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FINANCE

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The program of the War Relocation Authority afforded an opportunity for development of financial procedures unique in the Government. Here for the first time in the Government there was encompassed in one operation everything affecting a human being's existence - everything from birth to death. To say that this opportunity was badly fumbled is putting it mildly.

Very early in the life of the Authority, it was determined that some system of cost accounting on the projects would be required. This determination was reached not only because cost accounting was considered to be necessary adjunct of good business management but also because expressed policies at that time on evacuees sharing in the profits of operations on the projects required it. (See Director's Statement of May 29, 1942, Exhibit No. ).

Due to the fact that the unusual Government accounting work of the projects was handled by the Division of Central Administrative Service of OEM until October 1, 1942, the first cost system installed was comparatively simple (Administrative Instruction No. 10). Once the full accounting functions on the projects were assumed by the projects, a more complete system was derived which should have been given complete costs on all operations of the project.

That the entire procedure was never satisfactorily placed into effect I contribute to two factors:

- (1) The limited experience and imagination of project finance personnel, and
- (2) The almost utter disregard of project personnel for good property control.

Nevertheless, an attempt was made and various experiments tried which should serve a useful purpose for other Government agencies should the time come when the Government determines to really have an accounting system that means anything.

The usual finance procedures found in Government agencies seemed to function satisfactorily enough.

PROPERTY CONTROL

The property control function has been the orphan of administration in the War Relocation Authority. In an effort to make it work satisfactorily, the responsibility was placed in a number of sections during the life of the Authority. It didn't function satisfactorily under any of them. Much of the blame here can be placed on the fact that the property program was later in being installed and property was in such shape that it was impossible to have good control. If ever I start with another new agency, the first person I would hire would be a property man.



BUDGET

Of all the functions for which I have had responsibility while with the War Relocation Authority, I think the budget work has been most successful.

A recapitulation of budget requests and allowances follow:

<u>Fiscal Year</u>	<u>WRA Request</u>	<u>Budget Recommendation</u>	<u>Congress Approval</u>
1943	\$ 75,982,517	\$ 70,000,000	\$ 70,000,000
1944	54,592,022	48,170,000	48,170,000
1945	43,978,955	40,100,000	39,000,000
1946	30,110,000	25,140,000	25,000,000
Totals	\$204,663,494	\$183,410,000	\$182,170,000

An honest attempt was made each year to accurately estimate our needs for the coming year. It is understandable that in a rapidly fluctuary program such as ours was, it was impossible to accurately forecast our financial requirements. We were extremely fortunate in having sympathetic personnel to deal with the Bureau of the Budget and all in all were treated extremely well by both Appropriation Committees of the Congress.

Reams could be written about the budget history of the Authority, but most of this is already a matter of record. Therefore, only salient facts about each year's appropriation will be given.

On March 18, 1942, the War Relocation Authority was established within the Office for Emergency Management by Executive Order No. 9102, and on the same date \$500,000 was made available under Allocation No. 42-103 (Exhibit No.1) from the Emergency Fund for the President. It was soon determined that this amount would be insufficient for the balance of the Fiscal Year 1942 and on April 5, 1942, the then Director, M. S. Eisenhower, addressed a letter (Exhibit No. 2) to the Bureau of the Budget, requesting an additional amount of \$10,000,000. On April 9, 1942, by Allocation No. 42-107 (Exhibit No. 3) the amount of \$2,500,000 was allotted and on April 20, 1942, \$5,000,000 more was allotted by Allocation No. 42/3-10 (Exhibit No. 4). Thus there was available for the Fiscal Year 1942 the total amount of \$8,000,000. The \$500,000 and \$2,500,000 allotments (Appropriation Symbol 1120006(15) were derived from the appropriation contained in the Independent Offices Appropriation Act, 1942, approved April 5, 1941, and the \$5,000,000 allotment (Appropriation Symbol 112/30006(15) from the Third Supplement of National Defense Appropriation Act, 1942, approved December 17, 1941. Of Appropriation 1120006(15), \$1,500,000 was transferred to the War Department, \$500,000 to Indian Affairs for the Colorado River Project, \$50,000 to Bureau of Reclamation and balance retained by the War Relocation Authority. Of Appropriation 112/30006(15), \$2,000,000 was transferred to the War Department and the balance retained in the War Relocation Authority.



Although a request was made to continue operations during the Fiscal Year 1943 under the President's Emergency Fund, we were required to submit a budget estimate. Work on the estimate was begun late in April and on May 11, 1942, (See Exhibit No. 5) an estimate was sent to the Bureau of the Budget, requesting \$75,982,517 for operations during the Fiscal Year 1943. Hearings were held on May 15 and 16, 1942. The Bureau of the Budget reduced the estimate to an even \$70,000,000, and it was sent to the House of Representatives on June 8, 1942. Hearings on the estimate took place on June 15, 1942, in the House, and in the Senate on July 8, 1942. Our estimate was included in the First Supplemental National Defense Appropriation Bill for 1943, and the total amount requested was approved. (Public Law 678 - 77th Congress - approved July 25, 1942).

The budgets for the Fiscal Years 1944 and 1945 were more or less routine, the program having then settled along pretty definite lines. All budgets were based on a certain population being in the centers during the Fiscal Year and most of the difference between our estimates and amounts approved were due to reductions in our estimated population figures.

The 1946 budget was based on a liquidating program. It being estimated that all activities would cease on or before June 30, 1946. The main part of the request covered funds for relocation expenses, continued feeding of evacuees at the centers, and personal services.