Salaries of DA civilians, LWR employees, TDY Travel and Per Diem, and materials and supplies consumed in the performance of R&U management engineering, operation of utilities, maintenance and repair services, modification of facilities, fire prevention and protection, and other R & U services for active facilities.
9030.5	<u>RENTS, INITIAL ALTERATIONS, AND RESTORATIONS</u> Rental payments made to lessors for the use of real property under lease by Berlin Command.

ACCOUNTDESCRIPTION

9030.7

MASTER PLANNING

Salaries of 1 DA civilian, 2 LWR employees and supplies consumed in the preparation of master plans, mobilization overlays or site expansion plans.

9040.2

ENGINEER FIELD MAINTENANCE

Salaries of 1 DA civilian, LWR employees, TDY travel and per diem, and cost of parts and supplies issued and consumed in the operation of the Engineer Field Maintenance Shop, Contract Maintenance and Organizational Maintenance Parts Issue.

9040.4

ORDNANCE FIELD MAINTENANCE

Salaries of LWR personnel and cost of parts and supplies issued and consumed in the operation of the Ordnance Field Maintenance Shop, Contract Maintenance and Organizational Maintenance Parts Issue.

9040.5

QUARTERMASTER FIELD MAINTENANCE

Salaries of 1 DA civilian, LWR employees, TDY travel and per diem, and cost of parts and supplies issued and consumed in the operation of the QM Field Maintenance Shop, Contract Maintenance, and Organizational Maintenance and Parts Issue.

9040.6

SIGNAL FIELD MAINTENANCE

Salaries of 1 DA civilian, LWR employees, TDY travel and per diem, and cost of parts and supplies issued and consumed in the operation of the Signal Field Maintenance Shop, Contract Maintenance and Organizational Maintenance and Parts Issue.

9050.1

POST SUPPLY

Salaries of DA civilians, LWR employees, TDY travel and per diem, and cost of equipment, parts and supplies used and issued in the operation of the post supply system. Includes supply operations of the technical services, self service supply centers, clothing sales stores and purchasing and contracting.

9050.2

COMMUNICATION AND PHOTOGRAPHIC SERVICES

Salaries of 1 DA civilian, LWR employees, and cost of parts and supplies consumed in the installation of fixed wire systems, operation and maintenance of fixed wire systems, operation and maintenance of fixed radio systems, cost of commercial communications, operation of the film and equipment exchange, and photographic facilities.

ACCOUNT

DESCRIPTION

9050.3

TRANSPORTATION SERVICES

Salaries of 2 DA civilians, LWR employees, and parts and supplies consumed in the operation of transportation services as follows:

- a. Operate administrative vehicles for the local administrative motor transportation of persons and things.
- b. Maintenance of administrative vehicles, including personal services, supplies and contractual services.
- c. Provide traffic management relating to commercial transportation at Army installations. Includes personal and contractual services incident to commercial transportation of persons and things.
- d. Operation of floating equipment including organizational maintenance.

9050.4

QM SPECIALIZED SERVICES

Salaries of 2 DA civilians, LWR employees and cost of supplies consumed in the operation of the following QM Specialized Services:

- a. Operation of Issue Commissaries to provide stock fund sales of rations and subsistence to authorized activities using appropriated and non appropriated funds.
- b. Operation of commissary stores for retail sale to authorized purchasers.
- c. Operation of bakeries to produce bread products for military consumption.
- d. Operation of Army-owned laundry plants.
- e. Operation of Army-owned dry-cleaning plants.
- f. Operation of POL sales points for sale of POL products to authorized purchasers.

MISSION ACCOUNTS

<u>ACCOUNT</u>	<u>DESCRIPTION</u>
2010.2	<u>FIELD EXERCISES</u> Transportation costs for transporting 6th Regt to and from Hohenfels for summer field training. 3 round trips (1 ea Bn) at \$ 42,850 per round trip.
2010.3	<u>OPERATING FORCES</u> Local procurement of certain TO & E items budgeted for by the Tech Services (to be transferred to 9050.1, Post Supply).
2110.4	<u>OPERATION OF SERVICE SCHOOLS</u> TDY transportation and per diem costs involved in sending mil and civilian personnel to Army Schools.
2140.1	<u>RIFLE AND PISTOL MATCHES</u> Includes expenses of small arms competitive programs, TDY travel, entry and registration fees, and maintenance and repair of Govt owned small arms used for match purposes.
2140.2	<u>OTHER MISCELLANEOUS TRAINING</u> TDY travel and per diem expenses for miscellaneous training where a complete troop movement is not involved. Example: Travel of observers to Hohenfels during summer maneuvers.
2150.1	<u>TRAINING DEVICES AND PUBLICATIONS</u> Rifle shooting stools & pistol boxes.
2210.1	<u>OPERATION OF PROCUREMENT OFFICES</u> Salaries of LWR employees \$ 3,646 Supplies. 71 Operation of procurement offices of the technical services.
2210.5	<u>REAL ESTATE ADMINISTRATION</u> Payment of salaries of 1 DA civilian and LWR employees engaged in locating, appraising, negotiating and contracting with property owners for the leasing of real property, design, supervision, inspection, etc.
2250.1	<u>LAND TRANSPORTATION SERVICES</u> <ol style="list-style-type: none">1. Cost of operating passenger trains to Frankfurt and Bremerhaven from Berlin and return.2. Provide commercial line haul land transportation to and from Berlin including cost of transportation of coal.

ACCOUNTDESCRIPTION

2420.1 OPERATION OF HOSPITALS
Provide medical and dental services through operation of Army medical centers and hospitals.
1. Payment of LWR personnel engaged in hospital services.
2. Payment of US civilians engaged in hospital services.
3. Local purchase of medical and dental supplies.

2420.6 HOSPITAL FOOD SERVICE
Purchase all food products for the feeding of patients and other authorized personnel.

2440.3 VETERINARY SERVICES
Salary of 1 LWR employee engaged in Veterinary Services.

2440.4 SPECIALIZED MEDICAL ACTIVITIES
Salaries of LWR personnel engaged in medical services of environmental health, diagnostic services, and special programs for control of disease vectors.

2450.1 OPERATION OF MEDICAL SERVICE SCHOOLS
TDY travel and per diem for medical personnel attending medical service schools.

2530.1 MAJOR FIELD COMMAND HEADQUARTERS.
Salaries of DA civilians, LWR employees and cost of supplies for detachments operating in the field under the direct control of Hq USAREUR.

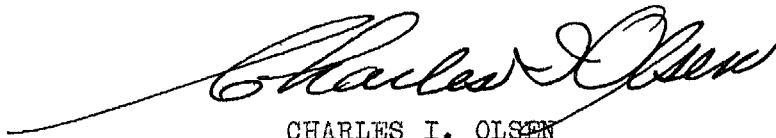
2540.4 EDUCATION OF DEPENDENTS
Salaries of LWR personnel employed in the operation of Berlin American School.

2540.8 COURTS, COMMISSIONS, BOARDS
Payment of travel and fees of witnesses appearing before Courts, Commissions, Boards.

2560.6 CLASSIFIED ACTIVITIES
Salaries of LWR personnel and cost of supplies consumed in the operation of Field Intelligence Activities.

FOREWORD

This brochure contains data covering the various aspects of the Budget and Funding Process for Berlin Command. It is hoped that this material will acquaint the reader with the overall budgetary process and those particular operations peculiar to the Command. The apparent shortage and surplus existing in the various accounts are based on straight line projection of past obligations and actual discussions with the operating officials.



CHARLES I. OLSEN
Lt Col, GS
Comptroller

DEUTSCHE MARK FUNDING BERLIN COMMAND

Deutsche Mark for the Military Occupation Forces in Berlin are controlled by the Commander in Chief, US Army, Europe, regardless of whether the funds are to be used by the Army, Navy or Air Force. This control is expressed through the Comptroller, USAREUR, by controlling the budget, in asking for funds, or allocating funds after the budget has been approved.

Deutsche Mark funds to support the occupation of Berlin are furnished by the Berlin Senat. In this connection, however, it is of interest to note that revenues generated by the city are not sufficient to support the cost of civil administration and the forces of the occupation. In GFY 1957, the last year for which data is presently available, total revenue of the City of Berlin amounted to DM 1,347,000,000, while expenditures amounted to DM 2,194,000,000. To offset this yearly deficit, at least in part, DM 720,000,000 were obtained by the city as a direct subsidy from the Federal Republic of Germany. As in the past it is apparent that Berlin is dependent upon Federal subsidy and that the cost of occupation (DM 194,000,000) represents less than 9% of the overall cost.

The request for Deutsche Mark funds, necessary to support the Occupation of Berlin, is forwarded to the Berlin Senat for the total combined requirements of the three allied powers and not as a separate request of the individual power concerned.

The Berlin Deutsche Mark fiscal year is from 1 April through 31 March of the following year and parallels the fiscal year of the West German Federal Republic. Under existing agreements Berlin is authorized to obligate Deutsche Mark funds only during the specific German fiscal year for which appropriated. The expenditure of the obligations, however, is authorized during the next fifteen months.

Under current National Policy, implemented by Office of Secretary of Defense, we spend available Deutsche Mark in Berlin for everything except the pay, allowances and subsistence costs of United States personnel. First priority for Deutsche Mark expenditures are assigned to recurring costs under the maintenance and operation program. In Berlin we are of course subject to most regulatory fiscal procedures and criteria of the United States Government for both Dollar and Deutsche Mark operation.

Of particular interest in this regard is Section 1415 of the Supplemental Appropriations Act of 1953, which provides that any United States Governmental Agency obtaining support from a foreign government will be required to deposit with the United States Treasury, from their own appropriations, dollars equivalent to the foreign support obtained. As in previous years, it is expected that exception from this restrictive requirement will be confirmed for Berlin in the 1957 Defense Appropriation Act. In this connection it is of interest to note that the Department of Army has again taken independent action resulting in the partial implementation of Section 1415 in FY 1958. Action taken by that agency requires that USAREUR returns to Department of Army funds from their dollar FY 1958 budget equal to the Deutsche Marks spent in Berlin under the M and O appropriation. It is thus apparent that from a USAREUR and Berlin standpoints this Department of Army requirement has in effect nullified most of the benefits should they be voted by the Congress. Staff study on the possible effect, on Berlin Command, of this law is found at Tab M. This study was completed prior to the Department of Army's partial implementation of Section 1415 to Europe and as a result many of the possible effects contained in the study have now materialized.

1 July 1957

OCCUPATIONAL DEUTSCHE MARK BUDGET AND FUNDING PROCESS
BERLIN COMMAND

Based on a budget directive issued by the Office of the Comptroller, Hq USAREUR, the Berlin Budget Execution Plan is prepared by the Command Comptroller. This plan includes the cost of all indirect support (VIZ Commissary, Post Exchange, Transportation, other morale and welfare services etc) for all departments and agencies of the United States Government in Berlin. Also included are the full cost of support for all lodger units located within Berlin and the direct support cost of the Air Force for dependent billets and the maintenance of heavy equipment and direct support costs for dependent billets in the case of the Navy.

Tempelhof Air Base, as an installation, is not included in the budget, but forwards a separate operating budget through USAFE to the USAREUR Program-Budget Advisory Committee. Due to the peculiar nature and size of their Berlin operation, the Navy portion is included as a separate annex in the Berlin budget.

Prior to fiscal year 1956 USBER direct support was included in the Berlin Command budget, but effective 1 April 1955 USBER established a separate budget so that now it merely furnishes Berlin Command, during the year, funds to pay for the support furnished. The USBER budget is prepared in Bonn on the basis of data furnished the Embassy by their Berlin Element.

The budget estimate is reviewed by the Berlin Command Program-Budget Advisory Committee for adequacy and justification. The budget is then forwarded to the USAREUR Comptroller for action by the USAREUR Program-Budget Advisory Committee. Before this committee the Berlin Command Comptroller is responsible for the defense of the Berlin budget. Since the comparative costs in Berlin are usually greater than in Western Germany, it is necessary to prove this difference. The DM budget for Tempelhof Air Base is also reviewed and joined to the Berlin Command estimate before the next step.

The US military portion of the Berlin budget estimate is now forwarded to the Embassy at Bonn for review and final approval. At this time the requirements of USBER are added to complete the total United States fund requirements for Berlin. The Embassy at this point informally advises the West German Federal Republic of the approved United States requirements which will be forwarded to the Berlin Senat.

The US section of the estimate is now sent to the Allied Kommandatura in Berlin, where it is combined with the estimates of the other two allied powers. From here the combined estimate is forwarded to the Berlin Senat for their action to set up the necessary funds.

The Berlin Senat now adds the request of the three allied powers to what the city will require for its civil administration and after comparing the cities revenues against projected operating costs requests a direct subsidy, to offset the deficit, from the Federal Republic of Germany.

The funding is now returned to the Allied Kommandatura to separate the funds to the three allies. The US portion is sent to the Embassy which allocates the military portion of the funds to USAREUR Comptroller, who in turn sets up the funding program, on a quarterly basis, for Berlin Command.

1 December 1956

PROGRAM TOTALS

	<u>GFY 1957</u>	<u>GFY 1958</u>	<u>INCREASE/DECREASE</u>
2000 TACTICAL FORCES - DEPOT SUPPORT AND TROOP TRAIN	730,819	1,415,800	+ 684,981
2100 TRAINING ACTIVITIES	39,338	78,160	+ 38,822
2200 TRANSPORTATION - PROCUREMENT REAL ESTATE PERSONNEL	7,207,025	7,302,380	+ 95,355
2400 MEDICAL ACTIVITIES	813,938	1,108,700	+ 294,762
2500 ARMY-WIDE ACTIVITIES	1,583,277	1,829,200	+ 245,923
9000 OPERATION & MAINT OF FACILITIES	<u>40,033,011</u>	<u>33,964,960</u>	- 6,068,051
TOTAL O & M	50,407,408	45,699,200	- 4,708,208
6200 CONSTRUCTION	9,943,100	136,100	- 9,807,000
6400 ACQUISITION REAL ESTATE	<u>-0-</u>	<u>6,110,000</u>	+ 6,110,000
TOTAL MCA	9,943,100	6,246,100	- 3,697,000
9770102 CLAIMS	<u>2,700,000</u>	<u>2,461,500</u>	- 238,500
GRAND TOTAL	63,050,508	54,406,800	- 8,643,708

COMPARISON BERLIN DEUTSCHE MARK BUDGET GFY 1957 - GFY 1958

	<u>GFY 1957</u>	<u>GFY 1958</u>	<u>INCREASE/DECREASE</u>
O&M			
O&M	50,407,408	45,699,200	- 4,708,208
MCA	9,943,100	6,246,100	- 3,697,000
CLAIMS	<u>2,700,000</u>	<u>2,461,500</u>	<u>- 238,500</u>
GRAND TOTAL	63,050,508	54,406,800	- 8,643,708

CATEGORIES

	<u>GFY 1957</u>	<u>GFY 1958</u>	<u>INCREASE/DECREASE</u>
1 PAY & FOOD & CLOTHING FOR LSU	21,856,000	21,692,900	- 163,100
3 RENTS & UTILITIES	5,593,325	4,885,200	- 708,125
4 SOLID FUELS	3,345,943	2,345,600	- 1,000,343
5 REPAIR & MAINTENANCE	6,418,489	2,195,500	- 4,222,989
6 FURNITURE	1,667,940	1,507,900	- 160,040
7 COMMUNICATIONS	588,933	801,300	+ 212,367
8 TRANSPORTATION	7,285,308	7,602,000	+ 316,692
9 MAINT OF TRANS EQUIPMENT	1,007,459	1,114,600	+ 107,141
10 OFFICE SUPPLIES & EQUIPMENT	387,438	356,800	- 30,638
11 MISCELLANEOUS SUPPLIES	2,149,573	3,098,800	+ 949,227
208 OCO PERSONNEL	<u>107,000</u>	<u>98,600</u>	- <u>8,400</u>
TOTAL MOA	50,407,408	45,699,200	- 4,708,208
203 CONSTRUCTION	9,943,100	6,246,100	- 3,697,000
105 CLAIMS	<u>2,700,000</u>	<u>2,461,500</u>	- <u>238,500</u>
GRAND TOTAL	63,050,508	54,406,800	- 8,643,708

PERSONNEL

<u>COSTS</u>	<u>GFY 1957</u>	<u>GFY 1958</u>	<u>INCREASE/DECREASE</u>
MISCELLANEOUS			
LODGER UNITS	2,265,380	2,302,000	+ 36,620
HQ & STAFF	1,562,715	1,619,500	+ 56,785
L S U	<u>4,225,164</u>	<u>4,069,000</u>	- 156,164
SUB-TOTAL MISC	8,053,259	7,990,500	- 62,759
TECH SERVICES			
ENGINEERS	6,297,690	5,974,800	- 322,890
ORDNANCE	1,036,019	992,100	- 43,919
QUARTERMASTER	1,896,680	1,866,200	- 30,480
SIGNAL	624,686	683,000	+ 58,314
TRANS	2,745,009	2,530,800	- 214,209
HOSPITAL	<u>631,966</u>	<u>601,000</u>	- 30,966
SUB-TOTAL TECH SERVICES	13,232,050	12,647,900	- 584,150
TOTAL	21,285,309	20,638,400	- 646,909

COSTS

PERSONNEL

SUPPLIES AND SERVICES

Total

SUB-PROJ 2110.4300 SCHOOL TDY-RAIL COST

2140.0000 MISC TRAINING-RAIL COST

2150.1100 TRAINING AIDS

2210.1100 USAREUR.PROC CENTER
RAIL COST-PER DIEM2530.1100 RAIL COST USMLM
REPTRESENT FUND GENERAL

2540.4000 DEP SCHOOL

2540.8000 COURTS & BOARDS
RAIL COSTS AND WITNESS FEES2560.6100 RAIL COST AND PER DIEM
CLASSIF. ACT9010.1000 HQ OPERAT, RAIL COST & PER DIEM
SAFETY PROM MATERIAL9010.2000 LSU FOOD&CLOTH PER DIEM,RAIL
COST, PM-PER DIEM,RAIL COST

9020.1000 RELIGIOUS ACT

9020.2000 A E C (RAIL COST & TRNG AIDS)

9020.4000 Spec Serv - RAIL COST &
MAINT OF BOARDS

TOTAL

GFY 1957GFY 1958INCREASE/DECREASE

8,053,225

7,990,500

- 62,725

1,062,5581,492,100

+ 429,542

9,115,783

9,482,600

+ 366,817

15,486

22,000

+ 6,514

15,595

34,100

+ 18,505

22,060

22,060

-0-

247

8,700

+ 8,453

12,638

13,400

+ 762

13,637

39,400

+ 25,763

545

6,800

+ 6,255

10,257

18,500

+ 8,243

22,421

19,020

- 3,401

907,112

1,261,520

+ 354,408

-0-

20,000

+ 20,000

5,903

4,400

- 1,503

36,65722,200- 14,457

1,062,558

1,492,100

+ 429,542

ENGINEER

<u>COSTS</u>	<u>GFY 1957</u>	<u>GFY 1958</u>	<u>INCREASE/DECREASE</u>
PERSONNEL	6,297,690	5,838,800	- 458,890
SUPPLY AND SERVICES	15,652,713	9,699,400	- 5,953,313
CONSTRUCTION	<u>9,943,100</u>	<u>6,110,100</u>	<u>- 3,833,000</u>
TOTAL	31,893,503	21,648,300	- 10,245,203
SUB-PROJ 2010.3002 DEPOT SUPPLY	85,973	253,700	+ 167,727
9030.1000 R & U	12,776,992	7,147,800	- 5,629,192
9030.5100 RENTS	2,785,000	2,285,200	- 499,800
9040.2000 FIELD MAINT	4,202	12,200	+ 7,998
9050.1000 Supply Shop	<u>546</u>	<u>500</u>	<u>- 46</u>
TOTAL	15,652,713	9,699,400	- 5,953,313
6214-99 CONSTRUCTION	9,794,142	-0-	- 9,794,142
6412-99 ACQUI OF REAL EST	<u>-0-</u>	<u>6,110,100</u>	<u>+ 6,110,100</u>
TOTAL	9,794,142	6,110,100	- 3,684,042

TRANSPORTATION

<u>COSTS</u>	<u>GFY 1957</u>	<u>GFY 1958</u>	<u>INCREASE/DECREASE</u>
PERSONNEL	2,745,009	2,530,800	- 214,209
SUPPLIES AND SERVICES	<u>7,601,279</u>	<u>7,886,280</u>	+ 285,001
TOTAL	10,346,288	10,417,080	+ 70,792
SUB-PROJ 2010.2200 TROOP TRAINS	441,937	542,600	+ 100,663
2250.1130 FREIGHT	827,700	1,052,000	+ 224,300
2250.1200 PASSENGER TRAINS	5,828,728	5,811,680	- 17,048
9050.3000 MAINT OF VEHICLES	<u>502,914</u>	<u>480,000</u>	- 22,914
TOTAL	7,601,279	7,886,280	+ 285,001

QUARTERMASTER

<u>COSTS</u>	<u>GFY 1957</u>	<u>GFY 1958</u>	<u>INCREASE/DECREASE</u>
PERSONNEL	1,896,679	1,866,200	- 30,479
SUPPLIES & SERVICES	<u>3,404,967</u>	<u>3,398,920</u>	- 6,047
TOTAL	5,301,646	5,265,120	- 36,526
SUB-PROJ 2010.3000 DEPOT SUPP	12,000	-0-	- 12,000
9010.1000-99 BAND INSTRUMENTS	8,257	9,500	+ 1,243
9040.5000-99 FIELD MAINT	545,585	503,300	- 42,285
9050.1000-99 SUPPLY SHOP	2,664,125	2,574,020	- 90,105
9050.4000-99 COMMISSARY, BAKERY LAUNDRY	<u>175,000</u>	<u>312,100</u>	+ 137,100
TOTAL	3,404,967	3,398,920	- 6,047

ORDNANCE

<u>COSTS</u>	<u>GFY 1957</u>	<u>GFY 1958</u>	<u>INCREASE/DECREASE</u>
PERSONNEL	1,036,019	992,100	- 43,919
SUPPLIES AND SERVICES	<u>545,994</u>	<u>697,600</u>	<u>+ 151,606</u>
TOTAL	1,582,013	1,689,700	+ 107,687
SUB-PROJ 9040.4000-99 FIELD MAINT	544,657	696,900	+ 152,243
9050.1000-99 SUPPLY SHOP	<u>1,337</u>	<u>700</u>	<u>- 637</u>
TOTAL	545,994	697,600	+ 151,606

CHEMICAL

<u>COSTS</u>	<u>GFY 1957</u>	<u>GFY 1958</u>	<u>INCREASE/DECREASE</u>
SUPPLIES AND SERVICES			
2010.3001-99 DEPOT SUPPLY	9,174	60,000	+ 50,826

SIGNAL

<u>COSTS</u>	<u>GFY 1957</u>	<u>GFY 1958</u>	<u>INCREASE/DECREASE</u>
PERSONNEL	624,687	683,000	+ 58,313
SUPPLIES & SERVICES	<u>812,400</u>	<u>1,454,800</u>	+ <u>642,400</u>
TOTAL	1,437,087	2,137,800	+ 700,713
SUB-PROJ 2010.3006 DEPOT SUPP	181,735	559,500	+ 377,765
9040.6000 FIELD MAINT	40,949	19,700	- 21,249
9050.2000 OPN OF RADIO	<u>589,716</u>	<u>875,600</u>	+ <u>285,884</u>
TOTAL	812,400	1,454,800	+ 642,400

HOSPITAL

<u>COSTS</u>	<u>GFY 1957</u>	<u>GFY 1958</u>	<u>INCREASE/DECREASE</u>
PERSONNEL	632,000	601,000	- 31,000
SUPPLIES & SERVICES	<u>181,972</u>	<u>507,700</u>	+ <u>325,728</u>
TOTAL	813,972	1,108,700	+ 294,728
SUB-PROJ 2420.1000 OPN OF HOSP	181,972	507,500	+ 325,528
2450.1000 MEDICAL SERVICE SCHOOL RAIL COST	<u>-0-</u>	<u>200</u>	+ <u>200</u>
TOTAL	181,972	507,700	+ 325,728

CLAIMS

	<u>GFY 1957</u>	<u>GFY 1958</u>	<u>INCREASE/DECREASE</u>
REAL ESTATE	372,600	135,000	- 237,600
FURNITURE	1,921,400	1,935,000	+ 13,600
TORT	374,500	360,000	- 14,500
MANEUVER	<u>31,500</u>	<u>31,500</u>	<u>-0-</u>
TOTAL	2,700,000	2,461,500	- 238,500

COMPARATIVE ANALYSIS OCCUPATION
BUDGETS GFY 1952 - 1958

During this period the total Allied Occupation Budget for West Berlin has shown a general upward trend from DM 170.2 million in 1952 to a record high of DM 195.2 in the present German Fiscal Year. In this same period the United States prorata share of support costs has decreased from a high of 48.5% to a low of 38% in 1958. On the other hand, during the same period support costs for the British have increased from 28.5% to 36%, while the French recorded an increase from 23% to 26%.

In view of the relation of occupation costs to the income and budget of the City of Berlin, it would appear that reducing the United States request only decreases the United States share of an ever increasing total. While this mathematically is a statement of fact, a detailed analysis of the individual budget structures, during this period, indicates that the major percentage fluctuation was reflected in the construction portion of the Mandatory Expenditure Section. The United States embarked on their construction program for troop facilities and family housing in 1952, and the major portion of the program is now completed. Conversely the British and French, for reasons unknown, embarked on their construction program at a later date, which explains their present increased need for construction funds.

1 July 1957

BERLIN OCCUPATION COST AND MANDATORY EXPENDITURE BUDGET

	<u>1951/52</u>		<u>1952/53</u>		<u>1953/54</u>		<u>1954/55</u>		<u>1955/56</u>		<u>1956/57</u>		<u>1957/58</u> (proposed)	
<u>Occupation Costs</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
US Sector	61,012	47	51,856	42	61,409	43	60,354	43	57,694	41	66,059	43	57,246	38
British Sector	45,190	31	40,401	33	46,552	33	47,597	34	48,539	34	51,474	33	52,900	35
French Sector	30,182	22	30,942	25	32,032	24	31,546	23	34,634	25	37,904	24	40,645	27
Total Occ Costs	136,384	100	123,199	100	139,993	100	139,497	100	140,867	100	155,437	100	150,791	100
<u>Mand Expenditures</u>														
US Sector	13,028	39	21,041	44	26,489	64	14,744	51	14,094	43	11,251	29	16,488	37
British Sector	10,238	30	12,345	26	5,057	12	3,925	14	9,244	28	16,484	42	17,167	39
French Sector	10,592	31	14,487	30	9,758	24	10,034	35	9,620	29	11,065	29	10,788	24
Total Mand Expend	33,858	100	47,873	100	41,304	100	28,703	100	32,958	100	38,800	100	44,443	100
<u>Occ Costs and</u> <u>Mand Expenditures</u>														
US Sector	74,040	43	72,897	43	87,898	49	75,098	45	71,788	41	77,310	40	73,735	38
British Sector	55,428	33	52,746	31	51,609	28	51,522	30	57,783	33	67,958	35	70,068	36
French Sector	40,774	24	45,429	26	41,790	23	41,580	25	44,254	26	48,969	25	51,434	26
Total Occ Costs and Mand Expend	170,242	100	171,072	100	181,297	100	168,200	100	173,825	100	194,237	100	195,237	100
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1 April 1957

CONSOLIDATED US ELEMENT BERLIN
GFY 1958 BUDGET

ARMY	DM 54,406,800
NAVY	DM 119,200
AIR FORCE	DM 9,209,100
STATE	<u>DM 10,000,000</u>
	DM 73,735,100

1 July 1957

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ANNUAL FUNDINGGFY 1958

ACTIVITY	PERSONNEL 07	SUPPLIES AND SERVICES 99	TOTAL
Engineer	5,838,800	9,699,400	15,538,200
Ordnance	992,100	697,600	1,689,700
Quartermaster	1,866,200	3,398,920	5,265,120
Signal	683,000	1,454,800	2,137,800
Transportation	2,530,800	7,886,280	10,417,080
Hospital	601,000	507,700	1,108,700
Chemical	-	60,000	60,000
Special Services	-	22,200	22,200
AEC	61,800	4,400	66,200
Class Activities	1,707,500	18,500	1,726,000
Miscellaneous	6,221,200	1,447,000	7,668,200
Total MOA	20,502,400	25,196,800	45,699,200
MCA Engineer	136,000	6,110,100	6,246,100
Claims	-	2,461,500	2,461,500
Furn Claims	-	1,935,000	1,935,000
Real Est Claims	-	135,000	135,000
Tort Claims	-	360,000	360,000
Maneuver Claims	-	31,500	31,500
GRAND TOTAL	20,638,400	33,768,400	54,406,800
Navy	98,700	20,500	119,200

1 April 1957

CONSOLIDATED PROJECTED MAJOR EXPENDITURES
BERLIN COMMAND GFY 1958

Pay of Personnel

DM 20,502,400

Supplies and Services:

Trains	7,405,980
Real Estate & Furn Rents	2,285,200
Supply	3,403,600
Coal	2,345,600
Utilities	2,600,000
Rep & Maint of Real Estate	2,195,500
LSU Food and Clothing	1,249,600
Furniture	1,507,900
Communications	801,300
Maintenance	1,114,600
P O L	52,000
Misc Supplies and Services	<u>235,520</u>

25,196,800

DM 45,699,200

Claims

a. Real Estate	135,000
b. Furniture	1,935,000
c. Maneuver	31,500
d. Tort Claims	360,000

DM 2,461,500

MCA Construction

DM 6,246,100

GRAND TOTAL

DM 54,406,800

1 July 1957

GFY 1958 TOTAL FUNDING

	M&OA	DM	45,699,200
<u>Cat 1</u>			(21,692,900)
Personnel			20,403,800
Per Diem			21,600
Witness Fees			6,300
Food for Off Res Empl			4,200
Food & Cloth for LSU			1,249,600
Food for German Doctors			7,400
<u>Cat 3</u>			(4,885,200)
Real Estate and	}	Eng	
Furn Rents			2,285,200
Utilities			2,600,000
<u>Cat 4</u>			
Coal		Eng	2,345,600
<u>Cat 5</u>			
Rep & Maint of		Eng	
Real Estate			2,195,500
<u>Cat 6</u>			(1,507,900)
Furn & Furnishings	Dep Sch		26,100
" " "	QM		1,481,800
<u>Cat 7</u>			(801,300)
Communications		QM	4,200
"		Sig	797,100
<u>Cat 8</u>			(7,602,000)
Trains-Pass	}	Trans	5,811,680
" Freight			1,052,000
Troop Trains			542,600
Urb Trans Costs			80,000
Rail Cost for TDY Misc			114,720
Demurrage			1,000
<u>Cat 9</u>			(1,114,600)
Purch & Maint		Ord	696,300
of Trans Equip			
Renovation of		QM	20,000
Gas Cans			
Purch & Maint		Trans	390,270
of Trans Equip			
Maint & storage of water craft			8,030
<u>Cat 10</u>			(356,800)
Print, Stat, Off			337,800
Supply & Equip		QM	
" " "		Hosp	3,500
" " "		Sig	15,500

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<u>Cat 11</u>		(3,098,800)
Misc Supplies	Chem	60,000
	Engr	264,900
	QM	1,568,620
	Sig	641,000
	Gen Entertainment	12,200
	AEC	4,200
	G3, Training	22,060
	Dep School	12,700
	Spec Services	13,500
	Hosp	494,800
	Safety Promotional Mat	3,400
	Information Div	1,420

<u>Cat 208</u>		98,600
Pay of Personnel Classifiers		

<u>Claims</u>		(2,461,500)
<u>Cat 105</u>		(2,070,000)
Total Furn & Real Est Claims		1,935,000
Furn Claims		135,000
Real Est Claims		31,500
Maneuver Claims		360,000
Tort Claims		

<u>M C A</u>		(6,246,100)
<u>Cat 203</u>		136,000
Constr Pers		6,110,100
Purch of Real Estate		

GRAND TOTAL	DM 54,406,800
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<u>Navy</u>		(119,200)
Cat 1 - Personnel		98,700
Cat 1 - Travel per diem		400
Cat 8 - Transportation		300
Cat 9 - Maint of Vehicles		6,400
Cat 10 - Office Supplies		13,400

1 July 1957

FINAL FUNDING PROGRAM GFY 1957

<u>PROGRAM</u>	<u>FINAL CEILING</u>	<u>FINAL CEILING</u>	<u>TOTAL CEILING</u>
	<u>99</u>	<u>07</u>	<u>99 + 07</u>
2000	12,638	6,000	18,638
2100	10,257	1,500,800	1,511,057
2200	770,157	-	770,157
2400	6,656,675	446,050	7,102,725
3000	14,182	39,400	53,582
3300	181,972	632,000	813,972
3500	<u>21,625,176</u>	<u>18,512,101</u>	<u>40,137,277</u>
TOTAL MOA	29,271,057	21,136,351	50,407,408
=====			
Cat 1			21,943,288
Cat 3			5,599,876
Cat 4			3,357,830
Cat 5			6,603,346
Cat 6			1,649,397
Cat 7			549,885
Cat 8			7,223,989
Cat 9			995,617
Cat 10			358,797
Cat 11			2,021,022
Cat 208			<u>104,361</u>
TOTAL MOA			50,407,408
Claims			2,700,000
Construction	9,797,142	145,958	9,943,100
GRAND TOTAL			<u>63,050,508</u>
=====			

1 July 1957

USBER SUPPORT BUDGET, REIMBURSEMENT BY CATEGORIES

Prior to 1 April 1955 the cost of direct support furnished the Berlin Element of the State Department was included in the Berlin Command Budget. Effective with the GFY 1956 budget, funds to cover this support have been included in the USBER budget, so that under the present concept USBER now furnishes Berlin Command with the funds necessary to cover the cost of their direct support.

	1st & 2nd Quarter Allotment
Cat 1 - Pers - LSU	8,780
QM - Furn Rep	1,220
QM - Supply Store	13,100
Sig - Comm Communic	35,780
Engr - R & U	<u>131,900</u>
Total	DM 190,780
Cat 3 - Utilities	92,400
Rent of Furn & Real Est	<u>58,000</u>
	DM 150,400
Cat 4 - Coal	75,000
Cat 5 - Repairs to Buildings	410,300
Cat 6 - Purch & Rep of Furn	5,500
Cat 7 - Telephone	41,150
Cat 8 - Transportation	5,000
Cat 10 - Printing of Tel Directory	1,000
Cat 11 - Cleaning Supplies	<u>1,000</u>
Total Occ Cost 1st & 2nd Qtr Allotment	DM 880,130 =====

1 July 1957

STATUS OF FUNDS GFY 1958 a/o 30 JUNE 1957

2000 OPERATION OF TACTICAL FORCES

For expenses to be incurred in the operation of tactical forces; command post exercises; user tests; operation and maintenance of tactical forces facilities.

<u>GFY 58 Funding</u> <u>Program</u>	<u>Obligated</u> <u>1st Qtr</u>	<u>Percent</u> <u>Obligated</u>
1,415,800	165,934	11.72

2100 TRAINING ACTIVITIES

For expenses to be incurred in the operation of combat arms schools, administrative schools, technical service schools (except medical), language schools; costs of operation and maintenance of schools and other training facilities; training at civilian institutions; school temporary duty travel; miscellaneous training; and training devices and publications.

<u>GFY 58 Funding</u> <u>Program</u>	<u>Obligated</u> <u>1st Qtr</u>	<u>Percent</u> <u>Obligated</u>
78,160	19,200	24.56

2200 CENTRAL SUPPLY ACTIVITIES

For expenses to be incurred in connection with procurement operations, operation of procurement offices, transportation services and real estate administration.

<u>GFY 58 Funding</u> <u>Program</u>	<u>Obligated</u> <u>1st Qtr</u>	<u>Percent</u> <u>Obligated</u>
7,302,380	1,603,083	21.95

2400 MEDICAL ACTIVITIES

For expenses for medical, dental, and veterinary support of the Army, including procurement of medical equipment and supplies; medical and dental education and training of Army personnel, printing and reproduction; medical care of dependents in accordance with provisions of P. L. 569, 84th Congress and operation of medical treatment facilities. Includes cost of operation and maintenance of medical activity facilities

<u>GFY 58 Funding</u> <u>Program</u>	<u>Obligated</u> <u>1st Qtr</u>	<u>Percent</u> <u>Obligated</u>
1,108,700	281,365	25.38

STATUS OF FUNDS GFY 1958 a/o 30 JUNE 1957

2500 ARMY-WIDE ACTIVITIES

For expenses to be incurred in the operation of Command Headquarters including education of dependents, expenses of courts, commissions, and boards; for evaluation activities; and for costs of operation and maintenance of facilities.

<u>GFY 58 Funding</u> <u>Program</u>	<u>Obligated</u> <u>1st Qtr</u>	<u>Percent</u> <u>Obligated</u>
1,829,200	419,445	22.93

3500 OPERATION AND MAINTENANCE OF FACILITIES

For administrative purposes only. See instructions contained in AR 35-316. For expenses of overhead and security protection at posts, camps, and stations (class I type installations, CONUS, oversea commands and USMA); and for expenses in connection with support of other programs and activities at Army installations throughout the United States and overseas such as maintenance and repair of real property, provision of utilities, local communications, transportation, field maintenance, welfare and morale services and other general logistical support services, and donations of civilian clothing.

<u>GFY 58 Funding</u> <u>Program</u>	<u>Obligated</u> <u>1st Qtr</u>	<u>Percent</u> <u>Obligated</u>
(33,964,960)	(10,456,753)	30.79
Local Headquarters Command Administration		
1,589,220	378,284	23.80
LSU, PM		
5,389,720	1,226,081	22.75
Repairs & Utilities Maintenance, Repairs & Services (incl Solid Fuel)		
12,584,000	5,510,535	43.79
Rents		
2,285,200	448,262	19.61
Other Installation Support Services		
12,116,820	2,893,591	23.88
<u>TOTAL O & MA</u>		
<u>GFY 58 Funding</u> <u>Program</u>		
45,699,200	12,945,780	28.33

ALL FIGURES IN DM

BREAKDOWN OF FUNDS GFY 1958 a/o 30 JUNE 1957

Breakdown of total funding by pay of personnel and supplies,
services, etc.

	<u>GFY 58 Funding Program</u>	<u>Obligated 1st Qtr</u>	<u>Percent Obligated</u>
Pay of German Personnel	20,502,400	5,004,917	24.41
Supplies, Services, Other	<u>25,196,800</u>	<u>7,940,863</u>	<u>31.51</u>
TOTAL O & MA	45,699,200	12,945,780	28.33
 Pay of German Personnel	136,000	34,950	25.70
Acquisition of Real Estate	<u>6,110,100</u>	<u>59,000</u>	<u>0.96</u>
TOTAL MCA	6,246,100	93,950	1.50
Foreign Claims	2,461,500	0	0
GRAND TOTAL	54,406,800	13,039,730	23.97

ALL FIGURES IN DM

1 July 1957

DEUTSCHE MARK
STATEMENT OF FUND AVAILABILITY
FISCAL YEAR 1958

Balance 1 July 1957	DM 10,399,343.15 *	
Allotments received	<u>9,174,835.00</u>	
Total available Funds		DM 19,574,178.15 =====

Obligations 1-31 July		
1957	DM 3,972,378.08	
Balance 31 July 1957	<u>15,601,800.07</u>	
		DM 19,574,178.15 =====

*After Conversion Of 30 June 1957 Report

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ANALYSIS OF OBLIGATIONS

	Current Obligations	Cumulative Obligations	Unobligated Balance	Annual Fund Program	% AFP Obligated
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1) Headquarters & Staff Activity

Civilian Salaries ✓	126,964.44 ✓	504,901.07	320,098.93	1,560,700.00	32
Other Expenses	2,951.53	6,696.07	8,083.93	19,020.00	35
Sub-Total	129,915.97	511,597.14	328,182.86	1,579,720.00	32

2) Installation Supply Activities

Civilian Salaries ✓	97,123.13 ✓	414,919.88	200,280.12	1,292,700.00	32
Installation Supplies, Equipm. & other Expenses	210,413.41	917,213.51	491,825.80	2,649,455.00	35
Troop Equipment	294,043.87	373,756.14	101,943.86	873,200.00	43
Band Instruments	592.25	934.49	4,265.51	9,500.00	10
Sub-Total	602,172.66	1,706,824.02	798,315.29	4,824,855.00	35

3) Field Maintenance Activities

Civilian Salaries ✓	86,437.24 ✓	395,175.98	235,424.02	1,273,500.00	31
Other Expenses	121,854.80	388,399.85	289,250.15	1,232,100.00	31
Sub-Total	208,292.04	783,575.83	524,674.17	2,505,600.00	31

4) Engineer Repairs & Utilities

Civilian Salary Costs ✓	392,737.10 ✓	1,746,913.32	903,386.68	5,324,200.00	33
Solid Fuels ✓	81,308.58 ✓	1,620,480.05	479,519.95	2,345,600.00	69
Utilities	(12,213.45)	1,247,231.03	37,968.97	2,560,300.00	49
Maint. & Repair of Real Property	266,665.09	1,488,216.56	320,803.44	1,931,800.00	77
Other Costs ✓	12,224.47	141,352.83	20,727.17	309,900.00	46
Sub-Total	740,721.79	6,244,193.79	1,762,406.21	12,471,800.00	50

	Current Obligations	Cumulative Obligations	Unobligated Balance	Annual Fund Program	% AFP Obligated
5) <u>Quartermaster Services</u>					
Commissary Civilian Salaries ✓	20,577.22 ✓	86,526.56	62,873.44	327,600.00	26
Other Commissary Costs	607.24	13,078.20	17,771.80	155,100.00	8
Bakery Civilian Salaries	2,771.66	11,755.22	8,344.78	44,100.00	27
Other Bakery Costs	1,398.89	1,896.04	10,275.15	15,000.00	13
Laundry Civilian Salaries	29,058.58	129,564.15	74,635.85	356,300.00	36
Other Laundry Costs & Dry Clean.	4,726.41	18,230.27	23,394.73	90,025.00	20
Sub-Total	59,140.00	261,050.44	197,295.75	988,125.00	26
6) <u>Transportation Services</u>					
Motor Pool Civilian Salaries ✓	185,259.24 ✓	783,327.90	384,872.10	2,326,400.00	34
Other Motor Pool Costs	60,019.03	166,293.62	48,186.38	388,800.00	43
Floating Equipment	129.60	129.60	4,870.40	10,000.00	1
Other Civilian Salaries	21,365.03	65,580.12	44,719.88	204,400.00	32
Rail Equipment Maintenance	0.00	0.00	0.00	0.00	0
Passenger & Freight Costs	552,349.09	2,094,851.96	1,477,918.04	6,944,680.00	30
Sub-Total	819,121.99	3,110,183.20	1,960,566.80	9,874,280.00	31
7) <u>Communication Services</u>					
Civilian Salaries ✓	35,661.04 ✓	144,763.88	70,236.12	469,500.00	31
Commercial Telephone Costs	27,380.96	112,388.14	145,101.86	518,100.00	22
Other Costs	20,586.98	40,618.94	138,846.06	276,250.00	15
Sub-Total	83,628.98	297,770.96	354,184.04	1,263,850.00	23
8) <u>Film Library & Photo Lab.</u>					
Civilian Salaries ✓	2,557.60 ✓	9,923.85	7,676.15	31,900.00	31
Other Costs	21,000.00	43,664.49	5,785.51	81,150.00	54
Sub-Total	23,557.60	53,588.34	13,461.66	113,050.00	47

	Current Obligations	Cumulative Obligations	Unobligated Balance	Annual Fund Program	% ATF Obligated
9) <u>Medical, Dental & Veterinary Serv.</u>					
Civilian Salaries ✓	50,004.69✓	200,302.56	97,297.44	601,000.00	33
Other Costs	34,419.82	165,458.39	112,614.61	507,900.00	32
Sub-Total	84,424.51	365,760.95	209,912.05	1,108,900.00	33
10) <u>Property Disposal Activities</u>					
Civilian Salaries ✓	2,599.38✓	12,130.12	8,069.88	44,100.00	27
11) <u>Technical Service Procurement</u>					
Civilian Salaries ✓	15,312.31✓	67,447.69	65,266.81	325,700.00	21
Other Costs	300.00	300.00	2,100.00	8,700.00	34
Sub-Total	15,612.31	67,747.69	67,366.81	334,400.00	20
12) <u>Dependent School, TI&E and Sports</u>					
Civilian Salaries ✓	18,310.77✓	79,697.70	40,802.30	240,400.00	33
Other Costs	421.50	16,312.21	27,587.79	66,000.00	25
Sub-Total	18,732.27	96,009.91	68,390.09	306,400.00	31
13) <u>Military Training</u>	175,681.53	265,914.37	295,385.63	576,700.00	46
14) <u>Military School Travel</u>	1,982.18	6,325.98	5,774.02	21,800.00	29
15) <u>Real Estate Activity</u>					
Civilian Salaries ✓	6,738.75✓	34,834.90	11,515.10	104,300.00	33
16) <u>Rental Costs</u> ✓	143,063.00✓	591,324.77	388,675.23	2,285,200.00	26

	Current Obligations	Cumulative Obligations	Unobligated Balance	Annual Fund Program	% AFP Obligated
17) <u>Construction Costs</u>					
Real Estate	240,000.00	299,000.00	5,811,000.00	5,980,000.00	5
Civilian Salaries	9,113.05	36,999.65	70,300.35	107,300.00	34
Troop & Family Housing	0.00	0.00	130,000.00	130,000.00	0
Master Planning, Civ. Salaries	(4,831.40)	9,294.20	52,405.80	140,700.00	6
Other Costs	100.00	100.00	200.00	300.00	33
Sub-Total	244,381.65	345,393.85	6,063,906.15	6,358,300.00	5
18) <u>Claims</u>					
Real Estate	0.00	0.00	67,600.00	135,000.00	0
Furniture	0.00	0.00	967,400.00	1,935,000.00	0
Foreign (Tort)	0.00	0.00	180,000.00	360,000.00	0
Maneuver	0.00	0.00	15,750.00	31,500.00	0
Sub-Total	0.00	0.00	1,230,750.00	2,461,500.00	0
19) <u>Labor Service Unit & MP Operation</u>					
Civilian Salaries ✓	349,596.14	1,357,139.36	706,660.64	4,127,800.00	33
Subsistence & Other Costs	128,567.23	347,104.81	265,645.19	1,261,520.00	27
Sub-Total	478,163.37	1,704,244.17	972,305.83	5,389,320.00	32
20) <u>Mission & Other Misc. Activities</u>					
Civilian Salaries ✓	131,552.10	527,578.44	327,321.56	1,735,900.00	30
Other Costs	2,896.00	26,059.06	13,340.94	58,700.00	44
Sub-Total	134,448.10	553,637.50	340,662.50	1,794,600.00	31
GRAND TOTAL	3,972,378.08	17,012,107.93	15,601,800.07	54,406,800.00	31

W O G A Q N = T

I N D E X

DOLLAR FUNDING BERLIN COMMAND

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DOLLAR FUNDING

1. The majority of dollar expenditures by Berlin Command cover the pay, subsistence and PCS travel allowance of military personnel. Expenditures of this nature are from open allotments and as such not directly charged to the cost of our operation. During the past year dollar expenditures in this category amounted to approximately \$12,500,000.

2. Dollar funds directly allotted to Berlin Command for obligation and expenditures for FY 1957 cover (a) Pay of Department of Army Civilian Personnel (b) Per diem of US personnel (c) Hospital subsistence. The dollar amount funded Berlin Command for this category of expenses during FY 1957 is approximately \$364,000.

3. In view of the relatively small amount of dollars actually funded Berlin, this Headquarters in the past was not required to prepare a formal dollar budget. Instead certain data was furnished the USAREUR Comptroller who took the necessary action to integrate our requirements in the combined USAREUR dollar budget. However, in view of ever changing technical aspect of budgeting, Berlin Command was required to prepare a formal dollar budget for FY 1958 for integration in the overall USAREUR dollar budget. Present indications are that this requirement will continue for all future dollar budgets of this command. After action by the USAREUR Program Budget Advisory Committee, the USAREUR budget is forwarded to the Department of Army, where it is processed and combined with the overall Army budget. From this point it is forwarded through the Department of Defense, and the Bureau of the Budget to Congress. After congressional action and presidential approval, the military budget is returned through the same channel.

4. Upon the receipt of the approved USAREUR portion of the United States dollar budget, the Comptroller USAREUR sets up the funding program and issues allotments to the various major commands on a quarterly basis.

5. The USAREUR Comptroller controls the funds that may be used by Berlin Command by placing ceilings on the amount of dollars that may be obligated during a particular quarter. In effect this merely serves to delay obligations at certain times, in order that funds will be available later as needed.

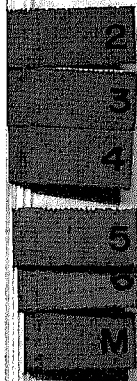
6. The overall reduction in dollar funds, available to the Department of Army in FY 1957, was reflected in the USAREUR dollar funding program and all commands were required to absorb their pro rata share. In this connection it is to be noted that initial guidance furnished Berlin was \$12,000 less than the amount required to meet minimum known requirements.

7. Instructions issued by Hq USAREUR stated that in general the reduction in dollar funds would be absorbed by the commands in their procurement operations. In view of the fact that all procurement actions in Berlin are supported by Deutsche Mark funds, this avenue of retrenchment was not open to this command. The peculiar position of Berlin was brought to the attention of the USAREUR Comptroller and the necessary adjustments, to cover personnel and other costs, were effected prior to the establishment of our firm FY 57 dollar funding program.

8. On the basis of the above, it is apparent that funds to cover travel costs of the Command for this year will be approximately the same as authorized in FY 1956. In view of this fact it is believed that our present controls and restrictions relative to TDY travel, by members of this Command, should not be relaxed.

9. An analysis of obligations, as of the end of the third quarter of FY 1957, establishes an overall obligation rate of 73%. Based on the normal projected rate of 25% for each quarter, Command control of funds for the third quarter is considered excellent and on the basis of our present mission no operational difficulty should be encountered during this fiscal year.

1 July 1957



DOLLAR FUNDING FY 1957

ACTIVITY	01	99	TOTAL
CG Fund	-	475	475
Military Mission	4,310	13,028	17,338
Misc TDY Training Schools	-	15,350	15,350
Aviation Gas	-	100	100
Courts	-	77	77
Staff Sec	113,352	21,531	134,883
Hospital	10,515	59,381	69,896
Engineer	33,155	1,127	34,282
Ordnance	5,887	170	6,057
Quartermaster	24,684	2,950	27,634
Signal	12,016	2,472	14,488
Transportation	11,991	599	12,590
TOTAL MOA	215,910	117,260	333,170
Engineer MCA	7,160	140	7,300
R & D	-	20,636	20,636
GRAND TOTAL	223,070	138,036	361,106

30 June 1957

DOLLAR FUNDING FY 1957

PROGRAM	01	99
<u>MCA</u>		
2022.012 (CG Fund)	-	475
2000 (Mission)	4,310	13,028
2200 (School TDY)	-	15,350
(Aviation Gas)	-	100
3000 (Courts & Boards)	-	77
3300 (Hospital)	10,515	59,381
3500 (3511 - Hq Operation)	80,230	8,908
(3521 - TI&E, Library)	19,027	9,816
(3531		
+3551 - Techn Serv)	81,734	5,938
(3541 - Field Maint)	20,094	637
(3551 - Stamps)	-	3,550
Sub-Total	215,910	117,260
<u>MCA</u>		
6000 (Construction)	7,160	140
Sub-Total	223,070	117,400.
R & D	-	20,636
Sub-Total	223,070	138,036
GRAND TOTAL 01 & 99	361,106	

30 June 1957

STATUS OF FUNDS FY 1957
END FOURTH QUARTER
30 JUNE 1957

APPROPRIATION	ANNUAL FUNDING	OBLIGATED FOURTH QUARTER	PERCENT OBLIGATED
01 MOA	\$ 215,910	\$ 215,707	100%
99 MOA	117,260	113,488	97%
01 MCA	7,160	7,159	100%
99 MCA	140	43	31%
Sub-Total	340,470	336,397	99%
R & D	20,636	20,577	100%
GRAND TOTAL	361,106	356,974	99%

30 June 1957



C O M P A R I S O N
FY 1956 - FY 1957

PROGRAM	FUNDING FY 1956	FUNDING FY 1957	DIFFERENCE	REMARKS
2022.012	460	475	+ 15	
2000	8,140	17,338	+ 9,198	7,182 for class proj
2200	13,200	15,450	+ 2,250	Increase in school attendance
3000	-	77	+ 77	
3100	6,489	-	- 6,489	Trans in Spaces
3300	59,360	69,896	+ 10,536	Incr in Spaces
3500	193,999	229,934	+ 35,935	Incr in Spaces
Total MOA	281,648	333,170	+ 51,522	
MCA 6000	6,475	7,300	+ 825	
Total MOA & MCA	288,123	340,470	+ 52,347	
R & D	9,614	20,636	+ 11,022	
GRAND TOTAL	297,737	361,106	+ 63,369	

30 June 1957



TDY FUNDS FY 1957

SUB-PROJECT	OBLIGATIONS FY 56	FUNDING FY 57	DIFFERENCE + or -	OBLIGATIONS 30 June 57
2022-02 (Mission)	3,809	5,846	+ 2,037	5,846
2231-02 (Misc Training)	3,174	3,000	- 174	2,739
2272-02 (School Travel)	9,717	12,350	+ 2,633	11,919
3041-02 (Courts)	-	77	+ 77	76
3311-02 (Hospital Admin)	590	1,020	+ 430	809
3511-02 (Hq Oper)	7,891	6,529	- 1,362	5,945
3521-02 (AEC)	512	856	+ 344	852
3521-02 (Special Serv)	1,583	2,680	+ 1,097	2,474
3531-02 (R & U)	375	696	+ 321	695
3541-02 (Maint Accts)	508	367	- 141	274
3551-02 (PM, Tech Serv)	4,025	4,774	+ 749	4,574
6311-02 (Master Plan)	37	114	+ 77	18
TOTAL	32,221	38,309	+ 6,088	36,221

30 June 1957

APPLICATION OF SECTION 1415 PUBLIC LAW 547
82nd CONGRESS TO DEPARTMENT OF DEFENSE AGENCIES

1. PROBLEM. To estimate the possible effects of this restrictive legislation should it be made applicable to Berlin.

2. ASSUMPTIONS.

a. The application of Section 1415 to Berlin appears as a possibility in FY 1957.

b. The various restrictions contained in Department of Defense Appropriation Acts of the past will once again be voted for Fiscal Year 1957.

c. The operational and support missions of Berlin Command will remain substantially the same.

3. FACTS BEARING ON THE PROBLEM.

a. The exact funding level for Berlin Command under a dollar criteria is unknown.

b. Exemption from the provisions of Section 1415, for Department of Defense Agencies, has been granted in prior fiscal years.

c. Expenditure restrictions contained in the Appropriation Acts automatically apply in the absence of additional exempting legislation.

d. Representatives of the Department of Defense on their recent visit to USAREUR stated that, in view of our now unique occupational status, every effort will be made to secure continued exemption for Berlin Command for FY 1957.

e. The legal and political ramifications of the problem are such that final determination, as to the ultimate effect, rests with the Department of Defense, Bureau of the Budget, the President and Congress.

f. That any study relative to actual restrictions to be voted in the Appropriation Act of 1957 will from necessity be in the realm of conjecture pending passage of the Department of Defense Appropriation Act of FY 1957.

4. DISCUSSION

a. Historically this provision of law resulted from a world wide inspection of United States governmental operations. The inspection was conducted by a special committee of Congress and disclosed that Departments were receiving, in one form or another, financial support from various foreign governments. It is axiomatic that the availability of funds, in excess of those appropriated by law, enabled operations to be conducted on a much higher scale than authorized by the Congress.

b. To insure that future expenditures by any governmental agency could not exceed the actual dollar amount appropriated by Congress, legislation was introduced and passed during the next session. This Congressional action resulted in the enactment of Section 1415 Public Law 547 which is quoted below:

"Sec. 1415. Foreign credits owned or to be owned by the United States Treasury will not be available for expenditure by agencies of the United States after June 30, 1953 except as may be provided for annually in Appropriation Acts and provision for the utilization of such credits for purposes authorized by law are hereby authorized to be included in the General Appropriation Acts."

In essence this law provides "that United States Government Agencies obtaining support from a foreign government will be required to deposit with the United States Treasury, from their own appropriations, dollars equivalent to the foreign support obtained." In the past Congress has taken cognizance of the position of Department of Defense and exemption to this restrictive legislation was contained in the various Department of Defense Appropriation Acts. The latest exemption covering the Department of Defense is contained in Section 626 Public Law 157 84th Congress and is quoted below:

"Sec. 626. During the fiscal year 1956, the agencies of the Department of Defense may accept the use of real property from foreign countries for the United States in accordance with mutual defense agreements or occupational arrangements and may accept services furnished by foreign countries as reciprocal international courtesies or as services customarily made available without charge; and such agencies may use the same for the support of the United States forces in such areas without specific appropriation therefor.

In addition to the foregoing, agencies of the Department of Defense may accept real property, services, and commodities from foreign countries for the use of the United States in accordance with mutual defense

agreements or occupational arrangements and such agencies may use the same for the support of the United States forces in such areas without specific appropriation therefor: Provided, that within thirty days after the end of each quarter the Secretary of Defense shall render to the Committees on Appropriations of the Senate and the House of Representatives and to the Bureau of the Budget a full report of such property, supplies, and commodities received during such quarter.

c. An analysis of Section 1415 Public Law 547 indicates that the possible effect on Berlin Command falls into two general categories.

(1) Operations of an international nature and other functions conducted by the Command which, in the absence of specific authority, may be precluded, the availability of sufficient funds not withstanding.

OPERATIONS INTERNATIONAL IN NATURE

Signal Operations - At the present time complete communication service is furnished for the Allied Kommandatura, Air Traffic Control Center and Interzonal Facilities Bureau.

Quartermaster Operations - A one time issue of billet type furniture has been made to the Allied Kommandatura. The balance, to include all office type equipment and furniture, belongs to the Berlin Element of Department of State. Complete billet furnishing for nine family type quarters occupied by members of the Czechoslovakian and Danish Missions are supplied to include replacement and repair.

Engineer Operations - Rental charges resulting from the requisition of the Allied Kommandatura Building and the nine family type quarters occupied by members of the Czechoslovakian and Danish Missions. Complete R & U support plus custodial and fireman-gardener personnel are furnished for the above properties. The Allied Control Authority building occupied by the Air Traffic Control Center and the Interzonal Facilities Bureau is confiscated property and thus only R & U support and custodial personnel are involved.

The above listed services are furnished under provisions contained in the 1946 Agreement entered into by the United States, Britain, France and the Soviet Union. This agreement obligates each power to complete support for any combined operation located in their particular sector. Under this agreement 16 Foreign Missions were authorized in the City

of Berlin and again each signatory is committed to support the missions located in their sector. Of the four missions originally established in the United States Sector only the Czechoslovakian and Danish remain.

Reimbursement is effected from the USBER Support Budget for all signal service furnished plus the rental, R & U and custodial charges for the Allied Kommandatura Building and R & U and custodial charges for the Allied Control Authority Building. The cost of all Quartermaster functions in this area plus the rental, R & U and fireman-gardener charges for the nine quarters occupied by the Czechoslovakian and Danish Missions are absorbed by Berlin Command.

OTHER OPERATIONS

Quartermaster - (a) Inability to completely furnish government quarters and in the case of officers the limitation on linen, dishes, glassware, silver and kitchen utensils contained in Section 614 Department of Defense Appropriation Act 1956. (b) Lack of implementing instructions required by Section 636 make this section inoperative and thus furnishings in non-government quarters are not authorized. (c) Inability to continue to furnish on a non-reimbursable basis (to the Army) quarters occupied by 39 accredited agencies, i. e. American Council of Churches, Jewish Relief etc. (d) Continuation of package carry out service, milk deliveries and pickup and delivery of laundry appears doubtful. (e) Procurement of special equipment for troops, purchase of food and clothing for LSU and support of non-appropriated fund activities appear questionable.

Engineer - (a) Inability to continue to furnish on a non-reimbursable basis (to the Army) quarters and R & U Support for the 39 accredited agencies. (b) Drastic reduction in support furnished non-appropriated fund activities. (c) Elimination of firemen-gardeners for individual quarters. (d) Possible difficulties in construction in view of the restriction contained in Section 607, Public Law 157 and Sections 303, 304 and 305 Public Law 219.

Ordnance - Possible change in the present policy of maintaining our commercial vehicles under contract to civilian agencies. This directed function is presently being conducted at a marked excess cost to the Army and appears contrary to basic policy governing contractual services.

Transportation - (a) Possible change in the operation of military trains. (b) Elimination of the "free passage" presently authorized athletic groups and individuals of Berlin Command traveling in a leave status.

Signal - Elimination of official telephone in private quarters.

Chemical - None.

General Remarks

Marked increase in accounting functions at all levels which will be required to insure 100% reimbursement to the Army for all support furnished other governmental agencies and outside organizations should they be authorized continued support.

Reduction of PIO activities in view of the prohibition contained in Section 624 Public Law 157.

Reduction of domestic servants in official residence.

Problems engendered with the application of Section 625 Public Law 157 restricting obligation during the last two months of the fiscal year.

Possible reduction of personnel as a result of failure to receive necessary space authorization from Department of Army.

Elimination of the special DM project 2022.012 (Miscellaneous Expense Account, Category A expenses).

Possible long range effect of Section 631 Public Law 157 relative to the purchase of passenger automobiles.

Possible difficulty resulting from the application of Section 630 Public Law 157 relative to the procurement of United States supplies.

(2) Operations presently conducted by Berlin Command which might be eliminated or curtailed due to budgetary limitations.

Should this possible reduction in funds become a reality it would appear that our major area of concern is the personnel field. On the basis of surveys and official statements made by USAREUR Berlin Command at present is credited with a personnel excess of approximately 20% when compared with the overall USAREUR standard. Accepting this figure for discussion purposes and assuming a corresponding directed reduction it would appear that a loss of approximately 900 personnel could result.

The elimination, at one time, of such a large percentage of employees would of course have a chain reaction on all functions. In view of this an accurate appraisal of the eventual impact is most difficult, if not impossible, to evaluate at this time. A study of our present functions however points up several areas that could be effected as a result of a large scale reduction in personnel:

- (a) Status of direct hire personnel of Lodger Units.
- (b) Reduction of training for LSU in order for them to assume guard functions of IP.
- (c) Elimination of 260 IP's.
- (d) Elimination of fireman-gardener service.
- (e) Ground maintenance reduced.
- (f) Closing of QM pick-up points for laundry and dry cleaning.
- (g) Elimination of commissary package carriers.
- (h) Curtailment of motor pool operations sedan and cargo.
- (i) Reduction in maintenance for Transportation, Ordnance and Engineer equipment.
- (j) Possible reduction in present strength of Labor Service Personnel.
- (k) Curtailment in local United States government transportation services.
- (l) Curtailment in dependent hospital care.
- (m) Bread and milk deliveries discontinued.
- (n) Elimination of two fire companies.
- (o) Curtailment of Signal services.

The second area for consideration is the Supply and Services operation of Berlin Command. This function accounts for approximately 56% of all expenditures under the M&OA portion of our budget and thus several areas could be effected as a result of a reduced funding program:

- (a) Elimination or sharp reduction of all support to other than Army units and/or personnel, to include non-governmental agencies and representatives of other nations.
- (b) Possible derequisition of housing causing the reduction in number of families authorized in Berlin.
- (c) A reduction in operational houses.
- (d) Possible loss of some C&I requisitioned property used for troop housing and office space.
- (e) Sharp curtailment in QM billet furnishings to include issues, exchange and repair.
- (f) Sharp curtailment of preventative maintenance for housing and buildings.
- (g) Possible necessity to "pickle" blockade reserve.
- (h) Possible necessity for further reduction in Berlin trains.
- (i) Elimination of Horse Platoon.
- (j) Possible derequisition of special service boats at Wannsee.
- (k) Possible inability to complete the construction program as presently scheduled.
- (l) Possible reduction of 180 day requisitioning objective.
- (m) Reduction in DM supported TI&E classes.

d. In anticipation of the possible extension of Section 1415 to Department of Defense Agencies in the fiscal year 1957, representatives from the Bureau of the Budget and Department of Defense made a recent trip to USAREUR. At this time the Comptroller USAREUR was informed that the next Congress was not expected to authorize a carte blanche exemption for the Department of Defense in the next Appropriation Act. It was stated however

that every effort would be made by the Department of Defense to secure the exemption for the Department of Defense in general and for Berlin in particular in view of our now unique occupational status. In this connection however it appears that the Bureau of the Budget has taken, at best, a neutral position so that little or no support can be expected from that powerful agency at the present time.

e. To insure that the Department of Defense would have the necessary background data for the contemplated negotiations with members of Congress, USAREUR was requested to furnish certain information on their present operations. The information requested was to cover only those operations presently conducted which are or could be precluded by law under a dollar criteria. Functions that could be effected by an actual reduction in the funding program were not to be considered for the purpose of the exercise. At the request of the USAREUR Comptroller information covering Berlin operations, in this area, was furnished his office for inclusion in the report to the Department of Defense.

f. The Comptroller USAREUR has stated that in his recent discussion with representatives of the Department of Defense they indicated that

(1) The possibility of securing blanket exemption, from Section 1415, for the Department of Defense in Fiscal Year 1957 was extremely remote.

(2) In view of Berlin's unique occupational status it was felt that the possibility to secure exemption for this specific area was relatively good.

(3) The eventual effect of Section 1415 on agencies of the Department of Defense was impossible to evaluate at the lower echelons as future actions by the Department of Defense, Bureau of the Budget, the President and Congress would be the determining factors.

5. CONCLUSIONS

a. That the Department of Defense is cognizant of the overall problem and has stated that every effort will be made to secure exemption for Berlin.

b. That a study of our operations which might be precluded by law indicate that the actual effect on Berlin Command, in this area, could be relatively minor.

c. That the most serious impact on Berlin Command could result should a reduction in the funding program be effected.

d. That pending the enactment, by Congress, of the Department of Defense Appropriation Act of FY 1957, there is no way of knowing what restrictions will be contained therein.

e. That because of the complex nature of the legal and administrative restrictions that would exist under a dollar criteria no definite forecast of impact, on Berlin or any area, can be made below the level of the Department of Defense even after passage of the Appropriation Act.

f. That no further formal action, between Berlin Command and higher headquarters, appears necessary or required at the present time.

6. RECOMMENDATIONS

a. That the Comptroller Berlin Command continue to maintain informal liaison with the Comptroller USAREUR to assure that the Command is kept abreast of any new developments in this matter.

b. That the Comptroller Berlin Command will continue to keep the overall problem under constant review and be prepared to advise the Commanding General and Chief of Staff of any change that could have an appreciable effect on the present concept.

c. That, for planning purposes, Staff Sections and Technical Services be directed to conduct a detailed analysis of their operations in order that the Command will have a sound workable plan in the event a reduction in our funding program is directed. In this review it is felt that primary consideration should be given the advisability of complete elimination of the less essential functions as opposed to a general reduction in the overall operation of the section.

d. That a formal retention register be prepared and maintained by Civilian Personnel for use should a reduction in force be necessary.

CHARLES I. OLSEN
Lt Col, GS
Comptroller