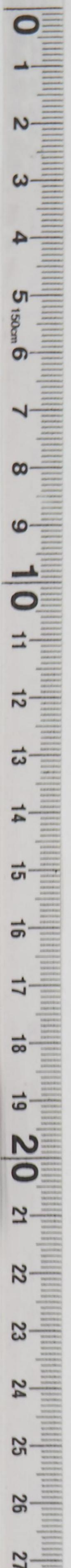


GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

APC INVENTORY - 31 December 1950

\$ 172.93



GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

DEPOSIT ORDER INVENTORY - 31 December 1950

D.O. #217

\$ 11.00

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

STOCK CONTROL INVENTORY - 31 December 1950

| | | |
|-----------------|----|----------------------|
| Bags | \$ | 1,904.01 |
| Brocade | | .50 |
| Buttons | | 6,743.85 |
| Corduroy | | 1,263.74 |
| Strap Adjusters | | 29.13 |
| Taffeta #1 | | 3,485.70 |
| Taffeta #2 | | 2,808.00 |
| Noil Cloth | | 401.90 |
| Thread | | 18,855.15 |
| C-14-36-1 | | 446.02 |
| C-18-36-2 | | 1,088.96 |
| C-20-36-1 | | 9,951.47 |
| C-20-36-2 | | 668.80 |
| C-20-36-3 | | 107.21 |
| FC-16-36-1 | | 253.40 |
| FC-20-36-1 | | 18,505.27 |
| FC-22-36-2 | | 1,161.53 |
| G-8-36-1 | | 5,697.36 |
| G-8-36-D | | 22.55 |
| G-6-21-2 | | 1,055.70 |
| GH-6-27-2 | | 79.80 |
| GH-10-28-2 | | 156.14 |
| GH-10-36-2 | | .95 |
| H-6-36-2 | | 38.72 |
| H-10-27-2 | | 107.34 |
| H-20-36-2 | | 63.44 |
| S-20-36-1 | | 2,970.71 |
| S-20-36-2 | | 631.64 |
| SC-22-36-1 | | 43,644.80 |
| SF-28-29 | | 2,329.05 |
| T-18-36-1 | | 16,624.19 |
| | | <u>\$ 141,097.03</u> |

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

SHOW ROOM INVENTORY - 31 December 1950

\$ 3,698.52

DECLASSIFIED

Authority NND 975029

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

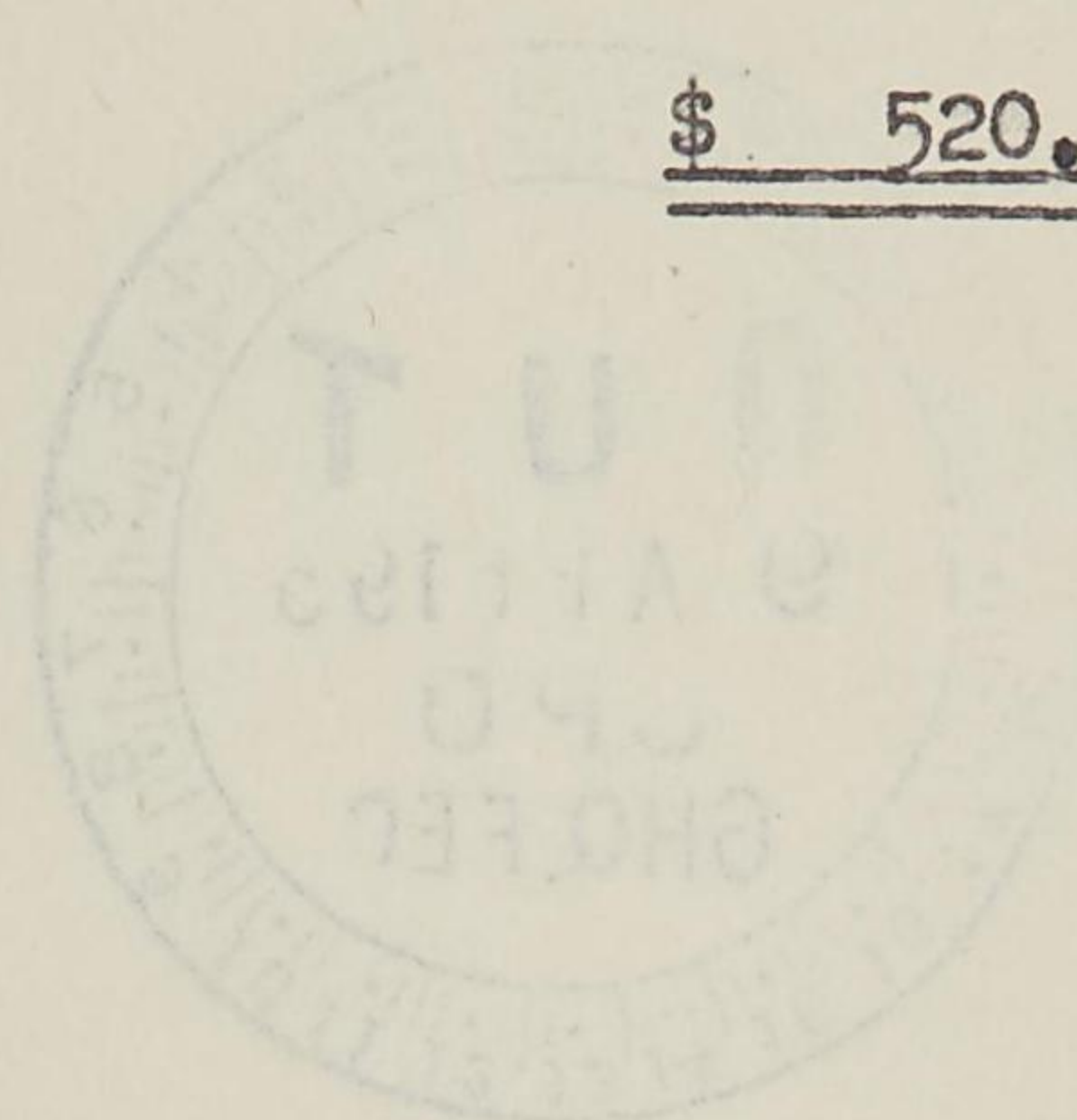
SALES ROOM INVENTORY - 31 December 1950

\$ 47,565.74

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

PRECIOUS METAL INVENTORY
31 December 1950

| | | | | |
|-----------|----------------------|-------------|----|---------------|
| No Silver | | | \$ | -0- |
| Gold | 273.86962 grams fine | @ \$ 1.1253 | | 308.21 |
| Platinum | 95.7362 grams fine | @ \$ 2.2184 | | <u>212.38</u> |
| | | | \$ | <u>520.59</u> |



GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO SPO

PRECIOUS METAL INVENTORY
31 December 1950

| | | | | |
|-----------|----------|------------|-------------|--------|
| Platinum | 95.7362 | grams fine | ● \$ 2.2184 | 308.21 |
| Gold | 273.8662 | grams fine | ● \$ 1.1253 | 312.38 |
| No Silver | | | | 250.52 |



ACTION

331/3
Palangbet
 Date: 3 April 1951

Cite No. _____

GENERAL HEADQUARTERS, FAR EAST COMMAND,

G-4 STAFF SECTION

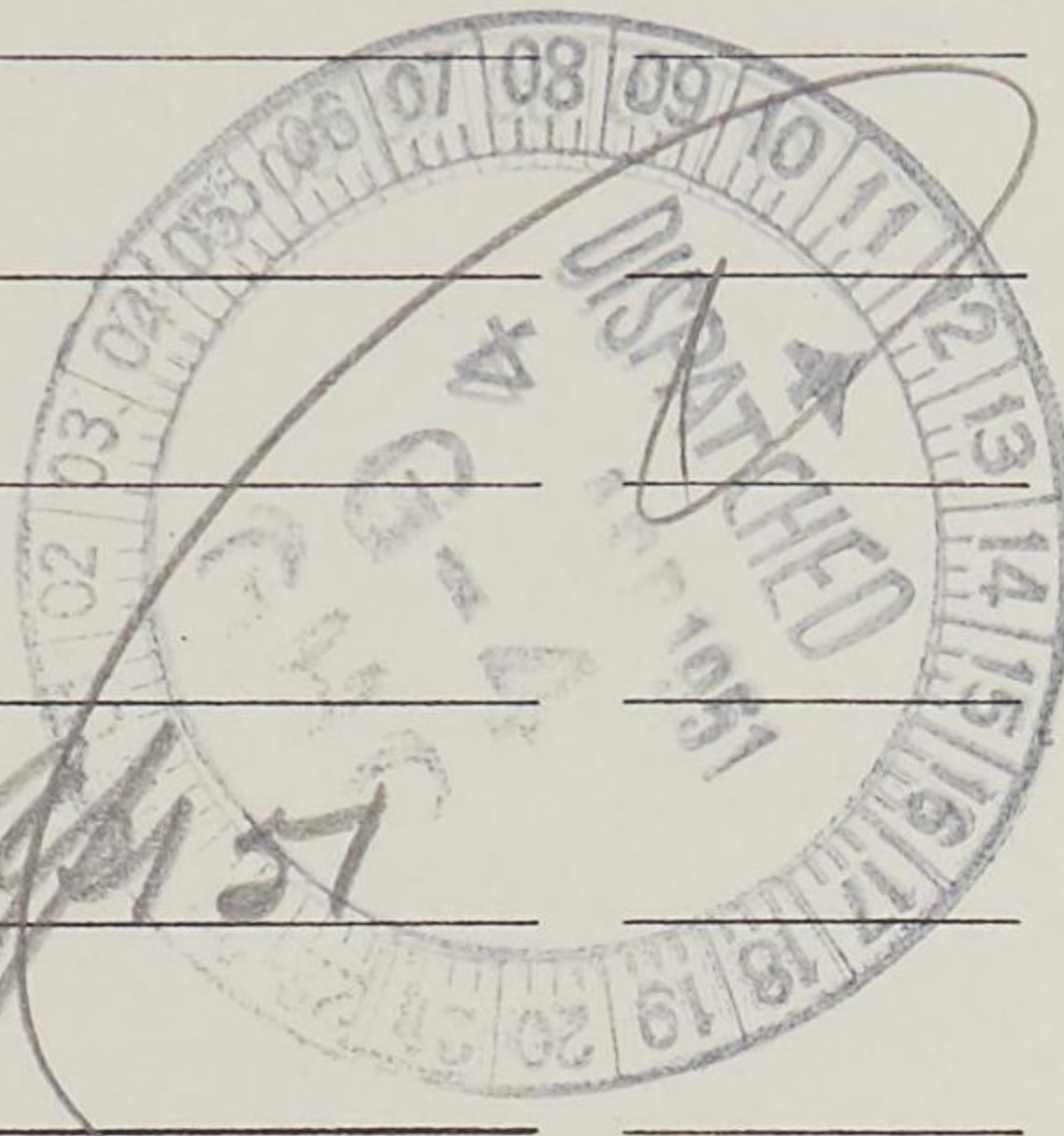
Control No. _____

ACTION ROUTING SLIP

Subject: Transmittal of Finance Balance Sheet

(c/n fr CPO to COM thru G-4)

| TO: | Routing Order | Date, Time and Initials | Subsequent Routing | Date, Time and Initials | Suspense Date |
|-----------------------------|---------------|-------------------------|--------------------|-------------------------|---------------|
| A C/S, G-4 | _____ | _____ | _____ | _____ | 10 Apr |
| DA C/S, G-4 | _____ | _____ | _____ | _____ | |
| Executive Officer | _____ | _____ | _____ | _____ | |
| Operations Division | _____ | _____ | _____ | _____ | |
| Const & R/E Division | _____ | _____ | _____ | _____ | |
| Supply Division | _____ | _____ | _____ | _____ | |
| Petroleum Division | _____ | _____ | _____ | _____ | |
| KEA Division | _____ | _____ | _____ | _____ | |
| Administration Div | _____ | _____ | _____ | _____ | |
| <u>1</u> Inclosures Checked | | (IN) <u>ccg</u> | | | |
| | | (OUT) _____ | | | |



(1) *ccg* 4 April 51

②

FOR:
 Approval _____
 Action _____ (1)
 Concurrence _____
 Information _____

Note and Return _____
 Signature _____
 File _____
 Dispatch _____

If any inclosures are missing note under "Remarks" or on reverse side.

Journal No. 5594

ACTION

(DO NOT REMOVE FROM ATTACHED PAPERS)

REMARKS:

527F

331.3
Balance Sheet

L. P. Murphy 26-7858

331.3

Transmittal of Balance Sheet

CPO

COM
Thru: G-4

3 April 1951

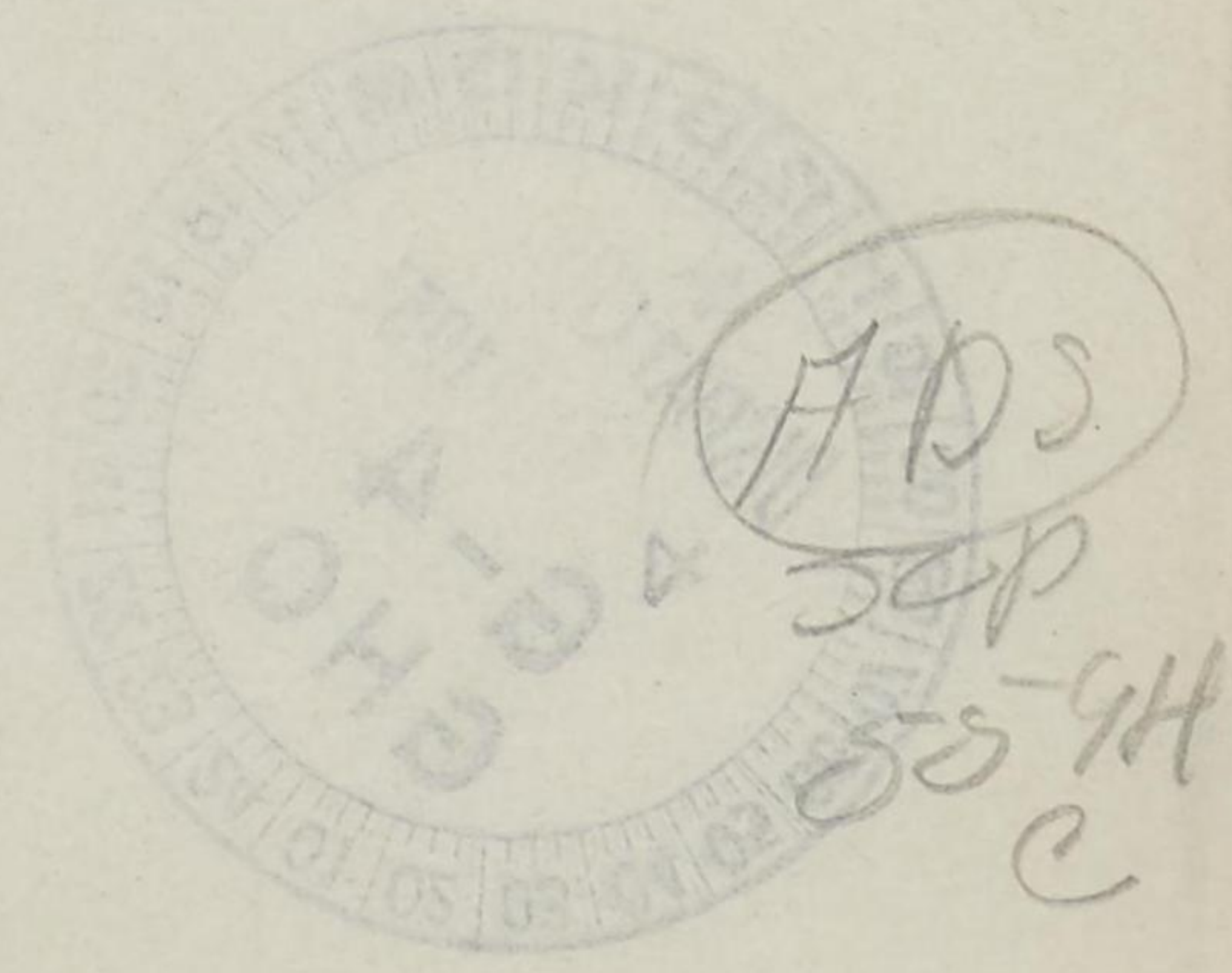
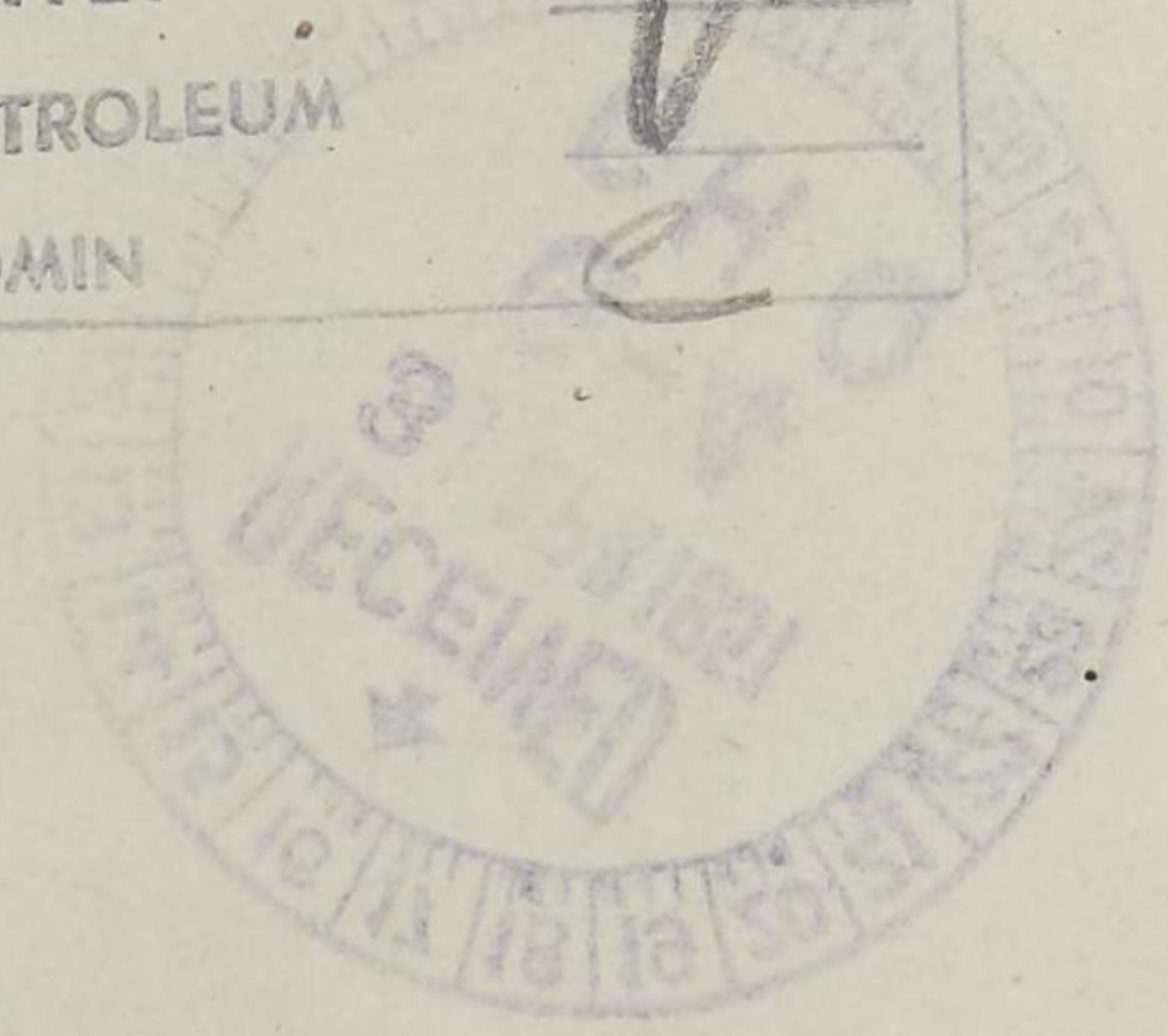
1. Transmitted herewith is the Central Purchasing Office Balance Sheet (Exhibit I), Profit and Loss Statement (Exhibit II), Schedule of Operating Expenses (Schedule A), Schedule of Other Expenses (Schedule B), Schedule of Other Income (Schedule C), and Analysis of Surplus (Exhibit III), as of 28 February 1951.

2. Sales for February amounted to \$1,272,118.00, or approximately three times that of February 1950. Textile stock inventory continues to be reduced and is now approaching the point where it ceases to become an inventory problem. On sales of \$98,088.00 of textile stock to vendors, a net loss of \$14,504.00 was incurred, or approximately 15%. This is considered effective disposal action. A net profit of \$19,197.81 was realized during February. Air Force Uniform sales amounted to \$98,301.00. Requisitions from Central Exchanges amounted to \$1,210,000.00.

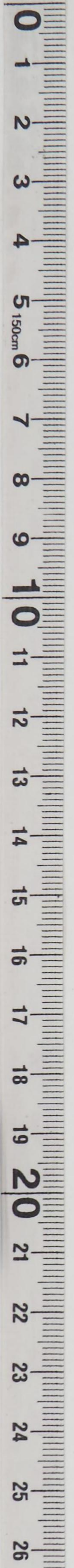
1 Incl
Balance Sheet and
Supporting Schedules.

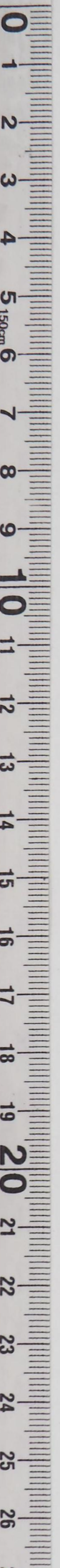
-A. H. N.-

| ROUTING | |
|-----------|-------------------------------------|
| ACG | <input checked="" type="checkbox"/> |
| DAC | <input checked="" type="checkbox"/> |
| EXECUTIVE | <input checked="" type="checkbox"/> |
| PRO | <input checked="" type="checkbox"/> |
| C+RE | <input checked="" type="checkbox"/> |
| SUPPLY | <input checked="" type="checkbox"/> |
| PETROLEUM | <input checked="" type="checkbox"/> |
| ADMIN | <input checked="" type="checkbox"/> |



COPY FOR G-4





425

D. E. Murphy 26-7838

3/31/51

Transmittal of Balance Sheet

3 April 1951

Form 0-4
COM

370

8031.2
Balance Sheet

1. Transmitted herewith is the Central Purchasing Office Balance Sheet (Exhibit I), Profit and Loss Statement (Exhibit II), Schedule of Operating Expenses (Schedule A), Schedule of Other Expenses (Schedule B), Schedule of Other Income (Schedule C), and Analysis of Supplies (Exhibit III), as of 28 February 1951.

2. Sales for February amounted to \$1,272,118.00, or approximately three times that of February 1950. Textile stock inventory continues to be reduced and is now approaching the point where it ceases to become an inventory problem. On sales of \$28,028.00 of textile stock to vendors, a net loss of \$14,504.00 was incurred, or approximately 17%. This is considered effective disposal action. A net profit of \$19,197.81 was realized during February. Air Force Uniform sales amounted to \$28,701.00. Requisitions from Central exchanges amounted to \$1,210,000.00.

I incl
Balance Sheet and
Supporting Schedules.

COPY FOR G-4

| | |
|-----------|--|
| ADMIT | |
| PETROLEUM | |
| SUPPLY | |
| C+RE | |
| P | |
| EXECUT | |
| DATA | |
| A | |
| OUTING | |

RECEIVED
3 APR 1951
G-4
GHQ

DISPATCH
4-B
GHQ

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Central Purchasing Office
 APO 500

Balance Sheet
 28 February 1951

EXHIBIT I

Current Assets:

Cash in Banks

| | | |
|--|------------------|----------------|
| Chase Nat'l Bank, Tokyo Dollar A/C | \$1,443,236.69 | |
| Chase Nat'l Bank, Tokyo Yen A/C | 756.00 | |
| Chase Nat'l Bank, Tokyo Dollar Sales Deposit A/C | 426.35 | |
| Chase Nat'l Bank, Tokyo Dollar A. F. Uniform A/C | 7,566.45 | |
| Chase Nat'l Bank, Tokyo Dollar Deposit Order A/C | 5,596.20 | |
| Nat'l City Bank, N.Y. Dollar A/C for Hongkong | 155,416.10 | |
| Nat'l City Bank, N.Y. Dollar A/C | 17,007.00 | |
| Hongkong and Shanghai Bank, Tokyo £ A/C | <u>68,805.04</u> | \$1,698,809.83 |

| | | |
|-----------------|--|--------|
| Change Fund | | 480.00 |
| Petty Cash Fund | | 274.88 |

Funds w/Agents, Hongkong

| | | |
|------------------------|-----------------|-----------|
| Cash in Bank | 22,316.47 | |
| Merchandise in Transit | <u>9,385.00</u> | 31,701.47 |

| | | |
|--|--|-----------|
| Letter of Credit, Ditisheim and Cie, Switzerland | | 26,125.75 |
|--|--|-----------|

| | | |
|------------------------------|-----------------|--------------|
| Accounts Receivable, Dollars | 1,699,950.05 | |
| Less Reserve for Bad Debts | <u>2,991.48</u> | 1,696,958.57 |

| | | |
|--------------------------------------|--|--------|
| #Accounts Receivable, Dollars, China | | 202.97 |
|--------------------------------------|--|--------|

| | | |
|-------------------------------------|--|----------|
| Accounts Receivable, Dollars, Other | | 1,476.10 |
|-------------------------------------|--|----------|

Accounts Receivable, Dollars, Miscellaneous

| | | |
|-------------------------------|------------|-----------|
| Phileas Freight and Insurance | 14,885.10 | |
| Navy Insurance | 545.47 | |
| Navy Insurance, FPO 961 | 607.25 | |
| Navy Insurance, FPO 3410 | 1.51 | |
| Navy Insurance, FPO 926 | 191.26 | |
| Navy Insurance, FPO 2002 | <u>.17</u> | 16,230.76 |

Inventories

| | | |
|------------------------------------|------------------|------------------|
| Merchandise, Regular | \$356,912.94 | |
| Manufacturing Stock | <u>39,365.57</u> | 396,278.51 |
| Less: Reserve for Inventory Losses | 35,000.00 | |
| : Charged Off in Feb 1951 | <u>16,022.13</u> | |
| : Net Reserve as of 28 Feb 1951 | | <u>18,977.87</u> |
| | | 377,300.64 |

| | | |
|----------------------|------------------|------------|
| Show Room Inventory | | 3,951.46 |
| Sales Room Inventory | <u>39,050.81</u> | 420,302.91 |

| | | |
|--|--|-----------|
| Accounts Receivable, Dollars, Merchandise Out for Repair | | 31,974.41 |
|--|--|-----------|

Other Inventories

| | | |
|--|------------------|--------------|
| Precious Metals on Hand | \$ 1,076.52 | |
| Production Sample Material | 3,608.90 | |
| Textile Samples | 673.93 | |
| Goods in Process, Silk and Precious Metals | <u>79,223.59</u> | \$ 84,582.94 |

Other Assets

| | | |
|-------------------------------|------------------|---|
| Office Equipment, Tokyo | 19,761.91 | |
| Less Reserve for Depreciation | <u>19,761.91</u> | ∅ |
| Office Equipment, Hongkong | 1,156.52 | |
| Less Reserve for Depreciation | <u>1,156.52</u> | ∅ |
| Automotive Equipment | 600.00 | |
| Less Reserve for Depreciation | <u>600.00</u> | ∅ |

Total Assets

\$4,009,120.59

Current Liabilities

Accounts Payable

| | | |
|--|-----------------|------------|
| Vendors, Yen | \$ 82,179.30 | |
| Vendors, Dollars Payable in Yen | 517,613.50 | |
| Vendors, Dollars | 53,908.94 | |
| Vendors, Dollars, Bangkok | 1,614.43 | |
| Deposits on Air Force Uniforms | 7,566.45 | |
| Deposit Orders Placed | 426.35 | |
| Deposit Orders | <u>5,596.20</u> | 668,905.17 |
| Accounts Payable, Dollars, Miscellaneous | | |
| Rycom Freight and Insurance | 6,876.15 | |
| Marbo Freight and Insurance | 261.96 | |
| Eniwetok Insurance | 28.24 | |
| U.S. Marine Corps Insurance | 4.86 | |
| U.S. Navy Insurance, FPO 943 | 196.00 | |
| U.S. Navy Insurance, FPO 3912 | 642.15 | |
| U.S. Navy Insurance, FPO 824 | 26.77 | |
| Other | <u>5,048.67</u> | 13,084.80 |

Accrued Liabilities

| | | |
|------------------------------------|---------------|------------------|
| Salaries | 14,348.41 | |
| Per Diem | 373.00 | |
| Income Tax Payable, Regular Hire | 4,269.90 | |
| Income Tax Payable, Direct Hire | 919.80 | |
| F.I.C.A. Tax Payable, Regular Hire | 860.88 | |
| F.I.C.A. Tax Payable, Direct Hire | <u>182.88</u> | <u>20,954.87</u> |
| | | 702,944.84 |

Net Worth

| | | |
|---------------------------------------|------------------|--------------|
| Surplus 31 January 1951 | 2,785,626.02 | |
| Add: Recovery on Bad Debts Charge Off | 1,351.92 | |
| : Gain for February 1951 Period | <u>19,197.81</u> | 2,806,175.75 |

Reserve for Liquidation

500,000.00

Total Liabilities and Net Worth

\$4,009,120.59

#Debit balances in Accounts Payable Accounts.

I certify that this is a true statement to the best of my knowledge and belief of Central Purchasing Office Fiscal Accounts as of 28 February 1951.

REVIEWED BY:

A. J. Millet

A. J. MILLET
Deputy Chief
Fiscal Division

Edwin M. Mendenhall

EDWIN M. MENDENHALL
Chief, Accts. and
Statistics Br, Fiscal Div.

L. F. Murphy

L. F. MURPHY
Chief, Fiscal Div.

APPROVED BY:

A. H. Nordstrom

A. H. NORDSTROM
Colonel, Ord.
Chief, CPO

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Central Purchasing Office
 APO 500

Profit and Loss Statement
 Month of February 1951

EXHIBIT II

SALES

| | | | |
|--------------------------|--|----------------|----------------|
| Exchange Systems | | \$1,000,929.87 | |
| Individuals and Clubs | | 83,049.52 | |
| #Japanese Vendors | | 83,583.88 | |
| Air Force Uniforms | | 98,301.00 | |
| ##Special Service Units | | 6,259.17 | |
| Less: Insurance Recovery | | <u>(5.24)</u> | \$1,272,118.20 |

COST OF SALES

| | | | |
|-----------------------------|---------------------|-------------------|---------------------|
| Inventory 31 January 1951 | \$ 442,923.48 | | |
| Add : Inventory Adjustments | 11,408.91 | | |
| : Purchases, February 1951 | <u>1,236,395.77</u> | 1,690,728.16 | |
| Less: Inventory Transfers | | | |
| (Goods in Process) | 6,980.69 | | |
| Inventory Transfers (Misc.) | 19,354.16 | | |
| Inventory, 28 Feb 51 | <u>439,280.78</u> | <u>465,615.63</u> | <u>1,225,112.53</u> |

Gross Income from Sales 47,005.67

OPERATING EXPENSE (Schedule A) 28,212.82

OTHER EXPENSE (Schedule B) 52.44

Total Expenses 28,265.26

OTHER INCOME (Schedule C) 457.40 27,807.86

Gain for Period 19,197.81

| | |
|---|------------------|
| #Sales to Japanese Vendors | \$83,583.88 |
| Cost of goods sold to Vendors | <u>98,088.30</u> |
| Net Loss on Goods Sold to Japanese Vendors | <u>14,504.42</u> |
| #Losses Charged to Reserve for Inventory Losses | \$16,022.13 |
| Gains to Other Income | <u>1,517.71</u> |
| | <u>14,504.42</u> |

##Special Service Units gross sales made up of sales at B.E. price plus CPO mark-up, which is basis for gross sales figure, however, SSU gross sales figure includes insurance charge which is a recovery item included in Schedule A figures.

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Central Purchasing Office
 APO 500

Profit and Loss Statement - Schedule A
 Month of February 1951

SCHEDULE OF OPERATING EXPENSES

Expenses - Tokyo

| | | |
|---|--------------|-------------|
| Regular Hire Salaries | \$19,860.42 | |
| Direct Hire Salaries | 3,107.03 | |
| Indigenous Salaries | 1,336.22 | |
| Ind. Salaries and Expenses paid direct by CPO | 63.54 | |
| Office Supplies | 3.85 | |
| Printing and Forms | 89.46 | |
| Telegrams and Cables | 13.25 | |
| Courier | 13.10 | |
| Insurance | 637.94 | |
| Insurance Recovery | (130.75) | |
| Freight Other than Hongkong | 344.44 | |
| Freight and Insurance, Other than HK, Recovered | (153.82) | |
| Storage | 12.00 | |
| Depreciation | 1,922.42 | |
| Manufacturing Section | 143.14 | |
| Gas and Oil | 321.92 | |
| Travel | 237.50 | |
| Per Diem | 169.83 | |
| Miscellaneous | 189.57 | |
| Personnel Returned to U.S. | 289.21 | |
| F.I.C.A. Regular Hire | 291.19 | |
| F.I.C.A. Direct Hire | <u>46.04</u> | \$28,807.50 |

Expenses - Hongkong

| | | |
|---|-------------|-----------------|
| Salaries | 1,120.52 | |
| Miscellaneous | 473.39 | |
| Per Diem | 280.00 | |
| Insurance | 917.83 | |
| Hongkong Freight | 3,219.91 | |
| Hongkong Freight and Insurance Recovery | (7,127.38) | |
| Forms and Printing | 23.36 | |
| Courier | 37.89 | |
| Office Supplies | 8.23 | |
| Rent | 124.38 | |
| Telegrams and Cables | 32.62 | |
| Misc. Office | 27.63 | |
| Travel | 263.00 | |
| Subscriptions and Advertising | <u>3.94</u> | <u>(594.68)</u> |

Total Operating Expense \$28,212.82

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Profit and Loss Statement - Schedule B
Month of February 1951

#SCHEDULE OF OTHER EXPENSES

| | |
|-----------------------|----------------|
| Inventory Adjustments | \$35.40 |
| Precious Metal Losses | .36 |
| Conversion Losses | <u>16.68</u> |
| | <u>\$52.44</u> |

#Represents debit balances in Other Income Accounts.

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Profit and Loss Statement - Schedule C
Month of February 1951

SCHEDULE OF OTHER INCOME

| | |
|---------------------------|-----------------|
| Procurement Pricing Gains | \$456.97 |
| Miscellaneous Adjustments | .43 |
| | <u>\$457.40</u> |

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Central Purchasing Office
 APO 500

Analysis of Surplus
 28 February 1951

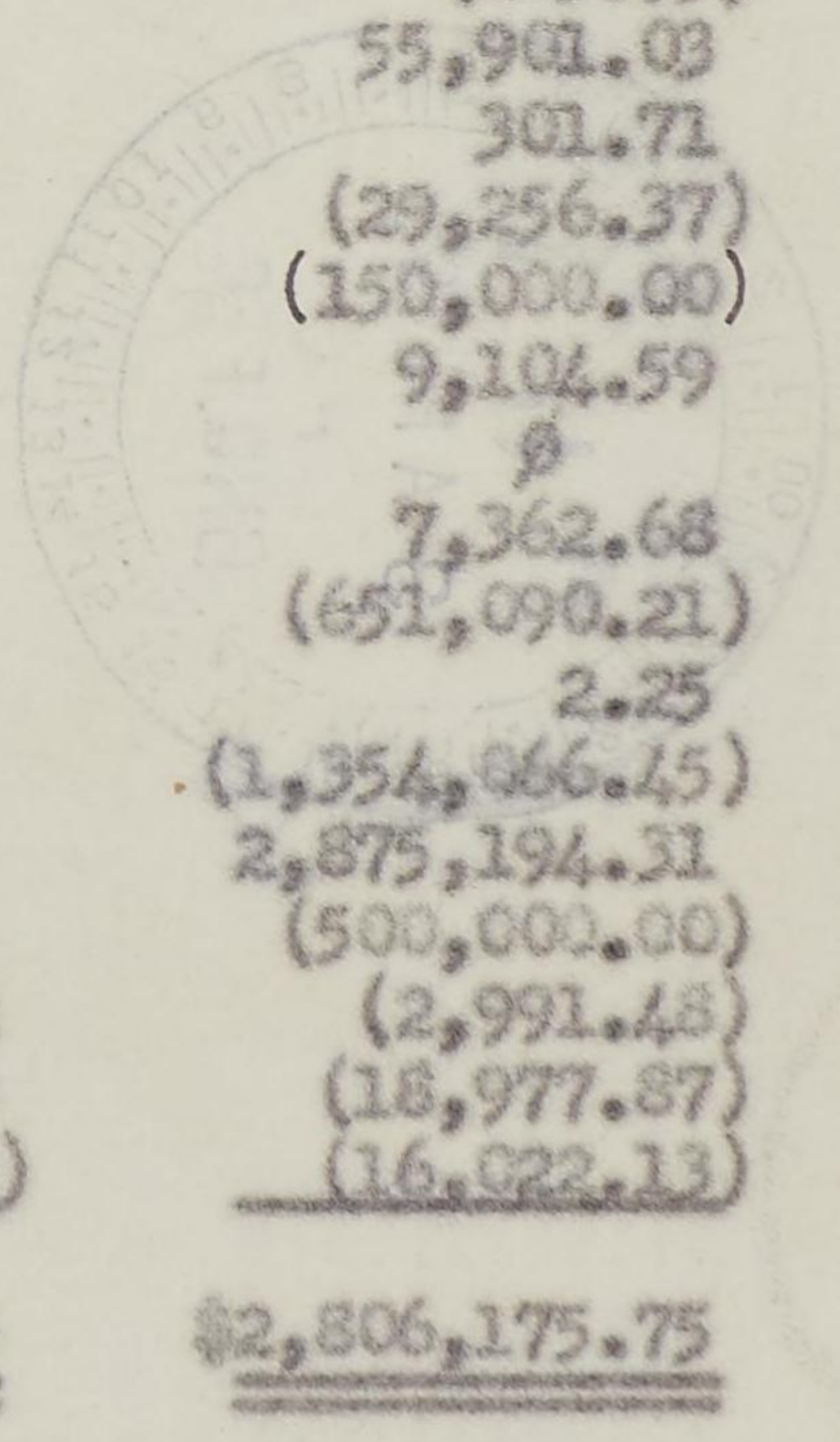
EXHIBIT III

| | Balance 31 January 1951 | Adjustments Current Month | Balance 28 February 1951 |
|---|----------------------------|------------------------------|-----------------------------|
| Operating Income | \$ 1,096,044.44 | \$ 18,792.95 | \$ 1,114,837.29 |
| #Inventory Adjustments | 297,366.80 | (35.40) | 297,331.40 |
| Sale of Free Merchandise | 382,457.33 | Ø | 382,457.33 |
| Conversion Gains | 333,710.23 | (16.68) | 333,693.55 |
| Precious Metals Gains | 48,226.79 | (.36) | 48,226.43 |
| Procurement Pricing Gains | 316,523.42 | 456.97 | 316,980.39 |
| Fiscal Pricing Gains | 81,463.71 | Ø | 81,463.71 |
| Miscellaneous | 5,987.11 | .43 | 5,987.54 |
| Penalties to vendors | (263.95) | Ø | (263.95) |
| Gain or Loss on Dye Orders | 55,901.03 | Ø | 55,901.03 |
| Adjustment to Surplus on Prior Month's Entries | 301.71 | Ø | 301.71 |
| Reserve for Precious Metal Adjustments | (29,256.37) | Ø | (29,256.37) |
| Reserve for Inventory Loss (Brocade & Tribute Silk) | (150,000.00) | Ø | (150,000.00) |
| Precious Metal Reserve, Closed to Surplus | 9,104.59 | Ø | 9,104.59 |
| Inventory Loss (Brocade & Tribute Silk) | Ø | Ø | Ø |
| Reserve Balance Closed to Surplus | 7,362.68 | Ø | 7,362.68 |
| Stock Dividend Issued and Transferred to Surplus | (651,090.21) | Ø | (651,090.21) |
| Stock Dividend Balance Closed to Surplus | 2.25 | Ø | 2.25 |
| Cash Dividend Paid | (1,354,066.45) | Ø | (1,354,066.45) |
| Capitalization Gains | 2,875,194.31 | Ø | 2,875,194.31 |
| Reserve for Liquidation | (500,000.00) | Ø | (500,000.00) |
| Reserve for Bad Debts | (4,343.40) | 1,351.92 | (2,991.48) |
| ### Reserve for Inventory Losses, Bid Merchandise | (35,000.00) | 16,022.13 | (18,977.87) |
| #### Inventory Losses, Bid Merchandise | Ø | (16,022.13) | (16,022.13) |
| Net Surplus | <u>\$2,785,626.02</u> | <u>\$20,549.73</u> | <u>\$2,806,175.75</u> |

Pricing Gains contained in this account from 25 Oct 45 to 1 Jun 48 as segregation was established 1 Jun 48.
 ## Developed from beginning of operations to date.
 ### Sale of merchandise to Japanese merchants.
 #### Recorded in February 1951.

FR-1-C
 nso

DECLASSIFIED
 Authority NND 975029



0/

331.3 Balance Sheet

Subj: Transmittal of Balance Sheet

From: G-4

TO: CPO

Lt Col Griffin 26-6045

Date: 26 March 51

3

Comments of Comptroller are forwarded for your information and necessary action.

1 Incl
n/c

ADS

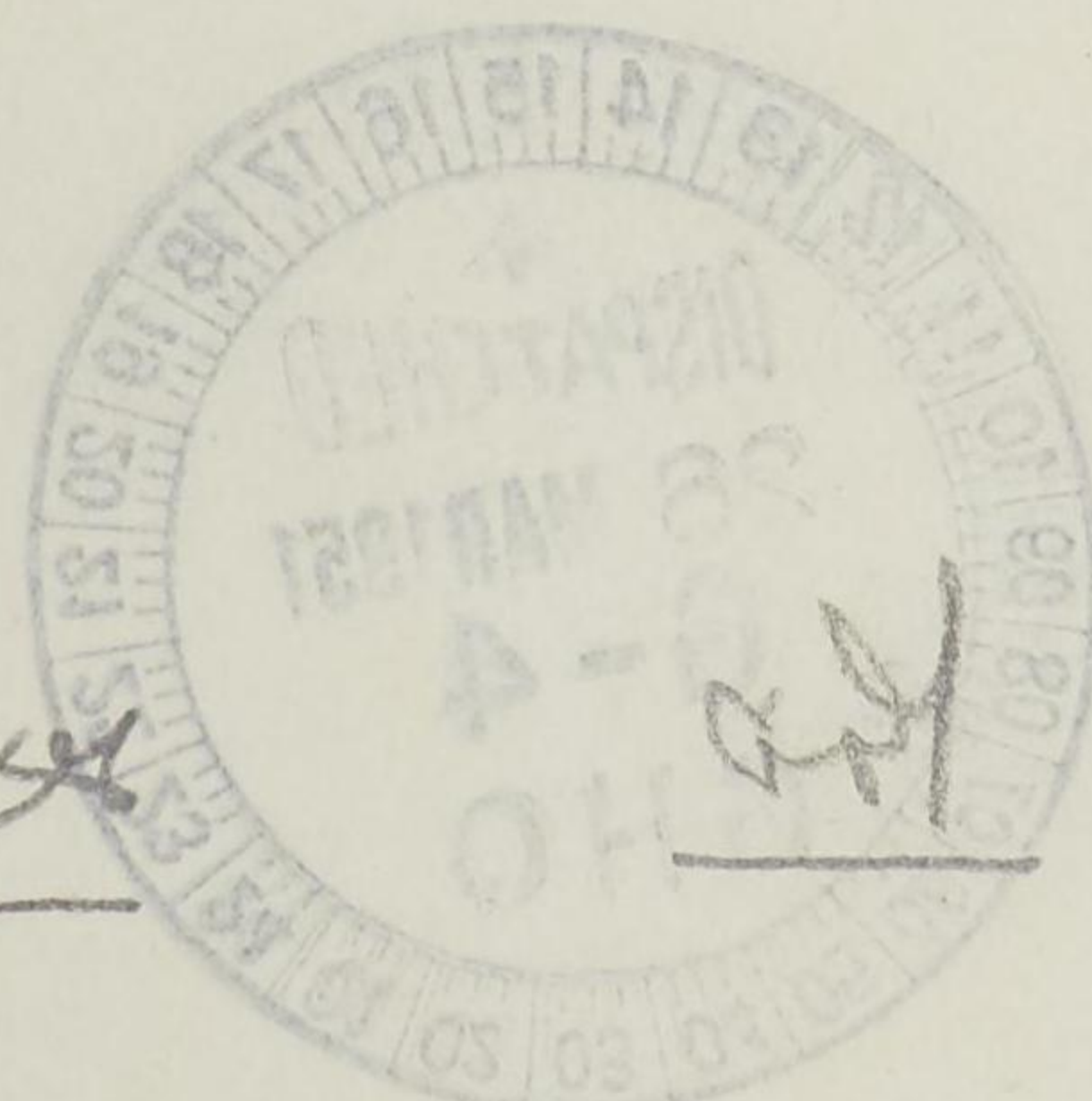
G. L. E.

MEMO FOR RECORD

GD SP MSG/ADS/bc

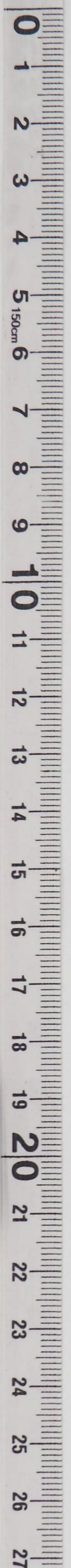
1. CPO in C/N 1 forwarded monthly balance and operating statement for month ending 31 January 51. COM reviewed the statement and returned to CPO through G-4 with appropriate comments.
2. G-4 C/N 3 to CPO forwards comments of COM for information and necessary action.
3. Within established policy.
4. Coordination: none.
5. SDSD: none.
6. G-4 action completed on JN 04936.

ms



Sup
4936
ccg

G-4 Summary File



231.3 Balance Sheet

G-4 Balance Sheet

Subj: Transmittal of Balance Sheet

In Col Griffin 26-2042
Date: 26 March 51

To: CPO

From: G-4

Comments of Controller are forwarded for your information and necessary action.

I Incl
r/c

ADS

GD SP MSG\ADS\pc

MEMO FOR RECORD

1. CPO in G-4 I forwarded monthly balance and operating statement for month ending 31 January 51. COM reviewed the statement and returned to CPO through G-4 with appropriate comments.

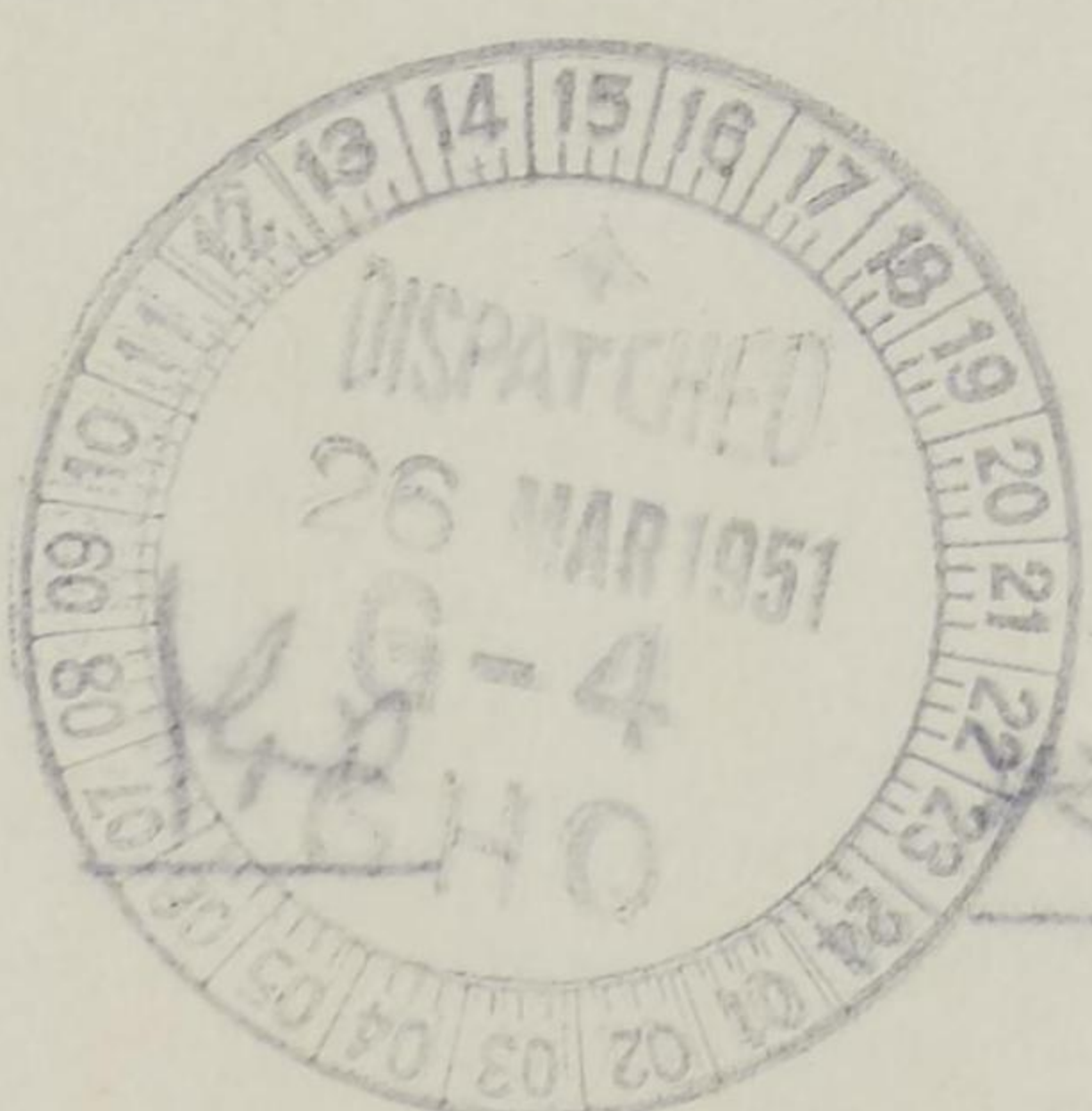
2. G-4 C/N 3 to CPO forwards comments of COM for information and necessary action.

3. Within established policy.

4. Coordination: none.

5. SPSD: none.

6. G-4 action completed on 17 March 51.



Sup 20

GENERAL HEADQUARTERS
FAR EAST COMMAND

CHECK SHEET

(Do not remove from attached sheets)

File No. _____ Subject: Operational Instructions for CPO

C/N From: G-4
1

33/13

To: CPO
COM
G-1
SS

Lt Col Akin 26-6055
27 Jan 51

1. Forwarded herewith, in duplicate, is draft of proposed revision of Operational Instructions for Central Purchasing Office.

2. Draft as submitted herewith is considered by G-4 to be in full consonance with the best practices and procedures applicable to CPO in fulfillment of its mission. In preparing the present draft, G-4 has taken into full consideration the initial draft prepared by CPO, changes thereto agreed upon by conference of above addressees and written comments and recommendations subsequently submitted to G-4.

3. It is planned to submit the draft, as presented herewith, to the Chief of Staff for approval no later than 2 February 1951. It is therefore requested that addressees furnish G-4 with concurrence or comments no later than 1 February 1951. In any instances of non-concurrence, G-4 will incorporate the comments into the check note of transmittal to the Chief of Staff.

1 Incl
Prpsd revision of
OI for CPO



G. L. E.

MEMO FOR RECORD:

SP GD AKA/BH/ey 27 Jan 51

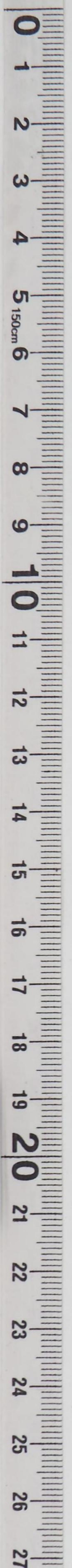
1. Self-explanatory.
2. Concurrences: Being requested by inst C/N.
3. Initiated case.
4. SDSD -- 2 Feb 51.

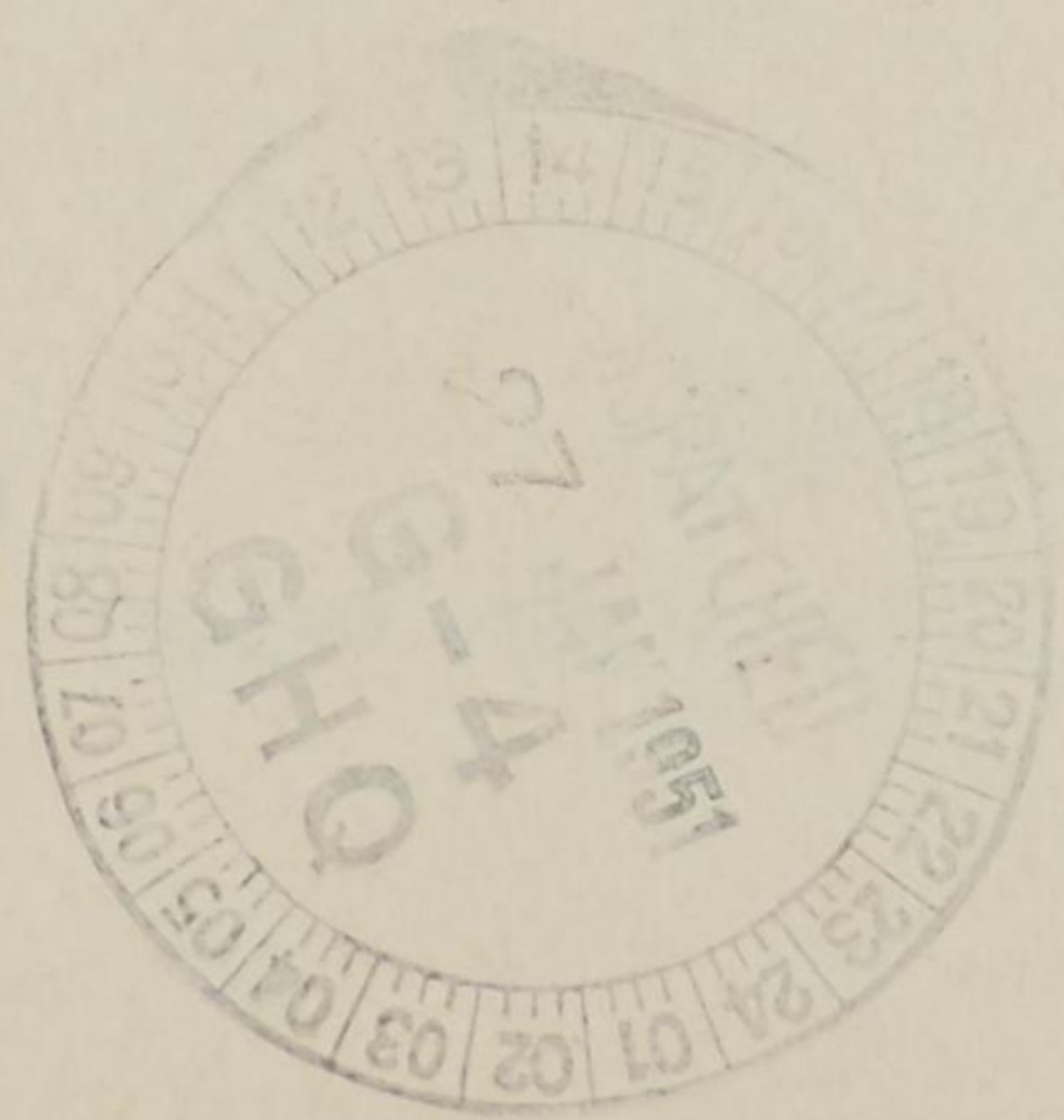
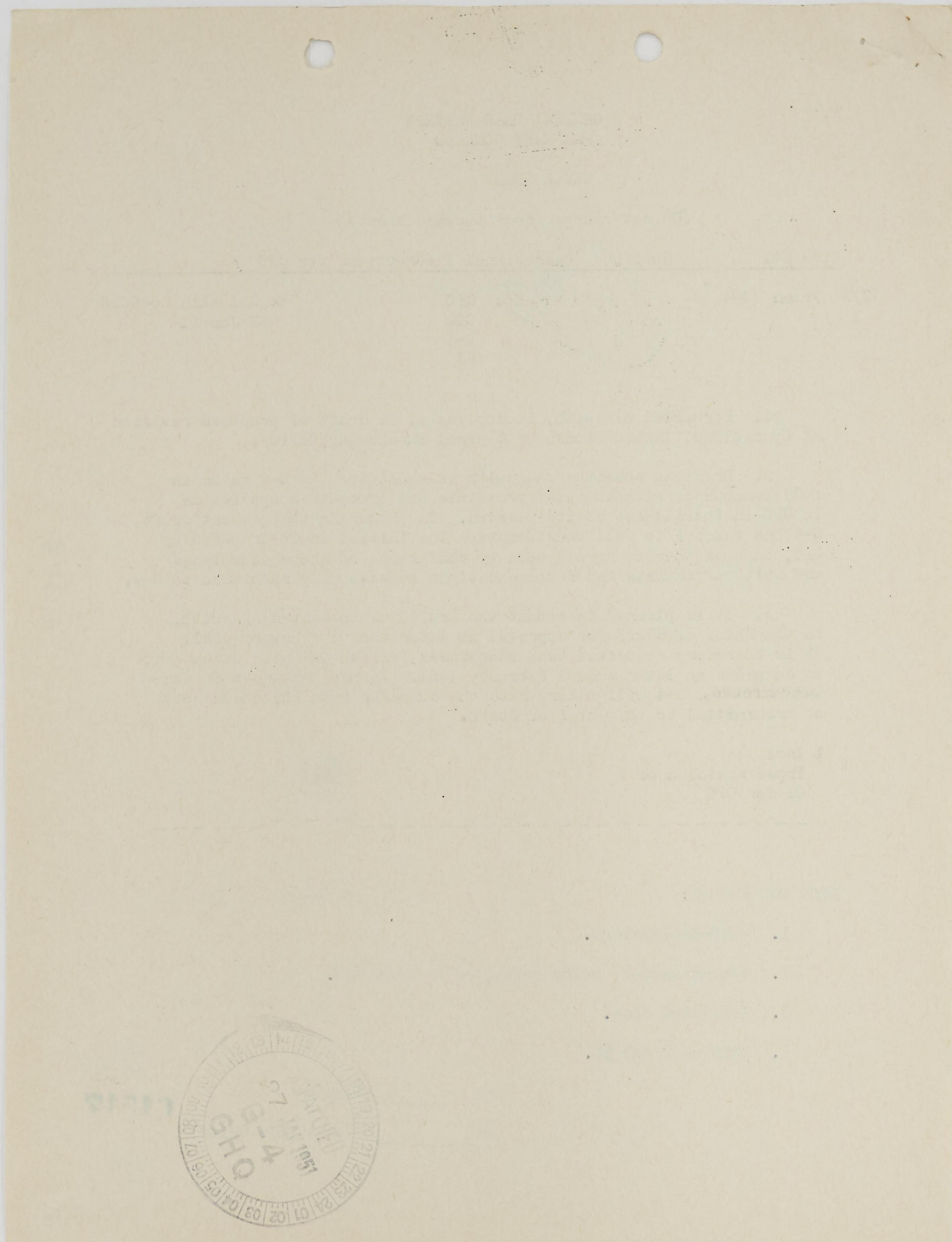
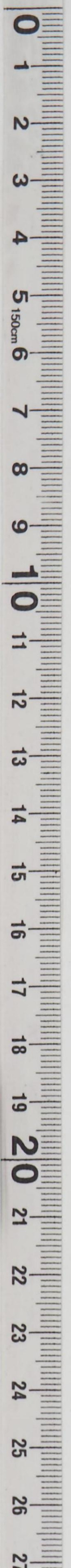
AKA _____ 26-6055

BH _____ 26-6043 (Div Chief)

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C1517
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G4 File

G4 File





GENERAL HEADQUARTERS
FAR EAST COMMAND
APO 500

AG 331.3 ()GD

SUBJECT: Operational Instructions for Central Purchasing Office

TO: Purchasing Officer
Central Purchasing Office
General Headquarters, Far East Command
APO 500

1. Recissions:

a. Letter, General Headquarters, Far East Command, AG 331.3
(14 Nov 49)GD, subject: Operational Instructions for Central Purchasing
Office, 14 November 1949.

b. Letter, General Headquarters, Far East Command, AG 331.3
(14 Nov 49)GD, subject: Operational Instructions for Central Purchasing
Office, 7 March 1950.

c. Letter, General Headquarters, Far East Command, AG 331.3
(14 Nov 49)GD, subject: Operational Instructions for Central Purchasing
Office, 15 August 1950.

2. References:

a. Letter, General Headquarters, Far East Command, AG 331.3
(14 Nov 49)SS, subject: Clarification of Procurement Policies, 13 April
1950.

b. Letter, General Headquarters, Far East Command, AG 418 (15 Jun
(16 Jun 50)SS, subject: Indigenous Procurement of Special Service
Supplies and Equipment, 23 June 1950.

3. The Central Purchasing Office operates under the authority con-
tained in General Orders 57, General Headquarters, Far East Command,

14 November 1949, supplemented by instructions as set forth herein.

4. The Central Purchasing Office:

a. Is designated sole agency for the procurement with non-appropriated funds of merchandise from:

- (1) Japan sources for distribution to the following organizations located within the Far East Command:
 - (a) U. S. Army Central Exchanges
 - (b) U. S. Air Force Central Exchanges
 - (c) U. S. Navy Ships' Stores
 - (d) British Commonwealth Occupation Forces' Canteens

- (2.) Far East markets * outside the Far East Command for distribution to the following organizations located within the Far East Command:
 - (a) U. S. Army Central Exchanges
 - (b) U. S. Air Force Central Exchanges

* Far East markets outside the Far East Command are considered to be those countries lying beyond the boundaries of the Far East Command and located between 170° West Longitude and 60° East Longitude. These boundaries are not to be interpreted as having any significance except for providing definite boundaries applicable to CPO operations.

- (3) Japan and Far East markets outside the Far East Command for Special Service non-appropriated/^{fund}supplies and equipment, except that the following may be procured directly from Japanese vendors by military units:

- (a) Items of small monetary value, required in limited quantities for which the demand is non-recurrent, such as posters, printing, inexpensive prizes, minor repairs, music and music accessories.
- (b) Items which are excepted by mutual agreement between the Special Services Officers and the Central Purchasing Office because of limited availability, time element of procurement or economical reasons.
- (c) Items where personnel shopping is essential, such as decorations, favors, novelties, etc., for service club activities, individual theatrical properties, etc.
- (d) Items peculiar to the locality; such as Sendai clay.

b. Is authorized to procure with non-appropriated funds from any markets, with the exception of the United States, merchandise and services when so requested by individuals, military units, clubs, messes and similar organizations, including BCOF, authorized to make purchases through CPO.

c. Functions are interpreted to ~~the~~ effect that Central Exchanges and Navy Ships' Stores in the Far East Command, with the exception of those located in Japan, may procure directly from local vendors items manufactured within the boundaries of their respective commands.

5. To assist Central Exchange and Ships' Store liaison personnel, ECOF canteens, clubs, military units, messes and similar organizations operating under proper authority in the selection of merchandise, the Central Purchasing Office will establish and maintain a Display Room containing representative samples of merchandise available from Far East markets. The Central Purchasing Office is authorized to purchase and/or receive on loan agreement such samples as are considered necessary. When samples are furnished without charge, "no cost" invoices will be obtained to prevent future billings. The Central Purchasing Office vendor's agreement form, when completed, is acceptable as a "no cost" invoice. Sample stocks will be reviewed periodically and replaced when necessary.

6. The Central Purchasing Office is authorized to operate a retail sales store for the purposes and under the restrictions listed below:

a. Functions:

(1) For testing the salability of samples in limited quantities, in such manner determined to be the most practical by the Chief, Central Purchasing Office.

(2) For the purpose of disposing of samples no longer desired by the Central Purchasing Office for display purposes and the disposal of such other Central Purchasing Office merchandise (damaged, shop-worn and distressed) undisposed of through normal Central Exchange channels.

(3) For furnishing sales assistance to visiting dignitaries, VIPs and such other persons who may be specially directed to the Central Purchasing Office, in the purchase of indigenous merchandise to the best extent practicable.

(4) For purchases by individuals authorized Exchange or Ships' Store services other than referred to in (3) above, which will be limited to items of merchandise known to the Central Purchasing Office not currently available in sufficient quantities in stock in applicable exchange outlets.

(5) For authorized military units, clubs, messes and similar organizations operating under proper authority.

b. Procurement:

(1) Procurement will be limited to selections from available samples, descriptions and special items to be manufactured to fill purchasers' specifications. At the discretion of Chief, Central Purchasing Office, limited quantities of such samples on display may be maintained for the purpose of special order resale.

(2) Requests from individuals for procurement will be made in person.

(3) Requests from military units, clubs, messes and similar organizations may be submitted in person or by mail by a duly authorized representative.

(4) Each request for procurement will be accompanied by payment in dollars or sterling of the total actual or estimated cost, unless an account has been duly established with the Central Purchasing Office, approved by G-4, GHQ, and

(5) After an order has been accepted by the Central Purchasing Office, cancellation or modification by the purchaser will be effected only with the approval of the Central Purchasing Officer.

c. Delivery:

(1) Merchandise not called for within 60 days after notification of arrival has been issued will be subject to a monthly storage charge of 1% effective on the first day of the month following the expiration of the sixty days.

7. Pricing:

Items will be sold at the following prices:

a. Sales to individuals -- at delivered cost to CPO plus a 20% mark-up.

b. Sales to Central Exchanges, Navy Ships' Stores, ECOF canteens, military units and clubs -- at delivered cost to CPO plus a mark-up not to exceed five percent (5%).

c. Where sales to military units, clubs, etc. are revenue producing items, such as Bingo prizes, etc., same will be priced at delivered cost to CPO, plus a 20% mark-up.

d. Sales to dependent schools and charitable organizations of the Far East Command -- at delivered cost to CPO.

e. Where procurement of merchandise, construction or services for Central Exchanges, Ships' Stores or canteens is to be used for operational purposes (not for resale) and is primarily an administrative action which does not involve the physical receipt, inspection and issuance of merchandise by CPO, a mark-up of 2% on ~~the~~ delivered cost is authorized. This does not apply to procurement of merchandise for individuals through the Special Order Department. Authority for determination of the application of a 2% mark-up is vested in the Chief, Central Purchasing Office.

f. Changes in the percentages of mark-up will be made as provided for in Paragraph 9a.

8. Procurement:

The procedure for procurement, accounting and settlement for merchandise and services purchased by GPO will be as follows:

- a. The Central Purchasing Office will enter into procurement agreements with vendors in Japan for all merchandise and services indigenous to Japan, payable in Japanese yen at the official rate of exchange. Japanese yen for payment of these accounts will be procured by the Central Purchasing Office from the Finance Officer, 240th Finance Disbursing Section or through the Office of Comptroller, General Headquarters, Far East Command.
- b. The Central Purchasing Office will enter into procurement agreements with vendors in other areas in the Far East outside the Far East Command for all merchandise purchased from such areas as specified in Par. 4 above. Such purchases will be paid for by the Central Purchasing Office in the currency and in the manner dictated by the best acceptable commercial practice prevailing in the area at time of purchase. The interests of the occupation forces in Japan and of the United States of America will be protected at all times.
- c. Adequate liaison will be maintained with all Exchange Systems, Ships' Stores and Canteens for which merchandise and services are procured in order that adequate procurement planning can be accomplished by the Central Purchasing Office.
- d. Procurement by the Central Purchasing Office for Central Exchanges, Ships' Stores and Canteens will be based only on advance requisitions. Requisitions accepted for procurement by the Central Purchasing Office will not be cancelled except upon written authority of

the Chief, Central Purchasing Office. In such cases, merchandise on hand or in transit will be sold at the best obtainable price to other resale outlets or through private sales in the manner specified in sub-paragraph g. below. Any loss by the Central Purchasing Office, to include the markup, will be billed to the resale outlet placing the original requisition, unless Central Purchasing Office is at fault.

e. The requisitioning agency will assume contract termination claim costs when routine termination of contract is effected at the request of the requisitioning agency prior to the expiration date of the contract.

f. Merchandise procured by the Central Purchasing Office which has been rejected (see sub-paragraph d, above) or returned by Central Exchanges or Ships' Stores with approval of the Chief, Central Purchasing Office will be offered for sale to other Central Exchanges or Ships' Stores. If rejected by the other Central Exchanges, merchandise may be offered for sale as in sub-paragraph g below, ^{or, if procured in Japan,} exchanged with Japanese vendors for merchandise of comparable value.

g. Merchandise damaged by the Central Purchasing Office in handling, merchandise received from vendors in a damaged condition where recourse can not be had from the vendor or carrier, and samples purchased by the Central Purchasing Office which are obsolete or damaged shall be disposed of on a cash and carry basis in the Sales Store at a fair and reasonable price in consideration of their condition. Damaged merchandise with no salable value will be reviewed periodically by a Board of Officers appointed by the Chief, Central Purchasing Office and

disposed of in such manner as the Board may recommend, provided disposition recommended is approved by the Chief, Central Purchasing Office.

h. The Central Purchasing Office will be guided in purchases of foreign manufactured items by the corrent policy of reviving and stimulating Japanese economy through trade. Where similar items of comparable quality are available in Japan, they will be so procured rather than from sources outside Japan.

9. Financing CPO Operations:

a. The mark-up added by CPO to the delivered cost (paragraph 7) is established to insure that the revenue derived therefrom will be sufficient to cover operating expenses, with a small margin for profit or to increase surpluses. This mark-up is subject to adjustment quarterly based on the following:

The Central Purchasing Office will submit a special quarterly report to reach G-4 within thirty (30) days after the end of each calendar quarter, recommending a "change" or "no change" in the percentage of the mark-up, together with analytical data to support the recommendation.

b. The Central Purchasing Office is authorized to maintain a surplus and reserve as follows:

| | |
|-------------------------|---------------------|
| Surplus | \$ 3,000,000.00 |
| Reserve for contingency | 500,000.00 |
| Total | <u>3,500,000.00</u> |

c. The Central Purchasing Office may be authorized to negotiate short term loans when need arises for the purpose of covering current commitments, however, this authority is subject to the following limitations:

(1) Approval of G-4 will be required, in each instance, prior to negotiation by CPO.

(2) The total amount of loans outstanding at any one time will not exceed the difference between the CPO Net Worth and the authorized Surplus.

(3) Each request for authority to make such loan will be forwarded, accompanied by a statement of the current net worth together with full justification for said loan, to G-4 through the Comptroller, GHQ, with the latter to furnish G-4 with appropriate technical advice relative thereto.

d. CPO is authorized to maintain the following accounts in the National City Bank of New York, New York:

(1) Central Purchasing Office dollar account not to exceed \$100,000.00.

(2) Central Purchasing Office dollar account for Hong Kong branch office not to exceed \$250,000.00.

In the event these accounts temporarily exceed the authorized limit through delays in draft clearances or because of other factors beyond the control of CPO, this fact will be noted in the monthly financial statement and immediate corrective action will be taken as necessary to reduce the balance.

10. Billing and Terms of Sale:

Army and Air Force Central Exchanges, Navy Ships' Stores, BCOF Canteens and other organizations authorized accounts will be required to settle all accounts promptly and not later than the 10th day of the month following the month in which billing has been received from the Central Purchasing Office.

11. A physical inventory of the Central Purchasing Office merchandise will be taken in December of each year by a disinterested Board of Officers appointed by the Commander-in-Chief, Far East, with one member to be from the Office of the Comptroller.

12. The Chief, CPO is authorized to negotiate contracts for the services of certain specialists required for technical phases of the operations. The expenses incurred by CPO in this connection will be borne from non-appropriated funds within the control of CPO and will not be considered a legitimate charge against the cost of ^{the} occupation. In negotiating such contracts, CPO will be governed by appropriate regulations of the Commander-in-Chief, Far East.

13. Financial Statements and Auditing Procedures:

a. The Central Purchasing Office will furnish the Assistant Chief of Staff, G-4 thru Office of the Comptroller, General Headquarters, Far East Command, with the following financial statements:

(1) Monthly - Balance Sheet, Profit and Loss Statement, Analysis of Other Income.

(2) Semi-Annually - Comparative Balance Sheet, Comparative Statement of Profit and Loss, Comparative Statement of Analysis of Other Income, Reconciliation of Bank Statements, all Banks, statements showing balance of all accounts receivable properly aged, inventory separated into the major categories of raw materials, work in process and finished goods, Summary of Accounts Payable Balances.

b. The Central Purchasing Office accounts will be audited semi-annually by the Office of the Comptroller, General Headquarters, Far East Command as of June and December and at such other times as may be directed by the Chief of Staff.

c. The Inspector General will conduct annual inspections of the Central Purchasing Office concurrently with each June Audit.

14. All Central Purchasing Office personnel who occupy positions involving considerable pecuniary responsibility will be adequately bonded in a reputable surety bonding company, the expense of such bonding to be borne by the Central Purchasing Office.

15. Direct communication between the Central Purchasing Office and various resale outlets on technical matters is authorized.

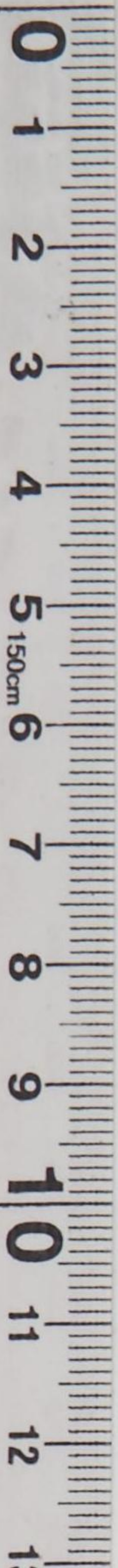
16. The Central Purchasing Office will not establish additional branch offices without formal written notice and approval by the Assistant Chief of Staff, G-4.

BY COMMAND OF GENERAL MacARTHUR:

K. B. BUSH
Brigadier General, USA
Adjutant General

DECLASSIFIED

Authority NND 975029



G-4 ROUTING

AC/S G-4

DAC/S G-4

①

EXECUTIVE

P+O

C+RE

②

SUPPLY

PETROLEUM

KEA

③

ADMIN

G-4JN #

02932

Handwritten notes and signatures:
- A large signature across the top right.
- The initials "B" and "Felt" written vertically.
- The initials "ADJ." written in blue ink.
- The initials "K" and "W" written below the routing table.

**GENERAL HEADQUARTERS
FAR EAST COMMAND**

CHECK SHEET Mr. J. R. Guynes 26-6786

(Do not remove from attached sheets)

File No:

Subject: Transmittal of Balance Sheet

Note
No.

2

From: COM

To: G-4

Date: 20 February 1951

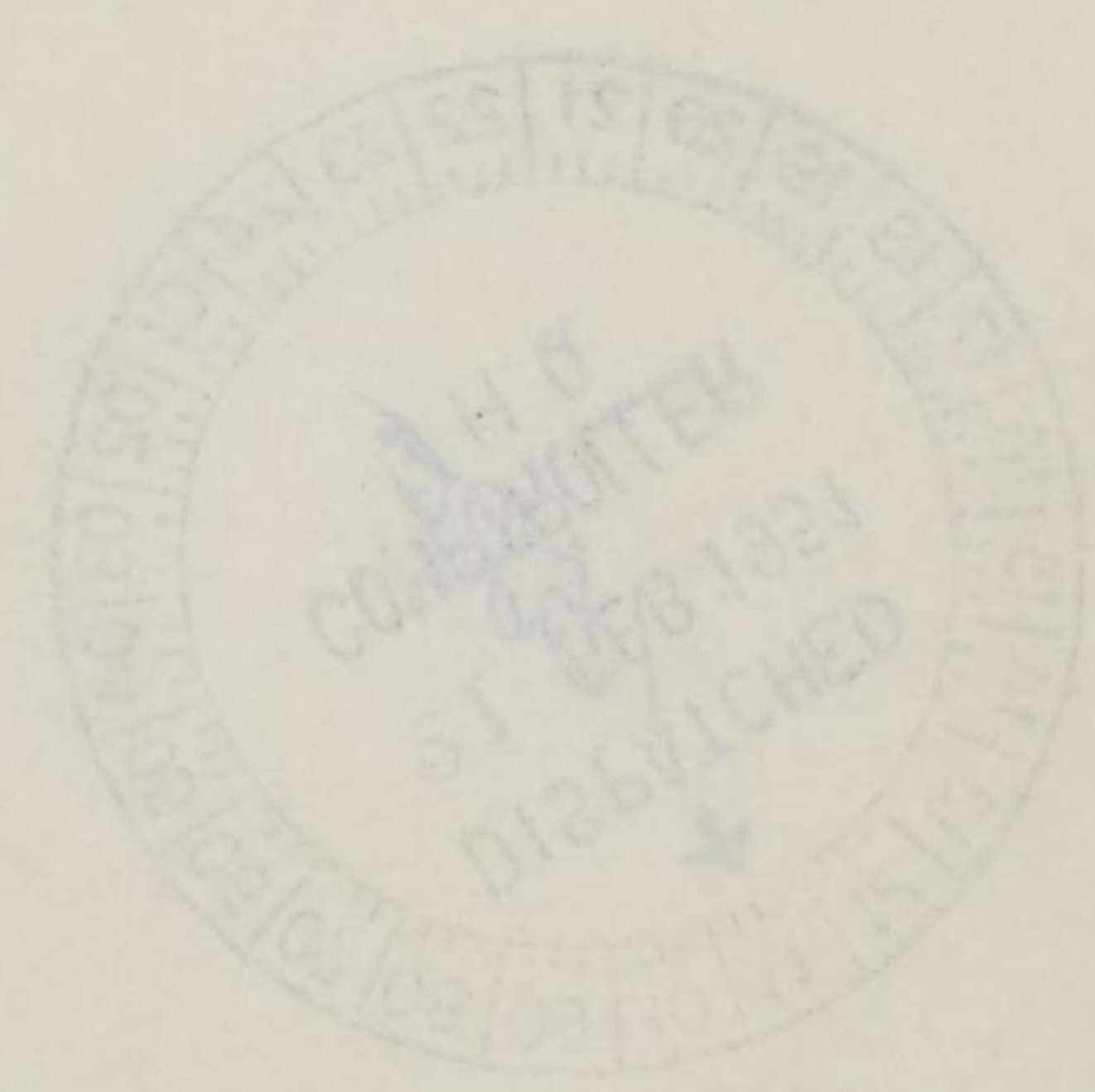
An audit of the records of CPO for the period 1 July 1950 to 31 December 1950 is to be started during the present week. A Report of Audit will be issued upon completion of this examination.

1 Incl

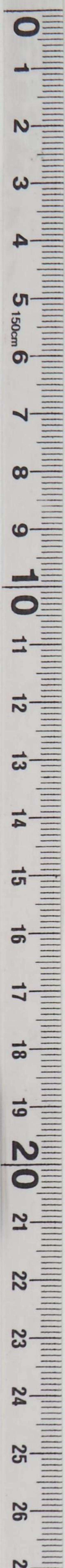
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----- L. L. W. -----

*331.7
Bal. Sheet
CPO*



JN, 2932



GENERAL HEADQUARTERS
PAR EAST COMMAND

CHECK SHEET

Mr. J. R. Guynes 26-8788

(Do not remove from attached sheets)

Subject: Transmittal of Balance Sheet

File No:

Date: 20 February 1951

To: G-4

From: CCE

Rate No.

An audit of the records of CFC for the period 1 July 1950 to 31 December 1950 is to be started during the present week. A Report of Audit will be issued upon completion of this examination.

I Incl

No.

Handwritten notes:
Mr. J. R. Guynes
26-8788



2300

**GENERAL HEADQUARTERS
FAR EAST COMMAND
CHECK SHEET**

(Do not remove from attached sheets) L. F. Murphy ^{PM} 26-7858

File No: AG (15 Feb 51)CPO Subject: Transmittal of Balance Sheet

Note No. From: CPO To: G-4 Date: 15 February 1951
Thru: COM

1

1. Transmitted herewith is the Central Purchasing Office Balance Sheet (Exhibit I), Profit and Loss Statement (Exhibit II), Schedule of Operating Expenses (Schedule A), Schedule of Other Expenses (Schedule B), Schedule of Other Income (Schedule C), and Analysis of Surplus (Exhibit III), as of 31 December 1950.
2. Comparative schedules required by Operational Instructions will be submitted at the earliest possible date.
3. Comments on the attached Profit and Loss Statement and Balance Sheet follow:
 - a. CPO sales and purchases during December reached an all time peak and exceeded the previous high by \$1,000,000.00. Total sales amounted to \$2,816,614.00. Total purchases amounted to \$2,674,552.00. Air Force Uniform sales continue to increase and amounted to \$111,479.00 in December. Total sales since April 1950, date of inception, amounted to \$422,550.00.
 - b. This volume in sales and purchases placed a heavy strain on the cash position of CPO, however, through the cooperation of the Japan Central Exchange in effecting partial payments during the months of December and January, CPO was able to effect payments to vendors on schedule. Vigorous efforts will be taken to accomplish continued expeditious receipt of payments from Central Exchanges and Ships' Stores.
 - c. The tight cash position has eased considerably in February. It is believed, with the approved increased CPO capitalization from \$3,000,000.00 to \$3,500,000.00, and the anticipated \$1,000,000.00 to \$1,500,000.00 sales average for the next few months, that the short cash position will become completely adjusted.
 - d. The impact of the increased business volume has been felt by the CPO organization and certain administrative actions have been delayed as a result thereof, however, all activities are beginning to assume a current status. In addition to being the Christmas season, the operational period for December ran from the 26th day of November through the 31st day of December. This extended month has partially resulted in the record sales and purchase figures for December, while on the other hand, the operating period for January

GENERAL HEADQUARTERS
FAR EAST COMMAND
CHECK SHEET

(Do not remove from attached sheets) J. F. Murphy 26-7858

File No: AG (15 Feb 51) CPO Subject: Transmittal of Balance Sheet

Date: 15 February 1951 From: CPO To: G-4 Thru: COM

Note No.

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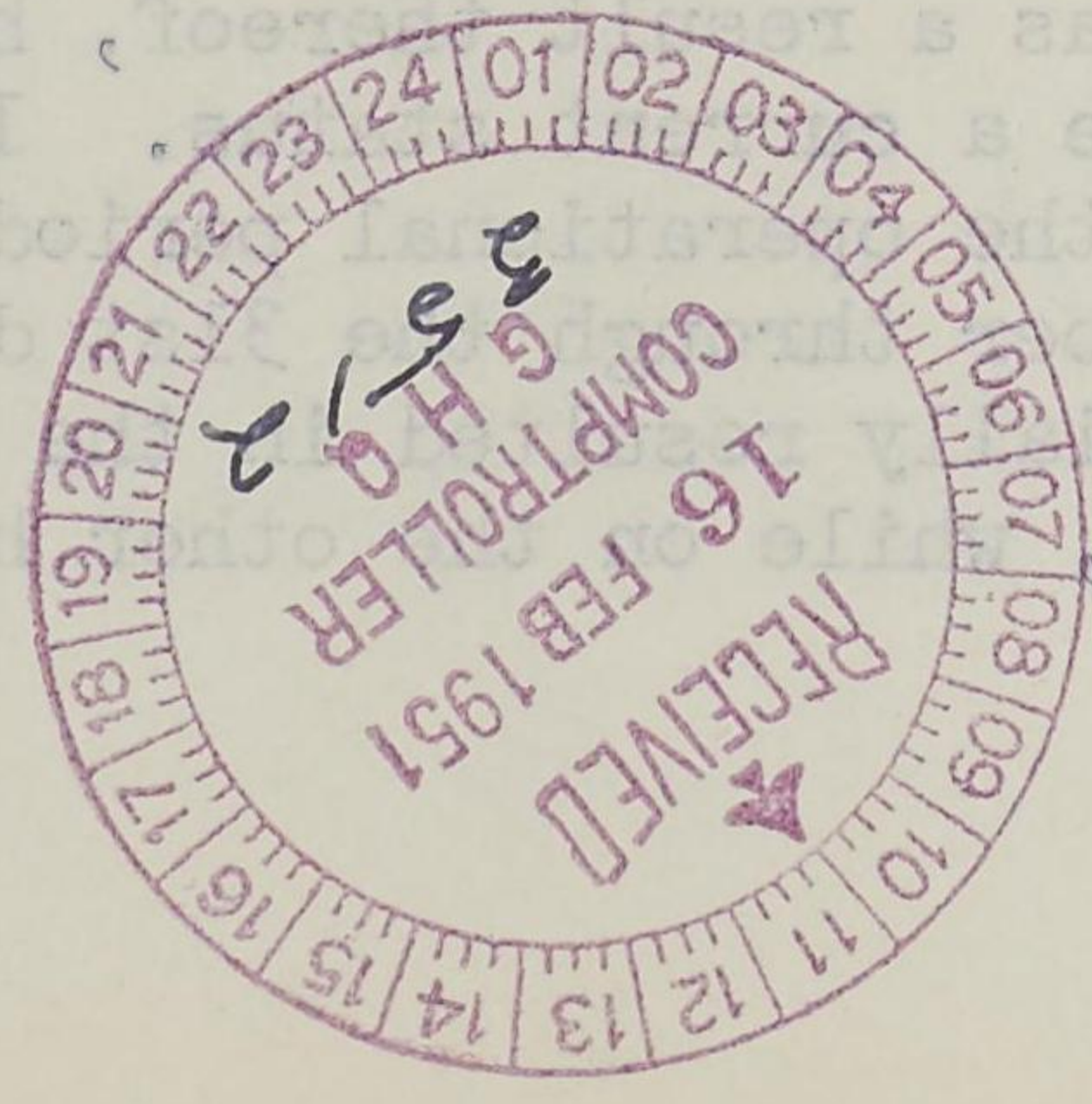
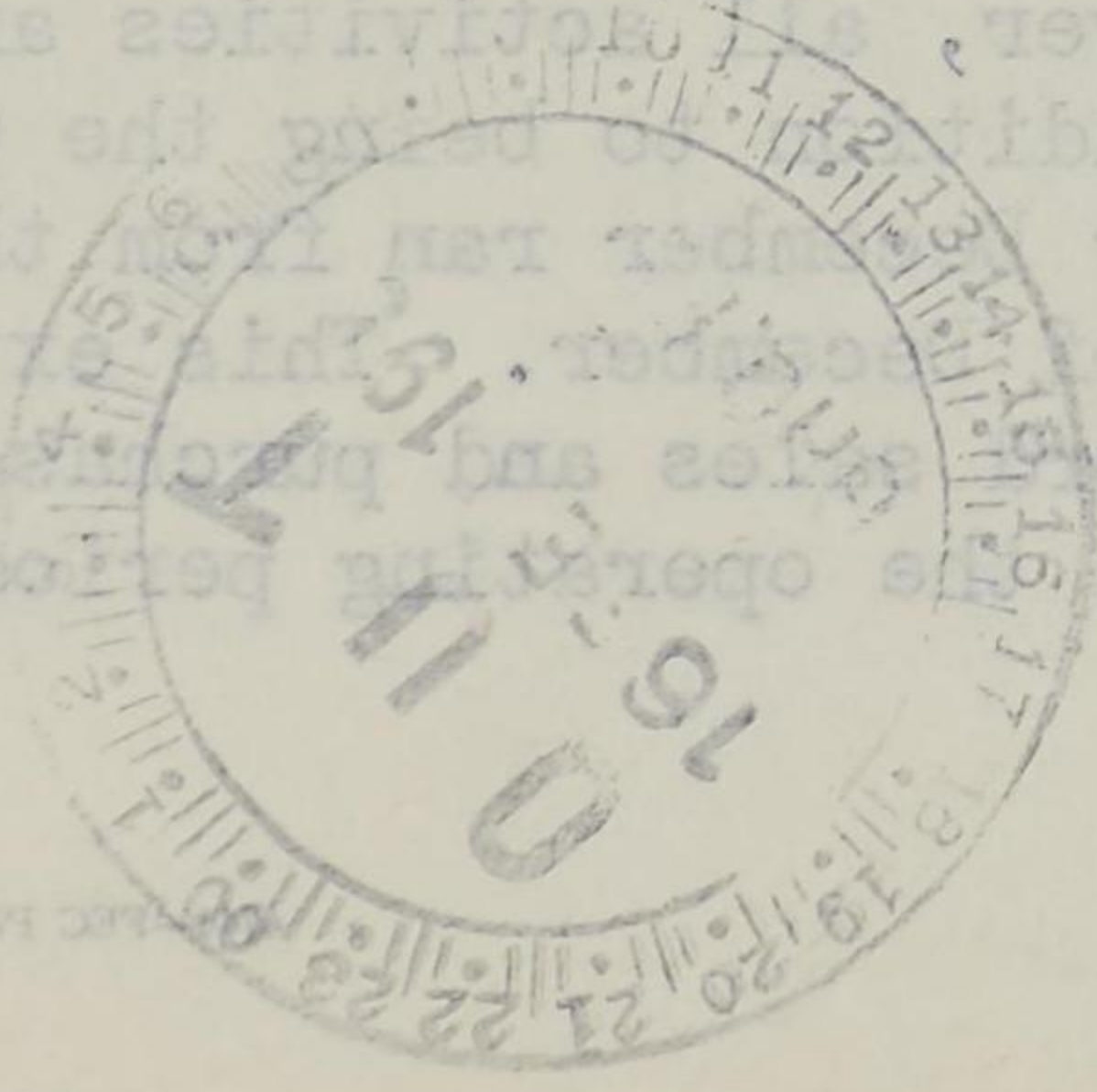
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c. The tight cash position has eased considerably in February. It is believed, with the approved increased CPO capitalization from \$3,000,000.00 to \$3,500,000.00, and the anticipated \$1,000,000.00 to \$1,500,000.00 sales average for the next few months, that the short cash position will become completely adjusted.

d. The impact of the increased business volume has been felt by the CPO organization and certain administrative actions have been delayed as a result thereof, however, all activities are beginning to assume a normal tempo. In addition, the Christmas season, the market for the 25th day of November has been particularly busy and prices for goods and services for the operating period for January have been high.



2300

**GENERAL HEADQUARTERS
 FAR EAST COMMAND
 CHECK SHEET**

(Do not remove from attached sheets) L. F. Murphy 26-7858

File No: AG (15 Feb 51)CPO Subject: Transmittal of Balance Sheet

Note No.

From: CPO

To: G-4
 Thru: COM

Date: 15 February 1951

1 (Cont'd)

has been reduced from 1 January through 25 January and sales for January will, as a result, be reduced. The lowest monthly sale period in 1950 was \$397,102.00 in February, with the peak month in December, of \$2,816,614.00.

- e. A recap of the 1950 calendar year financial activities reveals the following monthly averages:

| | |
|--|----------------|
| Requisitions from Central Exchanges..... | \$1,097,234.00 |
| Sales: | |
| To Exchanges..... | 927,617.00 |
| To Clubs and Individuals..... | 79,804.00 |
| Special Services..... | 11,994.00 |
| Total Sales..... | 1,054,626.00 |
| Gross Income from Sales..... | 51,694.00 |
| Other Income..... | 1,823.00 |
| Total Income..... | 53,517.00 |
| Operating Expenses..... | 30,148.00 |
| Other Expenses..... | 2,302.00 |
| Total Expenses..... | 32,450.00 |
| Net Gain..... | 21,067.00 |
| Payroll Expenses..... | 24,286.00 |

The above figures reflect monthly averages for the year, but actually 75% of the business volume was conducted during the second six months of the year, and only 25% during the first six months. This was principally due to the influx of new personnel in the theater since June 1950.

4. In reviewing last year's operation, of particular note is the fact that the Central Exchanges and Ships' Stores in prior years had submitted numerous complaints to CPO on: (a) Poor quality of merchandise received and alleged creation of distressed inventories, and (b) Reported undue delay of shipments which materially affected Exchange distribution schedules; while during 1950 such complaints were, to all intents and purposes, eliminated. These two points are considered major improvements in CPO operations, and expressions of appreciation on these matters have been received by representatives of CPO when visiting the various Central Exchanges and Ships' Stores throughout the Far East Command.

GENERAL HEADQUARTERS
FAR EAST COMMAND
CHECK SHEET

(Do not remove from attached sheets) L. T. Murphy 26-7828

File No: AG (15 Feb 51) CPO Subject: Transmittal of Balance Sheet

Note No. _____ From: CPO To: G-4
Thru: COM Date: 15 February 1951

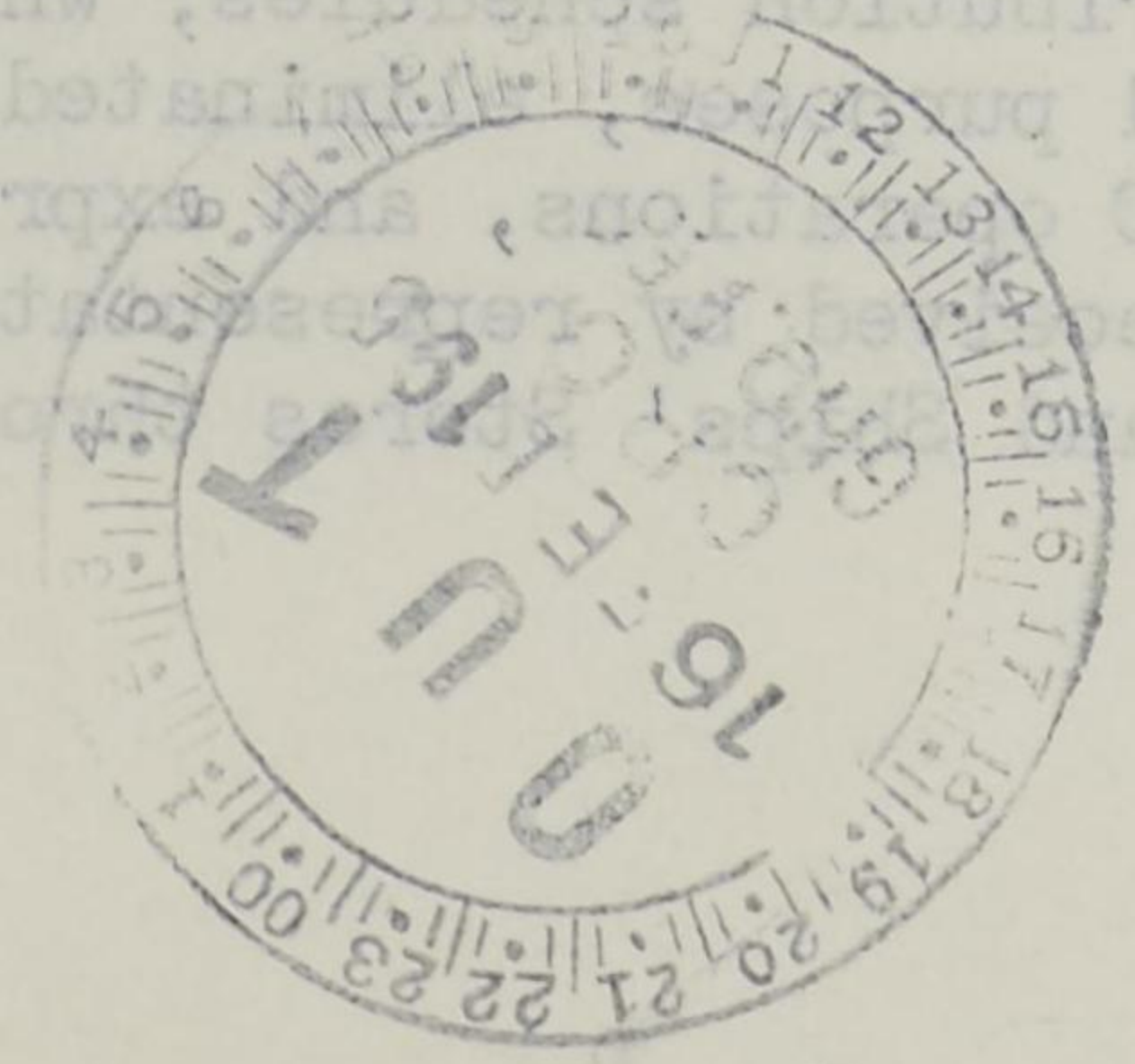
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| Special Services..... | 11,994.00 |
| Total Sales..... | 1,024,626.00 |
| Gross Income from Sales..... | 21,694.00 |
| Other Income..... | 1,823.00 |
| Total Income..... | 23,517.00 |
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| Other Expenses..... | 2,302.00 |
| Total Expenses..... | 32,450.00 |
| Net Gain..... | 21,067.00 |
| Payroll Expenses..... | 24,286.00 |

The above figures reflect monthly averages for the year, but actually 75% of the business volume was conducted during the second six months of the year, and only 25% during the first six months. This was principally due to the influx of new personnel in the theater since June 1950.

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230c

**GENERAL HEADQUARTERS,
FAR EAST COMMAND
CHECK SHEET**

(Do not remove from attached sheets) L. F. Murphy 26-7858

File No: AG (15 Feb 51)CPO Subject: Transmittal of Balance Sheet

Note
No.

From: CPO

To: G-4
Thru: COM

Date: 15 February 1951

1 (Cont'd)

5. Finalization of pearl procurement from the Japan Pearl Company and Closed Institutions Liquidation Commission has been effected. Complete records of these transactions are on file at the Central Purchasing Office.

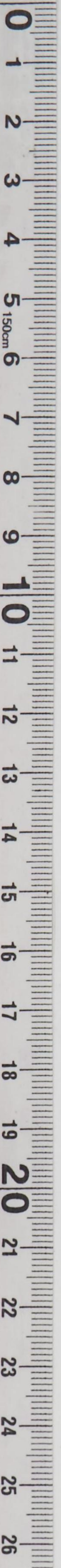
6. Implementation of the G-4 approved disposition of textile stocks is progressing. This action will be vigorously prosecuted until completed. It is also to be noted that the precious metal inventory, in compliance with Chief of Staff's instructions, has been reduced during the year from approximately \$65,000.00 to \$520.00. In this liquidation, CPO has realized in excess of \$10,000.00 profit.

1 Incl.
Balance Sheet and
supporting schedules

A. H. N.

-----A. H. N.-----





GENERAL HEADQUARTERS
FAR EAST COMMAND
CHECK SHEET

(Do not remove from attached sheets) L. F. Murphy SC-7828

File No: AG (15 Feb 51)CPO Subject: Transmittal of Balance Sheet

Date: 15 February 1951

To: G-4
From: COM

From: CPO

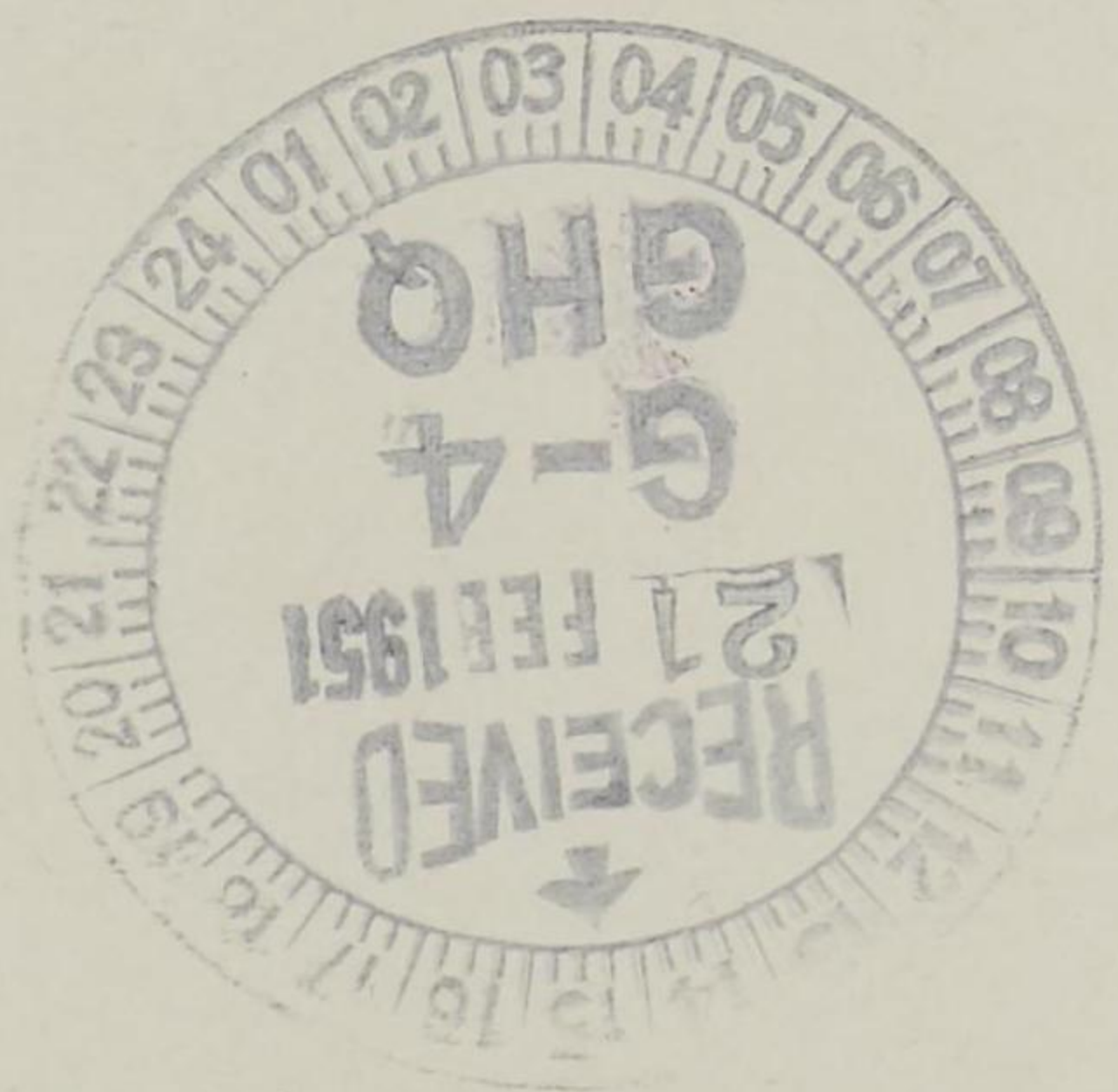
Note No.

1 (Cont'd)

5. Finalization of pearl procurement from the Japan Pearl Company and Closed Institutions Liquidation Commission has been effected. Complete records of these transactions are on file at the Central Purchasing Office.

6. Implementation of the G-4 approved disposition of textile stocks is progressing. This action will be vigorously prosecuted until completed. It is also to be noted that the precious metal inventory, in compliance with Chief of Staff's instructions, has been reduced during the year from approximately \$65,000.00 to \$20,000.00. In this liquidation, CPO has realized in excess of \$10,000.00 profit.

I Incl. Balance Sheet and supporting schedules



236c

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Central Purchasing Office
 APO 500

EXHIBIT I

EX
1

Balance Sheet
 31 December 1950

Current Assets:

Cash in Banks

| | | |
|---|------------------|---------------|
| Chase Nat'l Bank, Tokyo Dollar A/C | \$ 50,755.50 | |
| Chase Nat'l Bank, Tokyo Yen A/C | 88,177.16 | |
| Chase Nat'l Bank, Tokyo Dollar Sales Deposit A/C | 869.15 | |
| Chase Nat'l Bank, Tokyo Dollar AF Uniform A/C | 3,889.70 | |
| Chase Nat'l Bank, Tokyo Dollar Deposit Order A/C | 4,379.17 | |
| Nat'l City Bank, N.Y. Dollar A/C | 51,121.26 | |
| Nat'l City Bank, N.Y. Dollar A/C, HK Fund | 185,000.00 | |
| HK & Shanghai Bank, Tokyo Pound A/C | <u>10,621.38</u> | \$ 394,813.32 |

| | | |
|-----------------|--|--------|
| Change Fund | | 530.00 |
| Petty Cash Fund | | 225.00 |

Funds w/Agents, Hongkong

| | | |
|--------------------------|-------------|------------|
| Cash on Hand and in Bank | 5,357.92 | |
| Merchandise in Transit | (10,821.76) | (5,463.84) |

| | | |
|--|--|----------|
| Letter of Credit, Ditisheim & Cie, Switzerland | | 7,397.00 |
|--|--|----------|

| | | |
|------------------------------|--|--------------|
| Accounts Receivable, Dollars | | 2,886,702.29 |
|------------------------------|--|--------------|

| | | |
|------------------------------------|--|-------|
| Accounts Receivable, Dollars China | | 21.38 |
|------------------------------------|--|-------|

| | | |
|------------------------------------|--|--------|
| Accounts Receivable, Dollars Other | | 593.09 |
|------------------------------------|--|--------|

Accounts Receivable, Dollars Miscellaneous

| | | |
|---------------------------------|-----------|-----------|
| Philcom Freight & Insurance A/C | 11,197.61 | |
| Navy Insurance A/C | 540.61 | |
| Navy Insurance A/C, APO 961 | 81.29 | |
| Navy Insurance A/C, APO 3410 | 1.17 | |
| Navy Insurance A/C, APO 3002 | <u>17</u> | 11,820.85 |

Inventories

| | | |
|-------------------------------|------------------|------------|
| Merchandise Inventory | 525,898.75 | |
| Manufacturing Stock Inventory | 141,097.03 | |
| Show Room Inventory | 3,698.52 | |
| Sales Room Inventory | <u>47,565.74</u> | 718,260.04 |

| | | |
|--|--|-----------|
| Accounts Receivable, Merchandise Out for Repair | | 26,511.79 |
|--|--|-----------|



GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Central Purchasing Office
 APO 500

EXHIBIT I

Balance Sheet
 31 December 1950

| Current Assets: | |
|---|----------------------|
| Cash in Banks | \$ 50,752.50 |
| Chase Nat'l Bank, Tokyo Dollar A/C | 88,177.16 |
| Chase Nat'l Bank, Tokyo Yen A/C | |
| Chase Nat'l Bank, Tokyo Dollar Sales | |
| Deposit A/C | 869.15 |
| Chase Nat'l Bank, Tokyo Dollar AF | |
| Uniform A/C | 3,889.70 |
| Chase Nat'l Bank, Tokyo Dollar Deposit | |
| Order A/C | 4,379.17 |
| Natl City Bank, N.Y. Dollar A/C | 51,181.26 |
| Natl City Bank, N.Y. Dollar A/C, HK Fund | 185,000.00 |
| HK & Shanghai Bank, Tokyo Pound A/C | 10,621.38 |
| Total Current Assets | \$ 394,813.32 |
| Change Fund | 570.00 |
| Petty Cash Fund | 225.00 |
| Funds w/Agents, Hongkong | |
| Cash on Hand and in Bank | 2,357.92 |
| Merchandise in Transit | (10,821.76) |
| Total | (5,463.84) |
| Letter of Credit, Dittelm & Cie, Switzerland | 7,397.00 |
| Accounts Receivable, Dollars | 2,886,702.29 |
| Accounts Receivable, Dollars China | 21.38 |
| Accounts Receivable, Dollars Other | 593.09 |
| Accounts Receivable, Dollars Miscellaneous | |
| Patrol Freight & Insurance A/C | 11,197.61 |
| Naval Insurance A/C | 540.61 |
| Naval Insurance A/C, APO 500 | 81.29 |
| Naval Insurance A/C, APO 3410 | 1.17 |
| Naval Insurance A/C, APO 3002 | 11,820.85 |
| Total | 11,820.85 |
| Inventories | |
| Merchandise Inventory | 495,695.75 |
| Manufacturing Stock Inventory | 147,697.07 |
| Show Room Inventory | 3,698.52 |
| Sales Room Inventory | 41,565.74 |
| Total | 748,660.04 |
| Accounts Receivable, Merchandise Out for Repair | 26,511.79 |



Other Inventories

| | | | |
|---|----|------------------|-----------|
| Precious Metal on Hand | \$ | 520.59 | |
| Precious Metals in Hands Chase Nat'l Bank | | 9,354.12 | |
| Production Material Inventory | | 3,468.51 | |
| Textile Sample Inventory | | 673.93 | |
| Goods in Process | | <u>79,596.22</u> | 93,613.37 |

Other Assets

| | | | |
|-------------------------------|--|------------------|---|
| Office Equipment, Tokyo | | 17,339.49 | |
| Less Reserve for Depreciation | | <u>17,339.49</u> | ∅ |
| Office Equipment, Hongkong | | 1,144.16 | |
| Less Reserve for Depreciation | | <u>1,144.16</u> | ∅ |
| Automotive Equipment | | 600.00 | |
| Less Reserve for Depreciation | | <u>600.00</u> | ∅ |

Total Assets

\$4,135,024.29

Current Liabilities

| | | | |
|---------------------------------|--|-----------------|------------|
| Accounts Payable | | | |
| Vendors, Yen | | 78,560.86 | |
| Vendors, Dollars | | 642,357.99 | |
| Vendors, Dollars Payable in Yen | | 36,596.10 | |
| Vendors, Dollars (Bangkok) | | 21,939.08 | |
| Deposits on Air Force Uniforms | | 3,889.70 | |
| Deposits Orders Placed | | 869.15 | |
| Deposit Orders | | <u>4,379.17</u> | 788,592.05 |

Accounts Payable, Dollar Misc'l.

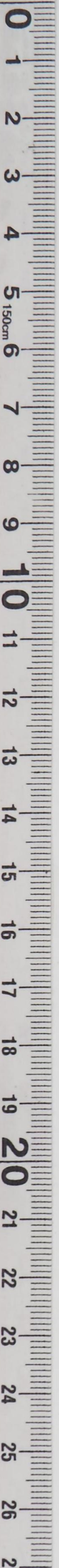
| | | | |
|------------------------------------|--|-----------------|-----------|
| Rycom Freight & Insurance A/C | | 9,098.14 | |
| Marbo Freight & Insurance A/C | | 1,060.09 | |
| Eniwetok Insurance A/C | | 28.24 | |
| U.S. Marine Corps Insurance A/C | | 4.88 | |
| U.S. Navy, FPO 943, Insurance A/C | | 128.68 | |
| U.S. Navy, FPO 3912, Insurance A/C | | 110.89 | |
| U.S. Navy, FPO 926, Insurance A/C | | 372.52 | |
| U.S. Navy, FPO 824, Insurance A/C | | 3.57 | |
| Others | | <u>4,344.92</u> | 15,151.93 |

Accrued Liabilities

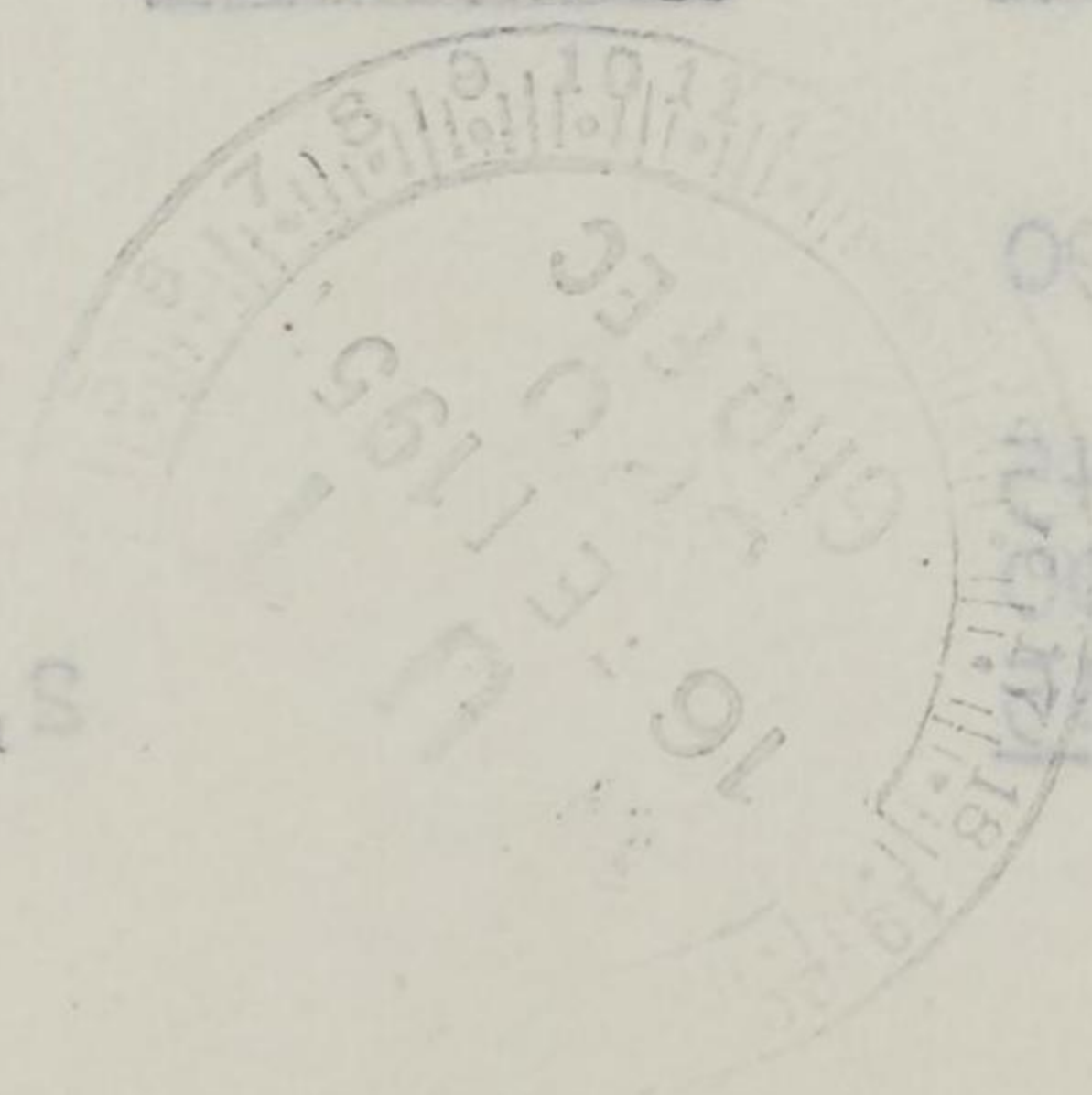
| | | | |
|-------------|--|-----------------|------------------|
| Salaries | | 11,925.52 | |
| Per Diem | | 310.00 | |
| Subsistence | | 155.20 | |
| Income Tax | | <u>9,558.84</u> | <u>21,949.56</u> |
| | | | 825,693.54 |

Net Worth

| | | | |
|---|--|-------------------|--------------|
| Surplus 30 Nov. 1950 | | 2,663,490.90 | |
| Less Bad Debts Reserve set up directly from Surplus | | 6,407.45 | |
| Less Inventory Losses Reserve | | 35,000.00 | |
| Add Net Profit for Dec. 50 period | | <u>107,839.85</u> | 2,729,923.30 |



| | | | | |
|--|--|--|--|---|
| | | | | |
| | | | | Net Worth |
| | | | | Surplus 30 Nov. 1950 |
| | | | | Less Bad Debts Reserve set up |
| | | | | directly from Surplus |
| | | | | Less Inventory Losses Reserve |
| | | | | Add Net Profit for Dec. 30 period |
| | | | | |
| | | | | Income Tax |
| | | | | Subsistence |
| | | | | Per Diem |
| | | | | Gratuities |
| | | | | Accrued Liabilities |
| | | | | Others |
| | | | | U.S. Navy, PPO 824, Insurance A/C |
| | | | | U.S. Navy, PPO 826, Insurance A/C |
| | | | | U.S. Navy, PPO 3912, Insurance A/C |
| | | | | U.S. Navy, PPO 3947, Insurance A/C |
| | | | | U.S. Marine Corps Insurance A/C |
| | | | | Entiretek Insurance A/C |
| | | | | Marbo Freight & Insurance A/C |
| | | | | Rycom Freight & Insurance A/C |
| | | | | Accounts Payable, Dollar Misc'l |
| | | | | Deposit Orders |
| | | | | Deposit Orders Placed |
| | | | | Deposits on Air Force Uniforms |
| | | | | Vendor, Dollars (Bangkok) |
| | | | | Vendor, Dollars Payable in Yen |
| | | | | Vendor, Dollars |
| | | | | Vendor, Yen |
| | | | | Accounts Payable |
| | | | | Current Liabilities |
| | | | | Total Assets |
| | | | | Less Reserve for Depreciation |
| | | | | Automotive Equipment |
| | | | | Less Reserve for Depreciation |
| | | | | Office Equipment, Hongkong |
| | | | | Less Reserve for Depreciation |
| | | | | Office Equipment, Tokyo |
| | | | | Less Reserve for Depreciation |
| | | | | Other Assets |
| | | | | Goods in Process |
| | | | | Textile Sample Inventory |
| | | | | Production Material Inventory |
| | | | | Precious Metals in Hands Chase Nat'l Bank |
| | | | | Precious Metal on Hand |
| | | | | Other Inventories |



| | |
|--|-----------------------|
| Reserve for Liquidation | 500,000.00 |
| Reserve for Expense Returning Personnel to U.S. | 38,000.00 |
| Reserve for Inventory Losses | 35,000.00 |
| Reserve for Bad Debts | <u>6,407.45</u> |
| Total Liabilities and Net Worth | <u>\$4,135,024.29</u> |

I certify this is a true statement to the best of my knowledge and belief of Central Purchasing Office Fiscal Accounts as of 31 December 1950.

REVIEWED BY:

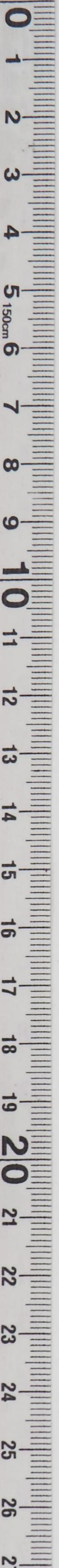
A. J. Millet
A. J. MILLET
Deputy Chief,
Fiscal Division

L. F. Murphy
L. F. MURPHY
Chief, Fiscal Div.

Edwin M. Mendenhall
EDWIN M. MENDENHALL
Chief, Accts. and
Statistics Br. Fiscal Div.

APPROVED BY:

A. H. Nordstrom
A. H. NORDSTROM
Col., Ord.
Chief, CPO



500,000.00

38,000.00

35,000.00

6,407.45

\$4,135,024.29

Reserve for Liquidation

Reserve for Expense Returning
Personnel to U.S.

Reserve for Inventory Losses

Reserve for Bad Debts

Total Liabilities and Net Worth

I certify this is a true statement to the best of my knowledge
and belief of Central Purchasing Office Fiscal Accounts as of
31 December 1950.

REVIEWED BY:

Edwin M. Mendenhall
EDWIN M. MENDENHALL
Chief, Accts. and
Statistic Br. Fiscal Div.

A. J. Millet
A. J. MILLET
Deputy Chief,
Fiscal Division

APPROVED BY:

J. F. Murphy
J. F. MURPHY
Chief, Fiscal Div.

A. H. Nordstrom
A. H. NORDSTROM
Col., Ord.
Chief, GPO



GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Central Purchasing Office
 APO 500

Profit and Loss Statement
 31 December 1950

EXHIBIT II

SALES

| | | |
|-------------------------|----------------|----------------|
| Exchange System | \$2,511,434.34 | |
| Individuals & Club | 181,844.52 | |
| Air Force Uniforms | 111,479.35 | |
| * Special Service Units | 11,873.24 | |
| Less Insurance Recovery | (16.91) | \$2,816,614.54 |

Ex
 II

COST OF SALES

| | | |
|---------------------------------------|--------------|-----------------------|
| Inventory 30 November 1950 | \$667,783.16 | |
| Add: Inventory Transfers | | |
| December 1950 | 36,129.25 | |
| : Inventory Adjustments | | |
| December 1950 | 25,088.87 | |
| : Purchases | | |
| December 1950 | 2,674,552.62 | \$3,403,553.90 |
| Less: Inventory | | |
| 31 December 1950 | | 718,260.04 |
| | | <u>\$2,685,293.86</u> |
| Gross Income from Sales | | \$ 131,320.68 |
| <u>OPERATING EXPENSE (Schedule A)</u> | 21,059.95 | |
| <u>OTHER EXPENSES (Schedule B)</u> | 2,669.39 | |
| Total Expenses | 23,729.34 | |
| <u>OTHER INCOME (Schedule C)</u> | 248.51 | <u>23,480.83</u> |
| Gain for Period | | <u>\$ 107,839.85</u> |

* Special Service Units gross Sales made up of Sales at B.E. price plus CPO mark-up, which is basis for gross sales figure, however, SSU gross sales figure includes insurance charge which is a recovery item included in Schedule A figures.

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Central Purchasing Office
 APO 500

EXHIBIT II

Profit and Loss Statement
 31 December 1950

SALES

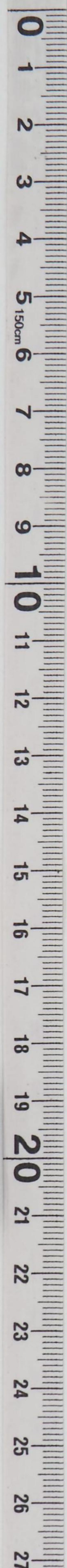
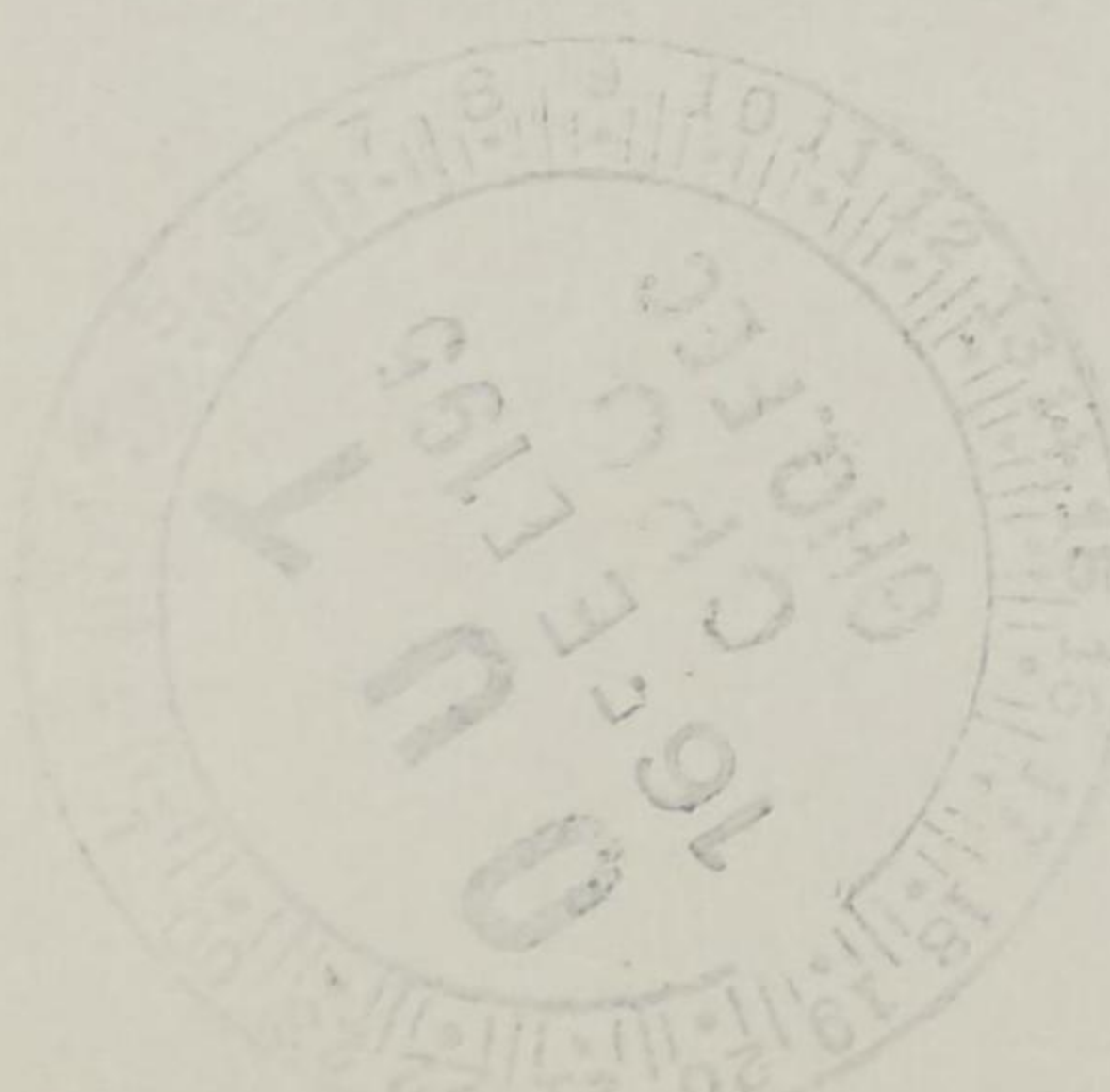
Less Insurance Recovery
 * Special Service Units
 Air Force Uniforms
 Individuals & Club
 Exchange System

\$2,511,474.74
 181,844.52
 111,479.35
 11,873.24
 (16.91) \$2,816,614.24

COST OF SALES

| | | |
|---------------------------------------|---------------------|----------------------|
| Inventory 30 November 1950 | \$667,783.16 | |
| Add: Inventory Transfers | | |
| December 1950 | 36,129.25 | |
| : Inventory Adjustments | | |
| December 1950 | 25,088.87 | |
| : Purchases | | |
| December 1950 | <u>2,674,252.62</u> | \$3,403,553.90 |
| Less: Inventory | | |
| 31 December 1950 | <u>718,260.04</u> | \$2,685,293.86 |
| Gross Income from Sales | | \$ 131,320.68 |
| <u>OPERATING EXPENSE (Schedule A)</u> | 21,029.25 | |
| <u>OTHER EXPENSES (Schedule B)</u> | 2,669.39 | |
| Total Expenses | 23,729.34 | |
| <u>OTHER INCOME (Schedule C)</u> | 248.51 | 23,480.83 |
| Gain for Period | | <u>\$ 107,839.65</u> |

* Special Service Units gross sales made up of sales at B.E. price plus GPO mark-up, which is basis for gross sales figure, however, SSU gross sales figure includes insurance charge which is a recovery item included in Schedule A figures.



GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Profit and Loss Statement - Schedule A
31 December 1950

SCHEDULE OF OPERATING EXPENSES

Expenses - Tokyo

| | | |
|---------------------------------------|--------------|--------------|
| Salaries | \$ 26,291.16 | |
| Office Supplies | 49.33 | |
| Printing and Forms | 431.02 | |
| Postage | 31.53 | |
| Telegrams and Cables | 59.78 | |
| Courier | 58.23 | |
| Insurance | 540.20 | |
| Insurance Recovery | (334.87) | |
| Freight other than Hong Kong | 2,356.86 | |
| Freight other than Hong Kong Recovery | (5,223.74) | |
| Storage | (19.34) | |
| Depreciation | 34.70 | |
| Manufacturing Section | 214.99 | |
| Subscription & Advertising | 24.35 | |
| Gas & Oil | 840.43 | |
| Auto Repairs | 4.40 | |
| Travel | 196.00 | |
| Per Diem | 810.10 | |
| Miscellaneous | 150.88 | |
| Pearl Processing Recovery | (450.85) | |
| Loss on Bad Debts | 593.24 | \$ 26,658.40 |

Expenses - Hongkong

| | | |
|----------------------------|-------------|------------|
| Salaries | \$ 1,034.20 | |
| Miscellaneous | 1,052.85 | |
| Per Diem | 310.00 | |
| Insurance | 3,569.97 | |
| Hong Kong Freight | 4,216.12 | |
| Hong Kong Freight Recovery | (16,432.31) | |
| Forms & Printing | 23.24 | |
| Courier | 15.38 | |
| Travel | 480.92 | |
| Postage | .60 | |
| Office Supplies | 10.10 | |
| Rent | 120.48 | (5,598.45) |

Total Operating Expenses \$ 21,059.95

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Central Purchasing Office
 APO 500

Profit and Loss Statement - Schedule A
 31 December 1950

SCHEDULE OF OPERATING EXPENSES

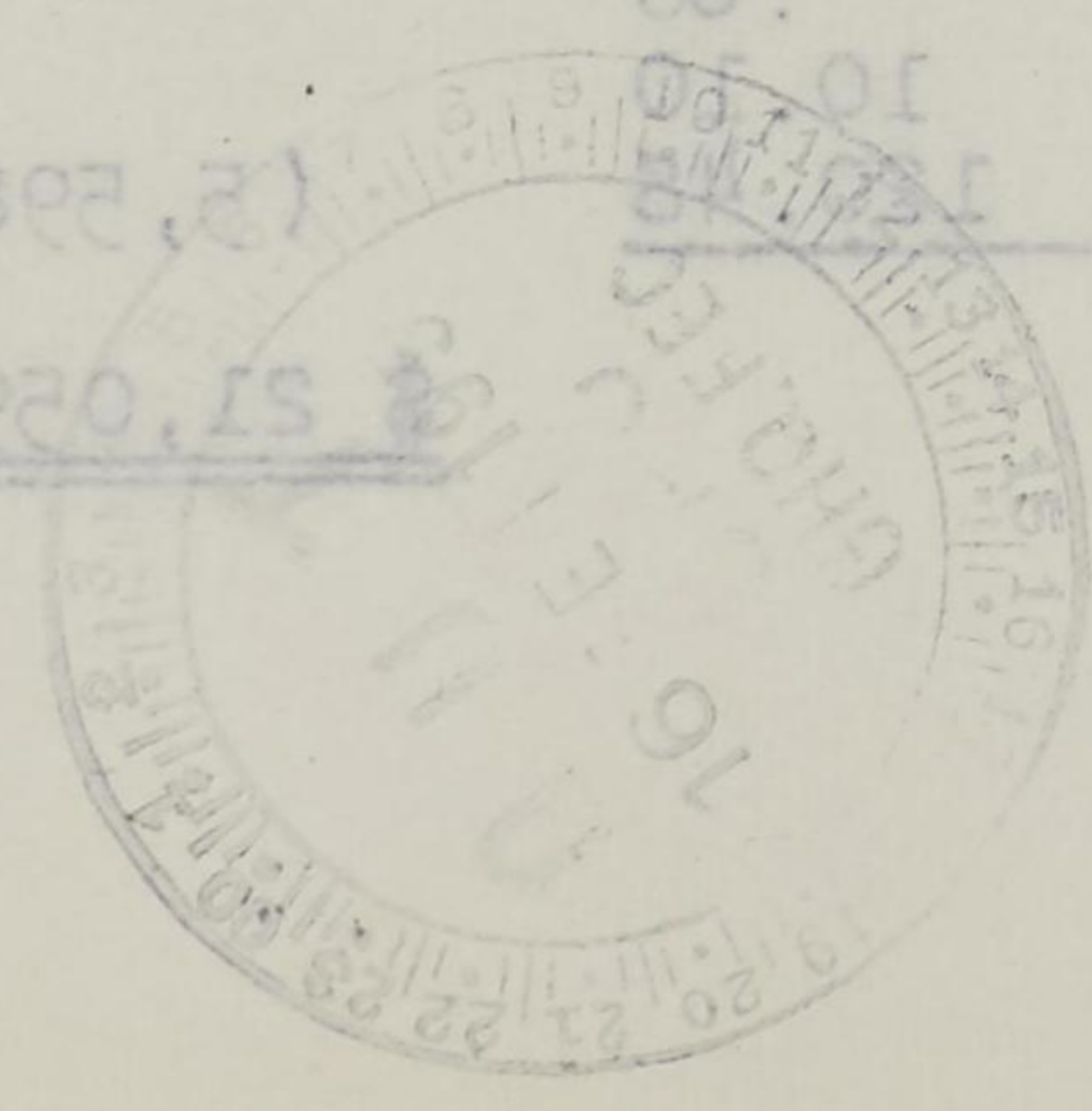
Expenses - Tokyo

| | |
|---------------------------------------|---------------------|
| Salaries | \$ 26,291.16 |
| Office Supplies | 49.37 |
| Printing and Forms | 431.02 |
| Postage | 31.53 |
| Telegrams and Cables | 29.75 |
| Courier | 18.23 |
| Insurance | 140.20 |
| Insurance Recovery | (1,274.87) |
| Freight other than Hong Kong | 2,750.80 |
| Freight other than Hong Kong Recovery | (1,227.74) |
| Storage | (19.74) |
| Depreciation | 34.70 |
| Manufacturing Section | 214.99 |
| Subscription & Advertising | 24.32 |
| Gas & Oil | 840.43 |
| Auto Repairs | 4.40 |
| Travel | 196.00 |
| Per Diem | 810.10 |
| Miscellaneous | 150.88 |
| Per Diem Recovery | (450.85) |
| Loss on Bad Debt | 597.24 |
| | <u>\$ 26,658.40</u> |

Expenses - Hongkong

| | |
|----------------------------|---------------------|
| Salaries | \$ 1,034.20 |
| Miscellaneous | 1,052.85 |
| Per Diem | 310.00 |
| Insurance | 3,569.97 |
| Hong Kong Freight | 1,216.12 |
| Hong Kong Freight Recovery | (16,432.31) |
| Forms & Printing | 23.24 |
| Courier | 15.38 |
| Travel | 480.92 |
| Postage | 80.00 |
| Office Supplies | 10.50 |
| Rent | 2,271.45 |
| | <u>\$ 21,059.92</u> |

Total Operating Expenses



GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Profit and Loss Statement - Schedule B
31 December 1950

SCHEDULE OF OTHER EXPENSES

| | |
|----------------------------|--------------------|
| Procurement Pricing Losses | \$ 1,714.11 |
| Inventory Adjustments | 509.12 |
| Fiscal Pricing Losses | 1.59 |
| Conversion Losses | <u>444.57</u> |
| | <u>\$ 2,669.39</u> |

Ex
11

GENERAL HEADQUARTERS
FOR EAST COMMAND
General Purchasing Office
APO 500

Profit and Loss Statement - Schedule B
31 December 1950

SCHEDULE OF OTHER EXPENSES

\$ 1,714.11
509.12
1.59
444.27

\$ 2,669.09

Procurement Pricing Losses
Inventory Adjustments
Fiscal Pricing Losses
Conversation Losses



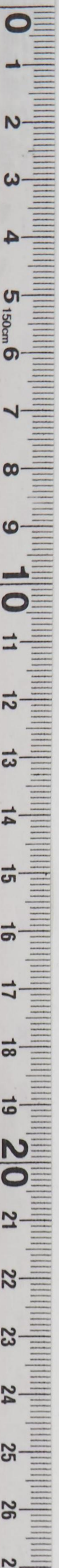
GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Profit and Loss Statement - Schedule C
31 December 1950

SCHEDULE OF OTHER INCOME

| | |
|---------------------------|------------------|
| Precious Metals Gains | \$ 242.05 |
| Miscellaneous Adjustments | <u>6.46</u> |
| | <u>\$ 248.51</u> |





GENERAL HEADQUARTERS
FAR EAST COMMAND
General Purchasing Office
APO 500

Profit and Loss Statement - Schedule C
31 December 1950

SCHEDULE OF OTHER INCOME

Miscellaneous Adjustments
Precious Metals Gains

\$ 248.57
6.40

\$ 248.57



GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Analysis of Surplus
31 December 1950

EXHIBIT III

| | Balance 30 Nov. 1950 | Adjustments Current Month | Balance 31 Dec. 1950 |
|---|------------------------------|------------------------------|------------------------------|
| Operating Income | \$971,764.58 | \$110,260.73 | \$1,082,025.31 |
| Inventory Adjustments | 297,917.14 | (509.12) | 297,408.02 |
| Sale of Free Merchandise | 382,457.33 | Ø | 382,457.33 |
| Conversion Gains | 334,153.03 | (444.57) | 333,708.46 |
| Precious Metal Gains | 45,432.48 | 242.05 | 45,674.53 |
| Procurement Pricing Gains | 319,127.92 | (1,714.11) | 317,413.81 |
| Fiscal Pricing Gains | 81,465.30 | (1.59) | 81,463.71 |
| Miscellaneous | 5,983.53 | 6.46 | 5,989.99 |
| Penalties to Vendors | (263.95) | Ø | (263.95) |
| Gain or Loss on Dye Orders | 55,901.03 | Ø | 55,901.03 |
| Adjustment to Surplus on Prior Month's Entries | 301.71 | Ø | 301.71 |
| Reserve for Precious Metal Adjustments | (29,256.37) | Ø | (29,256.37) |
| Reserve for Inventory Loss (Brocade & Tribute Silk) | (150,000.00) | Ø | (150,000.00) |
| Precious Metal Reserve, Closed to Surplus | 9,104.59 | Ø | 9,104.59 |
| Inventory Loss (Brocade & Tribute Silk) | | | |
| Reserve Balance closed to Surplus | 7,362.68 | Ø | 7,362.68 |
| Stock Dividend Issued & Transferred to Surplus | (651,090.21) | Ø | (651,090.21) |
| Stock Dividend Balance closed to Surplus | 2.25 | Ø | 2.25 |
| Cash Dividend Paid | (1,354,066.45) | Ø | (1,354,066.45) |
| **Capitalization Gains | 2,875,194.31 | Ø | 2,875,194.31 |
| Reserve for Liquidation | (500,000.00) | Ø | (500,000.00) |
| Reserve for Expense Returning Personnel to U.S. | (38,000.00) | Ø | (38,000.00) |
| Reserve for Bad Debt | Ø | (6,407.45) | (6,407.45) |
| Reserve for Inventory Losses | Ø | (35,000.00) | (35,000.00) |
| Net Surplus | <u>\$2,663,490.90</u> | <u>\$66,432.40</u> | <u>\$2,729,923.30</u> |

* Pricing gains contained in this account from 25 Oct. 1945 to 1 Jun. 1948 as segregation was established 1 Jun. 1948.

** Developed from beginning of operations to date.

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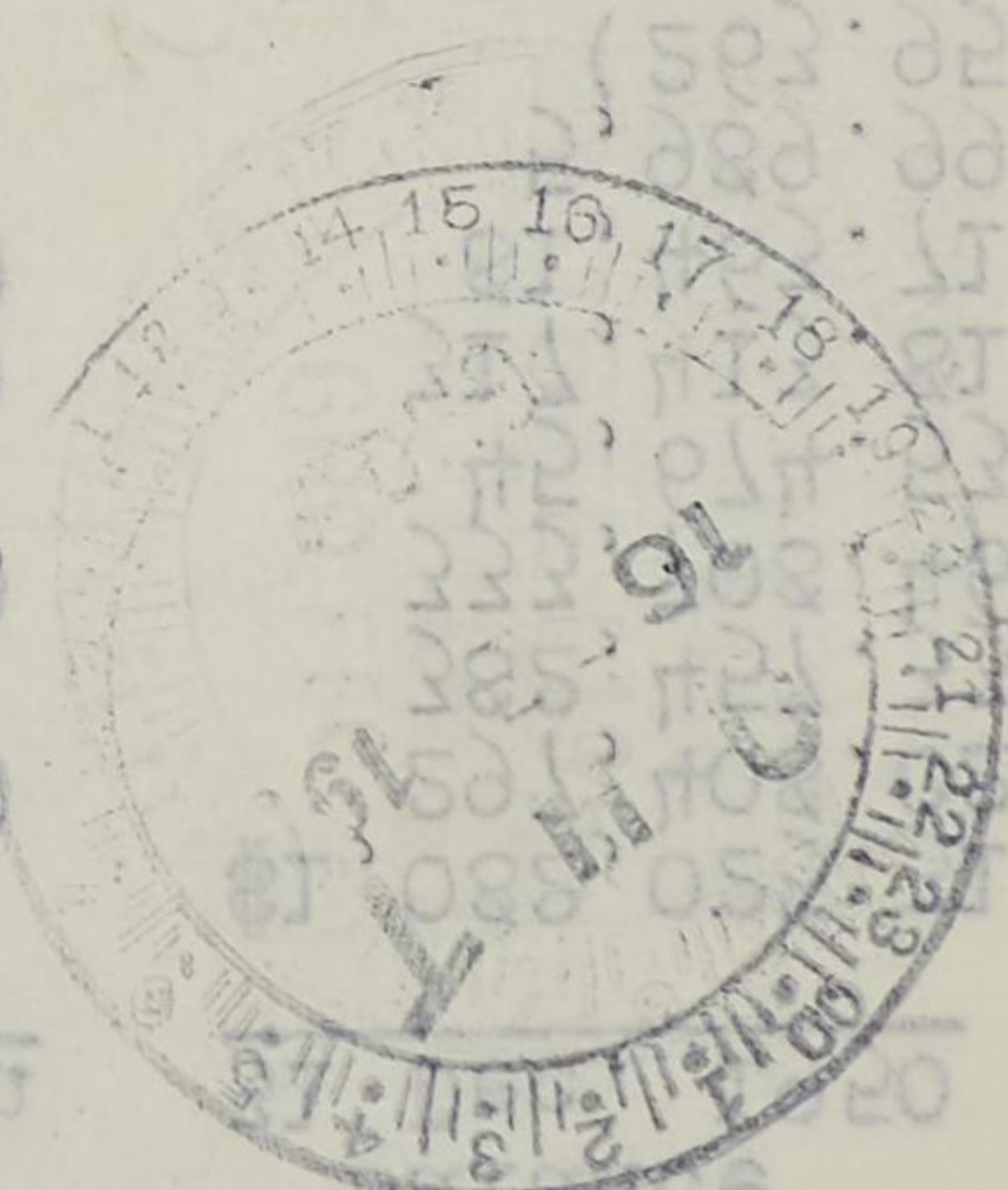
DECLASSIFIED

Authority MND 975029



* Developed from requirements of operations to date
 and authorized by the Staff
 * Figures shown contained in this account from 22 Oct. 1942 to 1 Nov. 1942 are approximate

| Net Assets | \$5,992,000.00 | \$99,435.40 | \$5,152,552.20 |
|---|----------------|---------------|----------------|
| Reserve for inventory losses | | (22,000.00) | (22,000.00) |
| Reserve for bad debt | | (9,401.42) | (9,401.42) |
| Reserve for expenses pertaining personnel to U.S. | (28,000.00) | | (28,000.00) |
| Reserve for liquidation | (200,000.00) | | (200,000.00) |
| **Credit/Debit Gain | 5,812,141.31 | | 5,812,141.31 |
| Cash Dividend Paid | (1,321,099.42) | | (1,321,099.42) |
| Stock Dividend Balance closed to surplus | 5.52 | | 5.52 |
| Stock Dividend Issued & transferred to surplus | (921,000.51) | | (921,000.51) |
| Reserve Balance closed to surplus | 1,325.98 | | 1,325.98 |
| Inventory Loss (Blossage & Shrinkage) (ATK) | 8,104.23 | | 8,104.23 |
| Reserve for Inventory Loss (Blossage & Shrinkage) (ATK) | (120,000.00) | | (120,000.00) |
| Reserve for Inventory Loss (Blossage & Shrinkage) (ATK) | (50,529.31) | | (50,529.31) |
| Adjustment to surplus on prior month's surplus | 301.11 | | 301.11 |
| Gain or Loss on P/L Orders | 22,801.02 | | 22,801.02 |
| Benefits to Vendor | (593.82) | | (593.82) |
| Miscellaneous | 2,883.22 | | 2,883.22 |
| Unsettled Claims | 81,492.30 | | 81,492.30 |
| Provision for Claims | 310,151.85 | | 310,151.85 |
| Provision for Claims | 42,425.48 | | 42,425.48 |
| Contingent Claims | 221,122.02 | | 221,122.02 |
| Gain or Loss on Merchandise | 285,421.32 | | 285,421.32 |
| Inventory Adjustments | 501,811.14 | | 501,811.14 |
| Operating Income | \$211,191.28 | | \$211,191.28 |
| | 30 Nov. 1942 | Current Month | Balance |
| | Balance | Adjustments | |

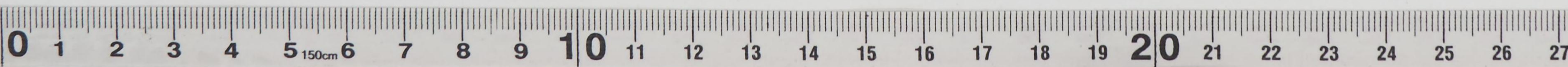


31 December 1942
 Statement of Assets

EXHIBIT III

VPO 200
 Central Accounting Office
 LVA EVAL COMMAND
 GENERAL HEADQUARTERS

DECLASSIFIED
 Authority NND 975029



331.3
Balance Sheet
CPO

Transmittal of Balance Sheet

14 Jan 51

[Handwritten signature]

Close Out M/R:

1. C/N 1 CPO to G-4 thru Comp, subj as above, 5 Jan 51 fwded a copy of the monthly balance sheet for info and review. Comp indicated having reviewed the report by initial of the C/N.

2. A review of the balance sheet indicates:

a. CPO business continues on the up-swing although the cash position remains tight, a profit of \$64,387 being realized during Nov.

b. 1/2 of the recent authorized increased CPO capitalization, \$500,000, will be realized by 31 December.

c. The amts included in "accounts receivable" continue to be excessively high.

3. Proposed changes to the CPO OI's currently understudyd by G-4, Comp and G-1 should reduce the "amts receivable" figure and recent approved increases in the capitalization and other measures understudy should help allocate the tight cash position of CPO.

4. Other than above remarks, report appears to be sound.

5. No further G-4 action required at this time. Action complete on G-4 JN 00695.

RBK *[Signature]* 26-6456 JHFB *[Signature]* 26-6456 BH *[Signature]* 26-6043 (Div Chief)

[Circular stamp]
E
Sup
695
[Handwritten mark]



338

**GENERAL HEADQUARTERS
 FAR EAST COMMAND
 CHECK SHEET**

(Do not remove from attached sheets) L. F. Murphy, 26-7858

File No: AG (5 Jan 51) CPO Subject: Transmittal of Balance Sheet

Note No.

From: CPO

To: G-4 *MP*
 Thru: COM-*QJW*

Date: 5 January 1951

1

1. Transmitted herewith is the Central Purchasing Office Balance Sheet (Exhibit I), Profit and Loss Statement (Exhibit II), Schedule of Operating Expenses (Schedule A), Schedule of Other Expenses (Schedule B), Schedule of Other Income (Schedule C), and Analysis of Surplus (Exhibit III), as of 30 November 1950.

2. In connection with the above, the following comments are furnished:

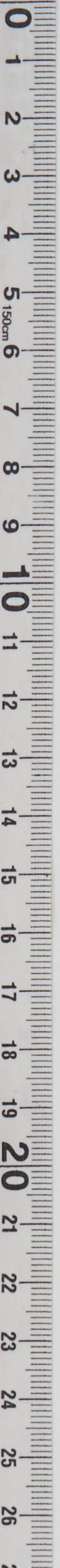
- a. CPO cash position remains tight. Sales for November totaled \$1,952,450.00, an all time CPO record. Air Force Uniform sales again exceeded \$100,000.00. Requisitions from Exchanges during November amounted to \$1,365,840.00. A net profit of \$64,386.00 was realized. Accounts receivable reached a peak of \$2,396,981.00. During December, against the foregoing receivable amount and December shipments, CPO collected \$2,500,000.00. Special efforts are continually made to expedite receipt of funds.
- b. The increased business volume of CPO continued in December, estimated sales will exceed \$2,000,000.00. Requisitions from Central Exchanges received during December exceed \$1,750,000.00. It is estimated that half of the requested increased CPO capitalization will have been realized as of 31 December, when the operating gain for December is added to Surplus. This will further minimize the extent to which loans will be required.

3. A recapitulation of requisitions from Central Exchanges, total sales and net profits for the past six months reveals the following:

| | <u>Rqns fr Central Exchanges</u> | <u>Total Sales</u> | <u>Net Profit</u> |
|-------|----------------------------------|--------------------|-------------------|
| June | \$1,881,048 | \$ 809,735 | \$ 6,220 |
| July | 638,811 | 700,749 | 3,528 |
| Aug | 1,313,883 | 1,382,545 | 30,938 |
| Sep | 1,104,344 | 1,061,568 | 25,603 |
| Oct | 1,599,372 | 1,352,714 | 28,354 |
| Nov | 1,365,840 | 1,952,450 | 64,387 |
| Total | <u>\$7,903,298</u> | <u>\$7,259,761</u> | <u>\$159,030</u> |

1 Incl.
 Balance Sheet and
 supporting schedules

AHN
 A. H. N.



GENERAL HEADQUARTERS
 FAR EAST COMMAND
 CHECK SHEET

(Do not remove from attached sheets) L. T. Murphy, 26-7828

File No: AGO (S 25 21) GPO
 Subject: Transmittal of Balance Sheet

Date: 5 January 1951

To: G-4
 From: COM-GPO

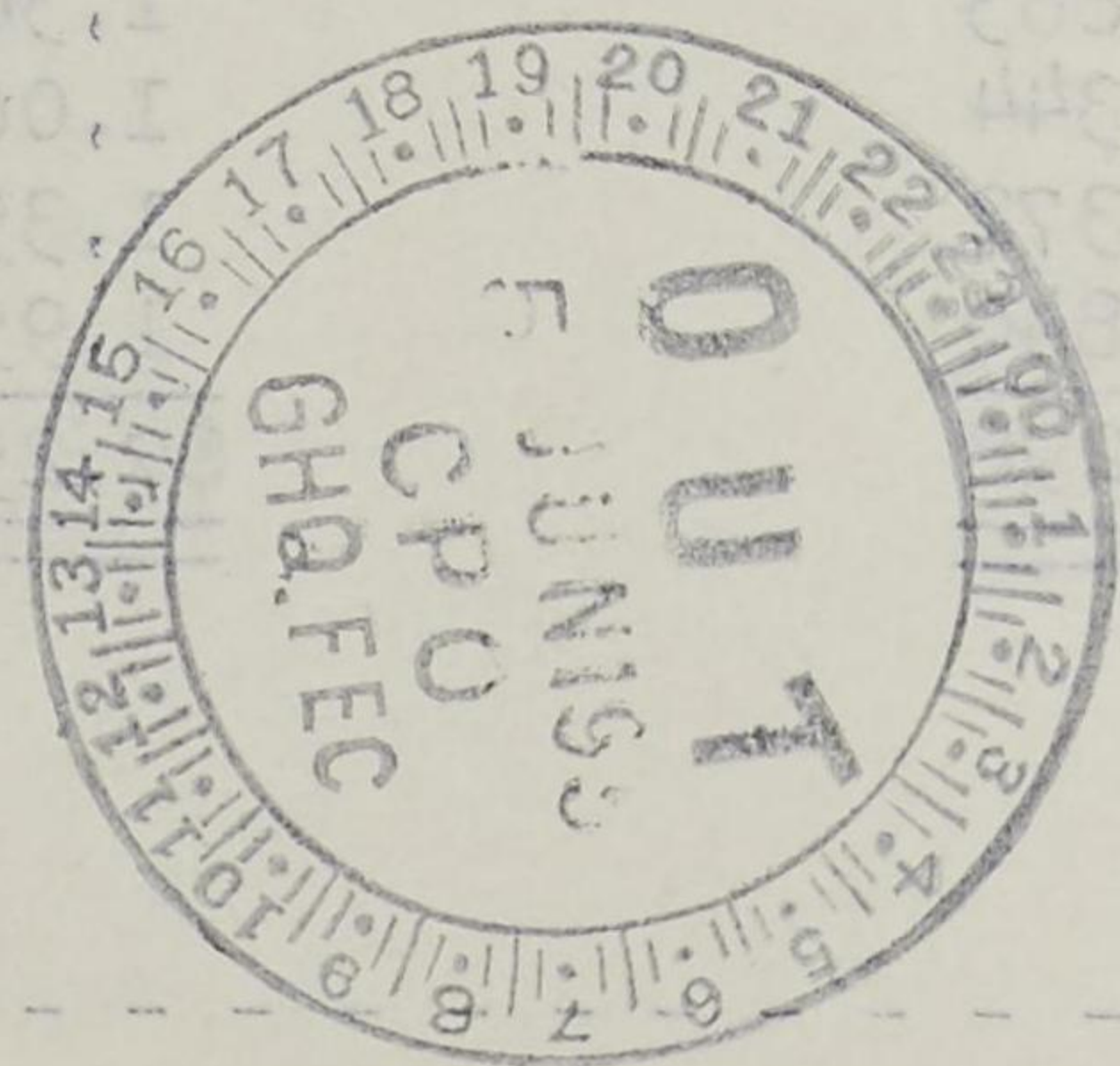
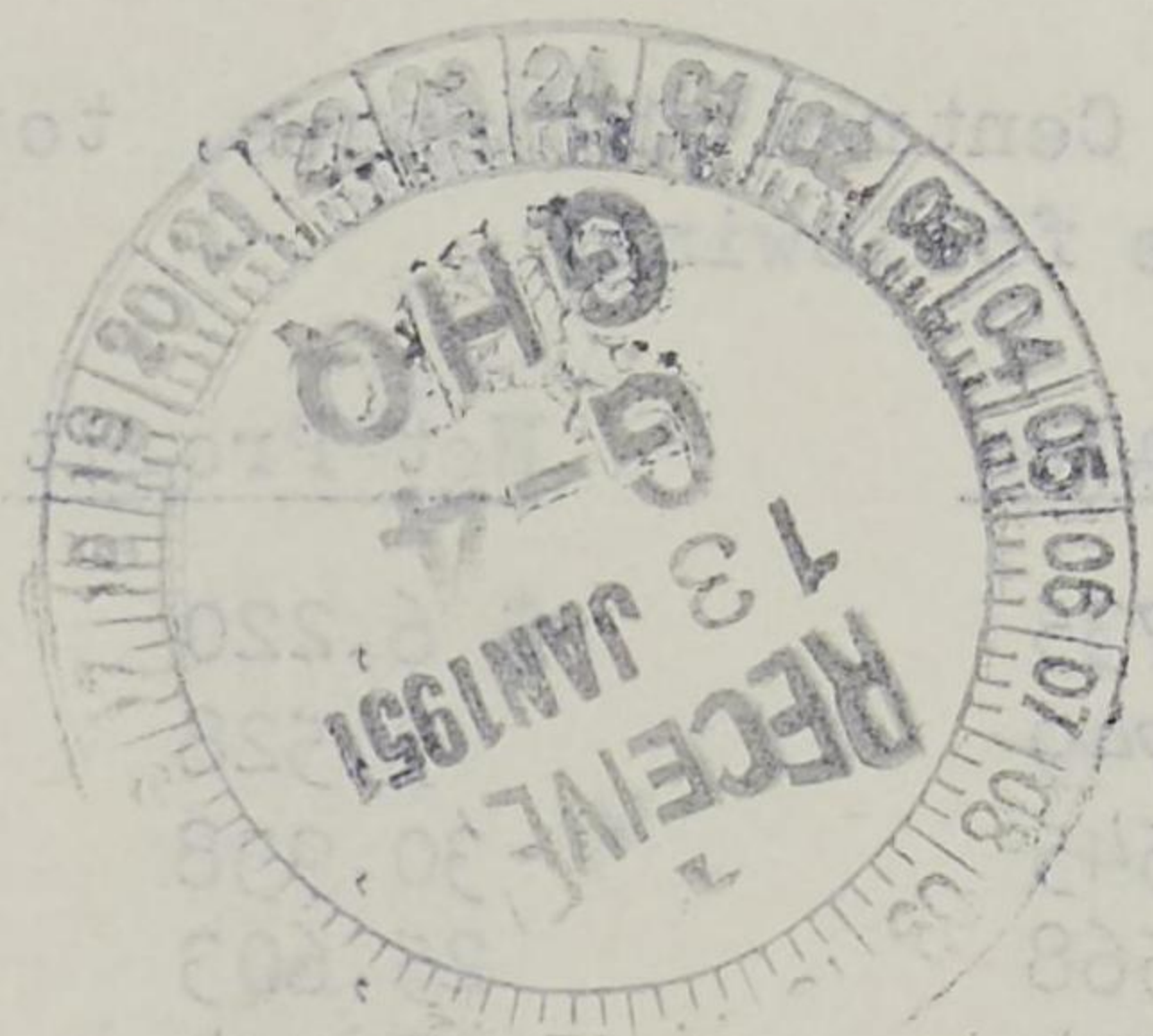
1. Transmitted herewith is the Central Procurement Office Balance Sheet (Exhibit I), Profit and Loss Statement (Exhibit II), Schedule of Operating Expenses (Schedule A), Schedule of Other Expenses (Schedule B), Schedule of Other Income (Schedule C), and Analysis of Surplus (Exhibit III), as of 30 November 1950.

2. In connection with the above, the following comments are furnished:

- a. GPO cash position remains tight. Sales for November totaled \$1,932,450.00, an all time GPO record. Air Force Uniform sales again exceeded \$100,000.00. Registrations from exchanges during November amounted to \$1,367,840.00. A net profit of \$64,366.00 was realized. Accounts receivable reached a peak of \$2,396,961.00 during December, against the foregoing receivable amount and December shipments. GPO collected \$2,500,000.00. Special efforts are continually made to expedite receipt of funds.
- b. The increased business volume of GPO continued in December, and net sales will exceed \$2,000,000.00. Registrations from Central Exchanges received during December exceed \$1,750,000.00. It is estimated that half of the reported increased GPO cash position will have been realized as of 31 December, when the operating gain for December is added to surplus. This will further minimize the extent to which loans will be required.

3. A recapitulation of registrations from Central Exchanges and net profits for the past six months reveals the following:

| Month | Total Sales | Net Profit |
|--------------|--------------------|--------------------|
| June | \$1,661,048 | \$609,700 |
| July | 638,611 | 700,700 |
| Aug | 1,313,683 | 1,362,548 |
| Sept | 1,104,344 | 1,061,568 |
| Oct | 1,599,377 | 1,372,714 |
| Nov | 1,367,840 | 64,366 |
| Total | \$7,993,703 | \$1,992,450 |



I incl. Balance Sheet and supporting schedules

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Central Purchasing Office
 APO 500

EXHIBIT I

Ex
 1

Balance Sheet
 30 November 1950

Current Assets:

| | | | |
|--|-------------------|----|--------------|
| Cash in Banks | | | |
| Chase Nat'l Bank, Tokyo Dollar A/C | \$ 21,862.15 | | |
| Chase Nat'l Bank, Tokyo Yen A/C | 610.00 | | |
| Chase Nat'l Bank, Tokyo Dollar Sales Deposit A/C | 5,179.55 | | |
| Chase Nat'l Bank, Tokyo Dollar AF Uniform A/C | 4,181.80 | | |
| Chase Nat'l Bank, Tokyo Dollar Deposit Order A/C | 2,362.46 | | |
| Nat'l City Bank, N.Y. Dollar A/C | 32,891.14 | | |
| Nat'l City Bank, N.Y. Dollar A/C, HK Fund | 189,507.14 | | |
| HK & Shanghai Bank, Tokyo Pound A/C | <u>102,284.84</u> | \$ | 358,879.08 |
| Change Fund | | | 530.00 |
| Petty Cash Fund | | | 225.00 |
| Funds w/Agents, Hongkong | | | |
| Cash on Hand and in Bank | 188.59 | | |
| Merchandise in Transit | <u>321,410.24</u> | | 321,598.83 |
| Letter of Credit, Ditisheim and Cie, Switzerland | | | 10,000.00 |
| Accounts Receivable, Dollars | | | 2,396,981.55 |
| Accounts Receivable, Dollars Others | | | 2,019.29 |
| Accounts Receivable, Dollars Miscellaneous | | | |
| Navy Insurance | 543.13 | | |
| Philcom Freight | 10,189.17 | | |
| Navy Insurance, Sangley Pt, P.I. | 82.34 | | |
| Navy Insurance, Guam, FPO 943 | 5.92 | | |
| Navy Insurance, Truk | 1.17 | | |
| Navy Insurance, Sasebo | 3.56 | | |
| Navy Insurance, Guam, FPO 926 | 34.74 | | |
| Navy Insurance, Subic Bay | <u>.19</u> | | 10,860.22 |
| Inventories | | | |
| Merchandise Inventory | 473,251.72 | | |
| Manufacturing Stock Inventory | 150,643.48 | | |
| Show Room Inventory | 3,961.90 | | |
| Sales Room Inventory | <u>39,926.06</u> | | 667,783.16 |
| Merchandise Out for Repair | | | 24,176.07 |

| | | |
|---|-------------------|-----------------------|
| Other Inventories | | |
| Precious Metal on Hand | \$ 538.43 | |
| Precious Metal in Hands Chase Nat'l Bank | 9,333.72 | |
| Production Material | 3,590.87 | |
| Textile Samples | 741.57 | |
| Goods in Process | <u>128,145.06</u> | \$ 142,349.65 |
| Other Assets | | |
| Office Equipment, Tokyo | 17,304.79 | |
| Less Reserve for Depreciation | <u>17,304.79</u> | ∅ |
| Office Equipment, Hongkong | 1,144.16 | |
| Less Reserve for Depreciation | <u>1,144.16</u> | ∅ |
| Automotive Equipment | 600.00 | |
| Less Reserve for Depreciation | <u>600.00</u> | ∅ |
| Total Assets | | <u>\$3,935,402.85</u> |
| Current Liabilities | | |
| Accounts Payable | | |
| Vendors, Yen | 190,595.87 | |
| Vendors, Dollars | (18,539.70) | |
| Vendors, Dollars payable in Yen | 499,673.72 | |
| Vendors, Dollars (China) | (21.38) | |
| Vendors, Dollars (Bangkok) | 17,654.28 | |
| Deposits on Air Force Uniforms | 4,181.80 | |
| Deposit Orders Placed | 5,179.55 | |
| Deposit Orders | <u>2,362.46</u> | 701,086.60 |
| Accounts Payable, Dollar Miscellaneous | | |
| Others | 9,164.16 | |
| Eniwetok Insurance | 28.24 | |
| Rycom Freight | 8,013.59 | |
| Marbo Freight | 704.01 | |
| Marine Corps Insurance | <u>3.86</u> | 17,913.86 |
| Accrued Liabilities | | |
| Salaries | 8,011.65 | |
| Per Diem | 210.00 | |
| Subsistence | 320.78 | |
| Withholding Tax | <u>6,369.06</u> | 14,911.49 |
| Net Worth | | |
| Surplus, 31 October 1950 | 2,599,104.02 | |
| Operating Gain, November 1950 | <u>64,386.88</u> | 2,663,490.90 |
| Reserve for Liquidation | | 500,000.00 |
| Reserve for Expense Returning Personnel to U.S. | | <u>38,000.00</u> |
| Total Liabilities and Net Worth | | <u>\$3,935,402.85</u> |

I certify this a true statement to the best of my knowledge and belief of
Central Purchasing Office Fiscal Accounts as of 30 November 1950.

REVIEWED BY:

A. J. Millet

A. J. MILLET
Deputy Chief,
Fiscal Division

Edwin M. Mendenhall

EDWIN M. MENDENHALL
Chief, Accounts and
Statistics Br, Fiscal Div.

L. F. Murphy

L. F. MURPHY
Chief, Fiscal Div.

APPROVED BY:

A. H. Nordstrom

A. H. NORDSTROM
Lt. Col., Ord.
Chief, CPO

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Profit and Loss Statement
Month of November 1950

EXHIBIT II

SALES

| | | |
|-------------------------|----------------|----------------|
| Exchange Systems | \$1,678,421.04 | |
| Individuals and Clubs | 156,889.59 | |
| Air Force Uniforms | 104,471.75 | |
| *Special Service Units | 12,706.52 | |
| Less Insurance Recovery | <u>(38.24)</u> | \$1,952,450.66 |

COST OF SALES

| | | |
|----------------------------------|---------------------|-----------------------|
| Inventory 31 October 1950 | \$579,807.16 | |
| Add: Inventory Transfers | | |
| November 1950 | 462.88 | |
| : Inventory Adjustments | 23,016.98 | |
| : Purchases | <u>1,924,756.34</u> | \$2,528,043.36 |
| Less: Inventory 30 November 1950 | <u>667,783.16</u> | <u>\$1,860,260.20</u> |

Gross Income from Sales \$ 92,190.46

OPERATING EXPENSE (Schedule A) 26,644.48

OTHER EXPENSES (Schedule B) 1,171.08

Total Expenses 27,815.56

OTHER INCOME (Schedule C) 11.98 27,803.58

Gain for Period \$64,386.88

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Profit and Loss Statement - Schedule A
30 November 1950

SCHEDULE OF OPERATING EXPENSES

Expenses - Tokyo

| | | |
|------------------------------------|-----------------|-------------|
| Salaries | \$23,206.84 | |
| Office Supplies | 57.58 | |
| Postage | 22.02 | |
| Printing and Forms | 794.58 | |
| Telegrams and Cables | 55.78 | |
| Insurance Expense | 2,607.71 | |
| Insurance Expense Recovered | (349.92) | |
| Other Freight | 3,832.74 | |
| Other Freight Recovered | (5,457.49) | |
| Storage | 17.50 | |
| Depreciation | 40.28 | |
| Manufacturing Section Expense | 141.06 | |
| Subscriptions and Advertising | 62.77 | |
| Mileage | 5.86 | |
| Gas and Oil | 490.74 | |
| Auto Repairs | 72.76 | |
| Travel Expense | 1,437.48 | |
| Miscellaneous | 1,157.35 | |
| Pearl Processing Expense Recovered | <u>(883.90)</u> | \$27,311.74 |

Expenses - Hongkong

| | | |
|----------------------------|-------------|--------------------|
| Salaries | 1,724.94 | |
| Miscellaneous | 1,467.76 | |
| Per Diem | 210.00 | |
| Insurance | 3,213.55 | |
| Telegrams and Cables | 15.69 | |
| Hongkong Freight | 4,744.79 | |
| Hongkong Freight Recovered | (12,093.75) | |
| Forms and Printing | 18.79 | |
| Courier | 23.27 | |
| Travel | <u>7.70</u> | (667.26) |
| | | <u>\$26,644.48</u> |

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Profit and Loss Statement - Schedule B
30 November 1950

SCHEDULE OF OTHER EXPENSES

| | |
|----------------------------|-------------------|
| Procurement Pricing Losses | \$1,096.13 |
| Inventory Adjustments | 38.95 |
| Fiscal Pricing Losses | 36.00 |
| | <u>\$1,171.08</u> |

Note: Debit Balances in Other Income Accounts.

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Profit and Loss Statement - Schedule C
30 November 1950

SCHEDULE OF OTHER INCOME

| | |
|---------------------------|-----------------|
| Precious Metals Gains | \$.14 |
| Conversion Gains | 5.43 |
| Miscellaneous Adjustments | <u>6.41</u> |
| | <u>\$ 11.98</u> |

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Analysis of Surplus
30 November 1950

EXHIBIT III

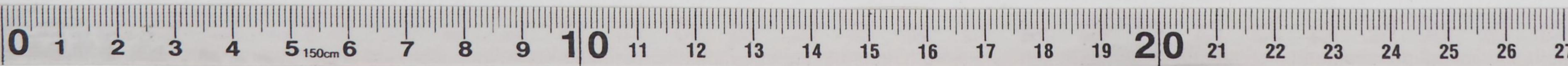
| | Balance <u>31 October 1950</u> | Adjustments <u>Current Month</u> | Balance <u>30 November 1950</u> |
|---|-----------------------------------|-------------------------------------|------------------------------------|
| Operating Income | \$906,218.60 | \$65,545.98 | \$971,764.58 |
| *Inventory Adjustments | 297,956.09 | (38.95) | 297,917.14 |
| Sale of Free Merchandise | 382,457.33 | Ø | 382,457.33 |
| Conversion Gains | 334,147.60 | 5.43 | 334,153.03 |
| Precious Metal Gains | 45,432.34 | .14 | 45,432.48 |
| Procurement Manufacturing Gains | 320,224.05 | (1,096.13) | 319,127.92 |
| Fiscal Manufacturing Gains | 81,501.30 | (36.00) | 81,465.30 |
| Miscellaneous | 5,977.12 | 6.41 | 5,983.53 |
| Penalties to Vendors | (263.95) | Ø | (263.95) |
| Gain or Loss on Dye Orders | 55,901.03 | Ø | 55,901.03 |
| Adjustment to Surplus on Prior Months Entries | 301.71 | Ø | 301.71 |
| Reserve for Precious Metal Adjustments | (29,256.37) | Ø | (29,256.37) |
| Reserve for Inventory Loss (Brocade and Tribute Silk) | (150,000.00) | Ø | (150,000.00) |
| Precious Metal Reserve, Closed to Surplus | 9,104.59 | Ø | 9,104.59 |
| Inventory Loss (Brocade and Tribute Silk) | | | |
| Reserve Balance Closed to Surplus | 7,362.68 | Ø | 7,362.68 |
| Stock Dividend Issued and Transferred to Surplus | (651,090.21) | Ø | (651,090.21) |
| Stock Dividend Balance Closed to Surplus | 2.25 | Ø | 2.25 |
| Cash Dividend Paid | (1,354,066.45) | Ø | (1,354,066.45) |
| **Capitalization Gains | 2,875,194.31 | Ø | 2,875,194.31 |
| Reserve for Liquidation | (500,000.00) | Ø | (500,000.00) |
| Reserve Expense Returning Personnel to U.S. | (38,000.00) | Ø | (38,000.00) |
| Net Surplus | <u>\$2,599,104.02</u> | <u>\$64,386.88</u> | <u>\$2,663,490.90</u> |

* Pricing Gains contained in this account from 25 October 1945 to 1 June 1948 as segregation was established 1 June 1948.

** Developed from beginning of operations to date.

FR-1-C
mso

DECLASSIFIED
Authority NND 975029



338

L. F. Murphy, 26-7858

AG (5 Jan 51) CPO Transmittal of Balance Sheet

CPO G-4 5 January 1951
Thru: COM

1 Transmitted herewith is the Central Purchasing Office Balance Sheet (Exhibit I), Profit and Loss Statement (Exhibit II), Schedule of Operating Expenses (Schedule A), Schedule of Other Expenses (Schedule B), Schedule of Other Income (Schedule C), and Analysis of Surplus (Exhibit III), as of 30 November 1950.

2. In connection with the above, the following comments are furnished:

- a. CPO cash position remains tight. Sales for November totaled \$1,952,450.00, an all time CPO record. Air Force Uniform sales again exceeded \$100,000.00. Requisitions from Exchanges during November amounted to \$1,365,840.00. A net profit of \$64,386.00 was realized. Accounts receivable reached a peak of \$2,396,981.00. During December, against the foregoing receivable amount and December shipments, CPO collected \$2,500,000.00. Special efforts are continually made to expedite receipt of funds.
- b. The increased business volume of CPO continued in December, estimated sales will exceed \$2,000,000.00. Requisitions from Central Exchanges received during December exceed \$1,750,000.00. It is estimated that half of the requested increased CPO capitalization will have been realized as of 31 December, when the operating gain for December is added to Surplus. This will further minimize the extent to which loans will be required.

3. A recapitulation of requisitions from Central Exchanges, total sales and net profits for the past six months reveals the following:

| | <u>Reqs fr Central Exchanges</u> | <u>Total Sales</u> | <u>Net Profit</u> |
|-------|----------------------------------|--------------------|-------------------|
| June | \$1,881,048 | \$ 809,735 | \$ 6,220 |
| July | 638,811 | 700,749 | 3,528 |
| Aug | 1,313,883 | 1,382,545 | 30,938 |
| Sep | 1,104,344 | 1,061,568 | 25,603 |
| Oct | 1,599,372 | 1,352,714 | 28,354 |
| Nov | 1,365,840 | 1,952,450 | 64,387 |
| Total | <u>\$7,903,298</u> | <u>\$7,259,761</u> | <u>\$159,030</u> |

1 Incl.
Balance Sheet and
supporting schedules

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Central Purchasing Office
 APO 500

EXHIBIT I

Balance Sheet
 30 November 1950

Current Assets:

| | | | |
|--|-------------------|---------------|--------------|
| Cash in Banks | | | |
| Chase Nat'l Bank, Tokyo Dollar A/C | \$ 21,862.15 | | |
| Chase Nat'l Bank, Tokyo Yen A/C | 610.00 | | |
| Chase Nat'l Bank, Tokyo Dollar Sales Deposit A/C | 5,179.55 | | |
| Chase Nat'l Bank, Tokyo Dollar AF Uniform A/C | 4,181.80 | | |
| Chase Nat'l Bank, Tokyo Dollar Deposit Order A/C | 2,362.46 | | |
| Nat'l City Bank, N.Y. Dollar A/C | 32,891.14 | | |
| Nat'l City Bank, N.Y. Dollar A/C, HK Fund | 189,507.14 | | |
| HK & Shanghai Bank, Tokyo Pound A/C | <u>102,284.84</u> | \$ 358,879.08 | |
| Change Fund | | | 530.00 |
| Petty Cash Fund | | | 225.00 |
| Funds w/Agents, Hongkong | | | |
| Cash on Hand and in Bank | 188.59 | | |
| Merchandise in Transit | <u>321,410.24</u> | 321,598.83 | |
| Letter of Credit, Ditisheim and Cie, Switzerland | | | 10,000.00 |
| Accounts Receivable, Dollars | | | 2,396,981.55 |
| Accounts Receivable, Dollars Others | | | 2,019.29 |
| Accounts Receivable, Dollars Miscellaneous | | | |
| Navy Insurance | 543.13 | | |
| Philcom Freight | 10,189.17 | | |
| Navy Insurance, Sangley Pt, P.I. | 82.34 | | |
| Navy Insurance, Guam, FPO 943 | 5.92 | | |
| Navy Insurance, Truk | 1.17 | | |
| Navy Insurance, Sasebo | 3.56 | | |
| Navy Insurance, Guam, FPO 926 | 34.74 | | |
| Navy Insurance, Subic Bay | <u>.19</u> | 10,860.22 | |
| Inventories | | | |
| Merchandise Inventory | 473,251.72 | | |
| Manufacturing Stock Inventory | 150,643.48 | | |
| Show Room Inventory | 3,961.90 | | |
| Sales Room Inventory | <u>39,926.06</u> | 667,783.16 | |
| Merchandise Out for Repair | | | 24,176.07 |

| | | |
|---|-------------------|------------------------------|
| Other Inventories | | |
| Precious Metal on Hand | \$ 538.43 | |
| Precious Metal in Hands Chase Nat'l Bank | 9,333.72 | |
| Production Material | 3,590.87 | |
| Textile Samples | 741.57 | |
| Goods in Process | <u>128,145.06</u> | \$ 142,349.65 |
| Other Assets | | |
| Office Equipment, Tokyo | 17,304.79 | |
| Less Reserve for Depreciation | <u>17,304.79</u> | ∅ |
| Office Equipment, Hongkong | 1,144.16 | |
| Less Reserve for Depreciation | <u>1,144.16</u> | ∅ |
| Automotive Equipment | 600.00 | |
| Less Reserve for Depreciation | <u>600.00</u> | ∅ |
| Total Assets | | <u><u>\$3,935,402.85</u></u> |
| Current Liabilities | | |
| Accounts Payable | | |
| Vendors, Yen | 190,595.87 | |
| Vendors, Dollars | (18,539.70) | |
| Vendors, Dollars payable in Yen | 499,673.72 | |
| Vendors, Dollars (China) | (21.38) | |
| Vendors, Dollars (Bangkok) | 17,654.28 | |
| Deposits on Air Force Uniforms | 4,181.80 | |
| Deposit Orders Placed | 5,179.55 | |
| Deposit Orders | <u>2,362.46</u> | 701,086.60 |
| Accounts Payable, Dollar Miscellaneous | | |
| Others | 9,164.16 | |
| Eniwetok Insurance | 28.24 | |
| Rycom Freight | 8,013.59 | |
| Marbo Freight | 704.01 | |
| Marine Corps Insurance | <u>3.86</u> | 17,913.86 |
| Accrued Liabilities | | |
| Salaries | 8,011.65 | |
| Per Diem | 210.00 | |
| Subsistence | 320.78 | |
| Withholding Tax | <u>6,369.06</u> | 14,911.49 |
| Net Worth | | |
| Surplus, 31 October 1950 | 2,599,104.02 | |
| Operating Gain, November 1950 | <u>64,386.88</u> | 2,663,490.90 |
| Reserve for Liquidation | | 500,000.00 |
| Reserve for Expense Returning Personnel to U.S. | | <u>38,000.00</u> |
| Total Liabilities and Net Worth | | <u><u>\$3,935,402.85</u></u> |

I certify this a true statement to the best of my knowledge and belief of
Central Purchasing Office Fiscal Accounts as of 30 November 1950.

REVIEWED BY:

A. J. Millett

A. J. MILLET
Deputy Chief,
Fiscal Division

Edwin M. Mendeshall

EDWIN M. MENDESHALL
Chief, Accounts and
Statistics Br, Fiscal Div.

L. F. Murphy

L. F. MURPHY
Chief, Fiscal Div.

APPROVED BY:

A. R. Nordstrom

A. R. NORDSTROM
Lt. Col., Ord.
Chief, CPO

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Profit and Loss Statement
Month of November 1950

EXHIBIT II

SALES

| | | |
|-------------------------|----------------|----------------|
| Exchange Systems | \$1,678,421.04 | |
| Individuals and Clubs | 156,889.59 | |
| Air Force Uniforms | 104,471.75 | |
| *Special Service Units | 12,706.52 | |
| Less Insurance Recovery | (38.24) | \$1,952,450.66 |

COST OF SALES

| | | |
|----------------------------------|---------------------|-------------------|
| Inventory 31 October 1950 | \$579,807.16 | |
| Add: Inventory Transfers | | |
| November 1950 | 462.88 | |
| : Inventory Adjustments | 23,016.98 | |
| : Purchases | <u>1,924,756.34</u> | \$2,528,043.36 |
| Less: Inventory 30 November 1950 | | <u>667,783.16</u> |
| | | \$1,860,260.20 |

Gross Income from Sales \$ 92,190.46

OPERATING EXPENSE (Schedule A) 26,644.48

OTHER EXPENSES (Schedule B) 1,171.08

Total Expenses 27,815.56

OTHER INCOME (Schedule C) 11.98 27,803.58

Gain for Period \$64,386.88

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Profit and Loss Statement - Schedule A
30 November 1950

SCHEDULE OF OPERATING EXPENSES

Expenses - Tokyo

| | | |
|------------------------------------|-----------------|-------------|
| Salaries | \$23,206.84 | |
| Office Supplies | 57.58 | |
| Postage | 22.02 | |
| Printing and Forms | 794.58 | |
| Telegrams and Cables | 55.78 | |
| Insurance Expense | 2,607.71 | |
| Insurance Expense Recovered | (349.92) | |
| Other Freight | 3,832.74 | |
| Other Freight Recovered | (5,457.49) | |
| Storage | 17.50 | |
| Depreciation | 40.28 | |
| Manufacturing Section Expense | 141.06 | |
| Subscriptions and Advertising | 62.77 | |
| Mileage | 5.86 | |
| Gas and Oil | 490.74 | |
| Auto Repairs | 72.76 | |
| Travel Expense | 1,437.48 | |
| Miscellaneous | 1,157.35 | |
| Pearl Processing Expense Recovered | <u>(883.90)</u> | \$27,311.74 |

Expenses - Hongkong

| | | |
|----------------------------|-------------|--------------------|
| Salaries | 1,724.94 | |
| Miscellaneous | 1,467.76 | |
| Per Diem | 210.00 | |
| Insurance | 3,213.55 | |
| Telegrams and Cables | 15.69 | |
| Hongkong Freight | 4,744.79 | |
| Hongkong Freight Recovered | (12,093.75) | |
| Forms and Printing | 18.79 | |
| Courier | 23.27 | |
| Travel | <u>7.70</u> | <u>(667.26)</u> |
| | | <u>\$26,644.48</u> |

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Profit and Loss Statement - Schedule B
30 November 1950

SCHEDULE OF OTHER EXPENSES

| | |
|----------------------------|-------------------|
| Procurement Pricing Losses | \$1,096.13 |
| Inventory Adjustments | 38.95 |
| Fiscal Pricing Losses | 36.00 |
| | <u>\$1,171.08</u> |

Note: Debit Balances in Other Income Accounts.

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Profit and Loss Statement - Schedule C
30 November 1950

SCHEDULE OF OTHER INCOME

| | | |
|---------------------------|----|--------------|
| Precious Metals Gains | \$ | .14 |
| Conversion Gains | | 5.43 |
| Miscellaneous Adjustments | | <u>6.41</u> |
| | \$ | <u>11.98</u> |

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Central Purchasing Office
 APO 500

Analysis of Surplus
 30 November 1950

EXHIBIT III

| | Balance 31 October 1950 | Adjustments Current Month | Balance 30 November 1950 |
|---|----------------------------|------------------------------|-----------------------------|
| Operating Income | \$906,218.60 | \$65,545.98 | \$971,764.58 |
| Inventory Adjustments | 297,956.09 | (38.95) | 297,917.14 |
| Sale of Free Merchandise | 382,457.33 | Ø | 382,457.33 |
| Conversion Gains | 334,147.60 | 5.43 | 334,153.03 |
| Precious Metal Gains | 45,432.34 | .14 | 45,432.48 |
| Procurement Manufacturing Gains | 320,224.05 | (1,096.13) | 319,127.92 |
| Fiscal Manufacturing Gains | 81,501.30 | (36.00) | 81,465.30 |
| Miscellaneous | 5,977.12 | 6.41 | 5,983.53 |
| Penalties to Vendors | (263.95) | Ø | (263.95) |
| Gain or Loss on Dye Orders | 55,901.03 | Ø | 55,901.03 |
| Adjustment to Surplus on Prior Months Entries | 301.71 | Ø | 301.71 |
| Reserve for Precious Metal Adjustments | (29,256.37) | Ø | (29,256.37) |
| Reserve for Inventory Loss (Brocade and Tribute Silk) | (150,000.00) | Ø | (150,000.00) |
| Precious Metal Reserve, Closed to Surplus | 9,104.59 | Ø | 9,104.59 |
| Inventory Loss (Brocade and Tribute Silk) | | | |
| Reserve Balance Closed to Surplus | 7,362.68 | Ø | 7,362.68 |
| Stock Dividend Issued and Transferred to Surplus | (651,090.21) | Ø | (651,090.21) |
| Stock Dividend Balance Closed to Surplus | 2.25 | Ø | 2.25 |
| Cash Dividend Paid | (1,354,066.45) | Ø | (1,354,066.45) |
| **Capitalization Gains | 2,875,194.31 | Ø | 2,875,194.31 |
| Reserve for Liquidation | (500,000.00) | Ø | (500,000.00) |
| Reserve Expense Returning Personnel to U.S. | (38,000.00) | Ø | (38,000.00) |
| Net Surplus | <u>\$2,599,104.02</u> | <u>\$64,386.88</u> | <u>\$2,663,490.90</u> |

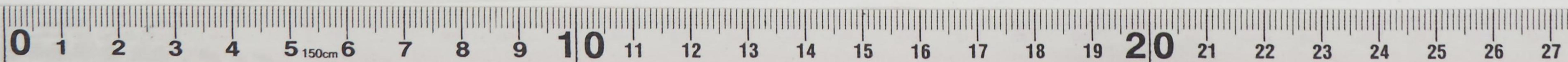
* Pricing Gains contained in this account from 25 October 1945 to 1 June 1948 as segregation was established 1 June 1948.

** Developed from beginning of operations to date.

FR-1-C
 mso

DECLASSIFIED

Authority NND 975029



GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
AND
FAR EAST COMMAND

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ROUTING SLIP

FROM: CPO
TO: G-4 THRU COMP

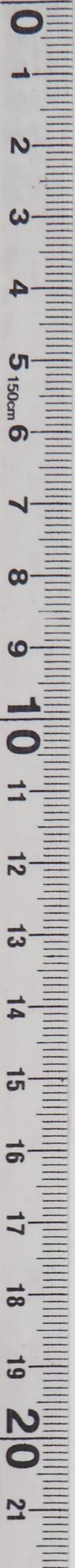
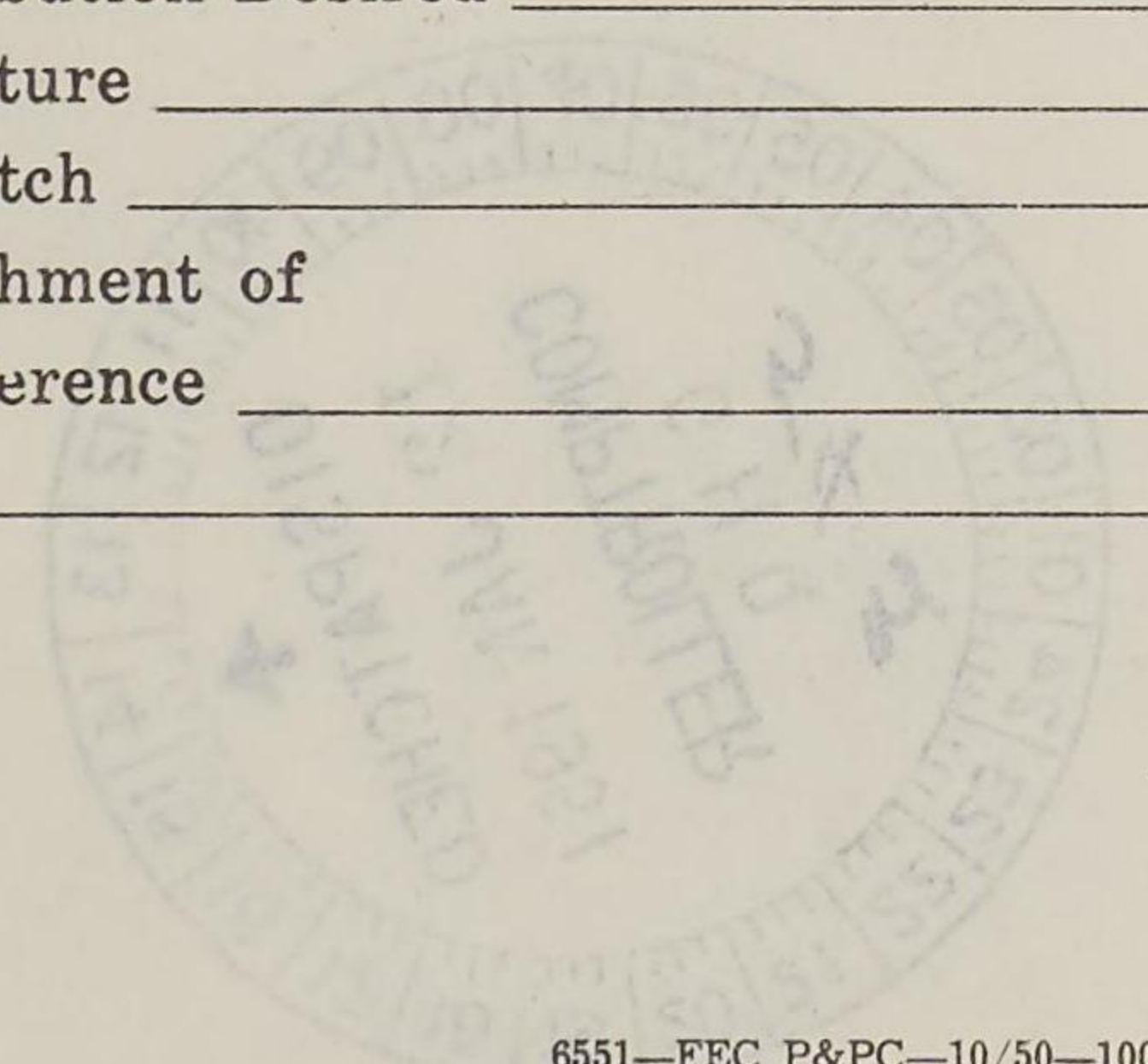
DATE: 5 JAN 51

- Commander-in-Chief _____
- Aide-de-Camp _____
- Chief of Staff _____
- DCofS FEC _____
- DCofS SCAP _____
- SGS _____
- Comptroller (1) PW
- G-1 _____
- G-2 _____
- G-3 _____
- G-4 (2)
- JSPOG _____
- AG _____
- Antiaircraft _____
- Central Purchasing O _____
- Chaplain _____
- Chemical _____
- Civ Personnel _____
- Engineer _____
- Hq Comdt _____
- IG _____
- JA _____
- Medical _____

- Ordnance _____
- PM _____
- PIO _____
- Ryukyus Mil Govt _____
- QM _____
- Signal _____
- Sp Services _____
- Trans _____
- TI&E _____
- Civ Aff _____
- Civ Comm _____
- Civ Historical _____
- CI&E _____
- Civ Int _____
- Civil Property Custodian _____
- Civ Trans _____
- Diplomatic _____
- ESS _____
- Government _____
- Legal _____
- NRS _____
- PH&W _____

- FOR:
- Approval _____
 - Comment or _____
 - Concurrence _____
 - Information _____
 - Initials _____
 - Issuance of Orders
 - Necessary Action _____

- Note and Return _____
- Distribution Desired _____
- Signature _____
- Dispatch _____
- Attachment of _____
- Reference _____
- File _____



GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
AND
PAR EAST COMMAND

ROUTING SLIP

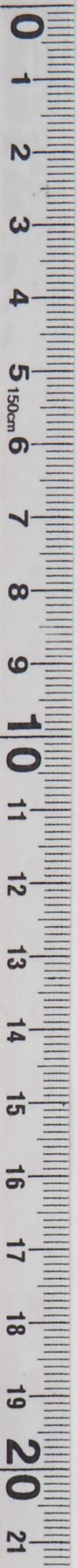
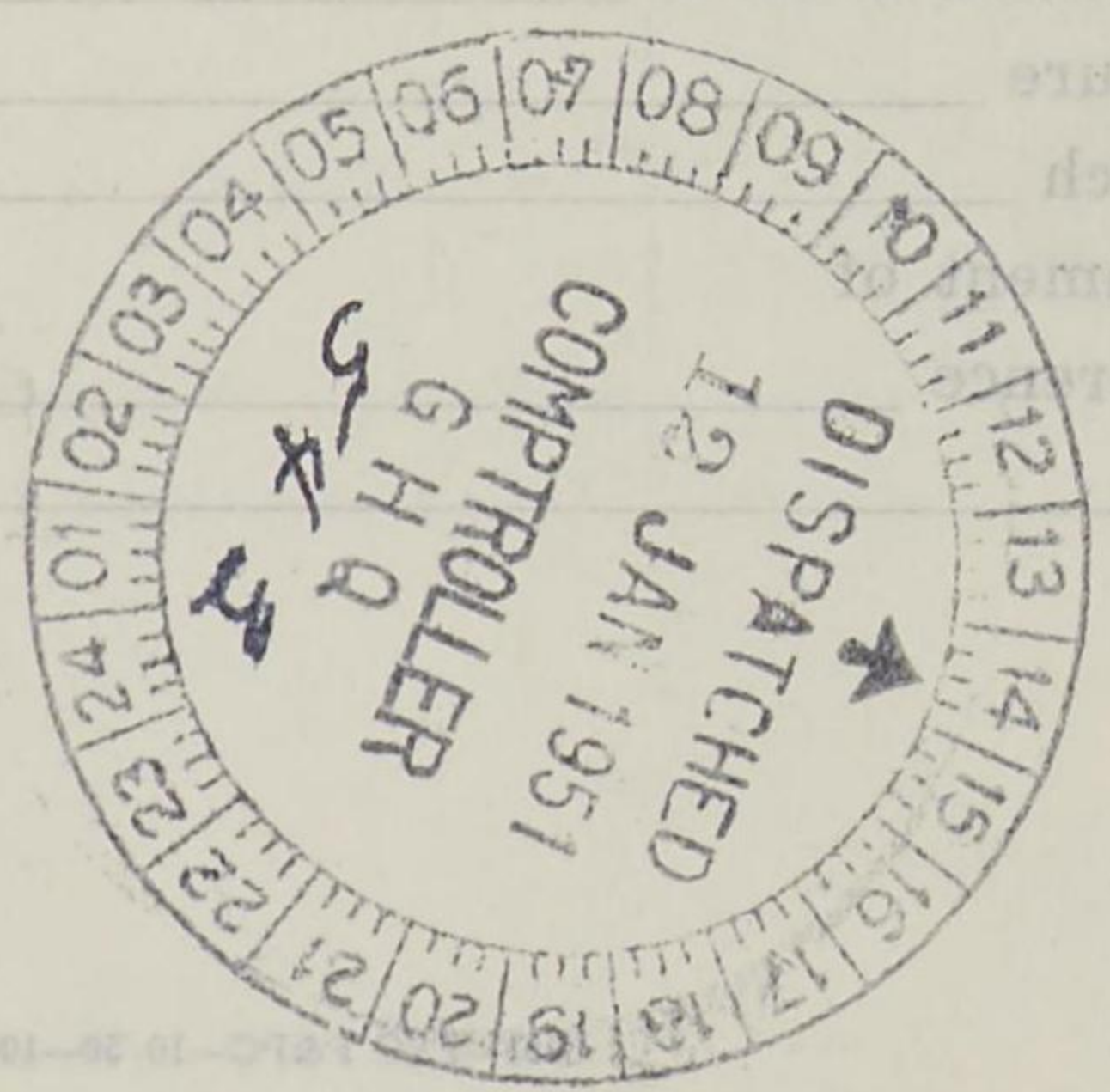
Handwritten initials

FROM: CPO
TO: 2-4 TRAV COMP

2 JAN 51
DATE:

- Commander-in-Chief
- Aide-de-Camp
- Chief of Staff
- DCofS FEC
- DCofS SCAP
- SGS
- Comptroller (Handwritten mark)
- G-1
- G-2
- G-3
- G-4 (Handwritten mark)
- ISPOG
- AC
- Antiaircraft
- Central Purchasing O
- Chaplain
- Chemical
- Civ Personnel
- Engineer
- Hq Comdt
- IG
- JA
- Medical

- FOR: Approval
- Comment or
- Concurrence
- Information
- Initials
- Issuance of Orders
- Necessary Action
- Note and Return
- Distribution Desired
- Signature
- Dispatch
- Attachment
- Reference
- File



331.3
le
30 Oct 50

Subject: Transmittal of Balance Sheet

Close Out M/R:

1. By C/N 1 CPO to G-4, subject as above, dated 30 Oct 50, CPO forwarded the balance sheet for the month of September in accordance with the provisions contained in the CPO OI's. G-4 has reviewed the contents of the report and finds the report in order. It is noted that a surplus of \$70,750 over the surplus reserve limit of \$3,038,000 authorized in para 6 of CPO OI's exists. It is considered that this amount is required for finance capital due to the recent considerable up swing in CPO business and therefore G-4 does not feel it necessary to turn this amount over to Central Welfare Fund or to declare a dividend. CPO advises that Accounts Receivable of \$2,093,564 as outlined in the report has been reduced by approximately one million dollars and therefore it appears that Accounts Receivable do not greatly deviate from normal.

2. Of particular interest is the fact that the inventory of precious metal reported to be \$47,471 in the August report has been reduced to \$5,668. CPO advises that this precious metal inventory will be further reduced in the near future. In general the report appears to be normal and therefore no action is indicated at this time.

3. In view of the foregoing, necessary G-4 action is to return the copy of this report to G-4 Admin for file.

4. Action complete on G-4 16053.

RBK Q 26-6456 JHFB M 26-6456 BH JH 26-6043 (Div Chief)



Sup
16053
m

Subject: Transmittal of Balance Sheet

Close Out M/R:

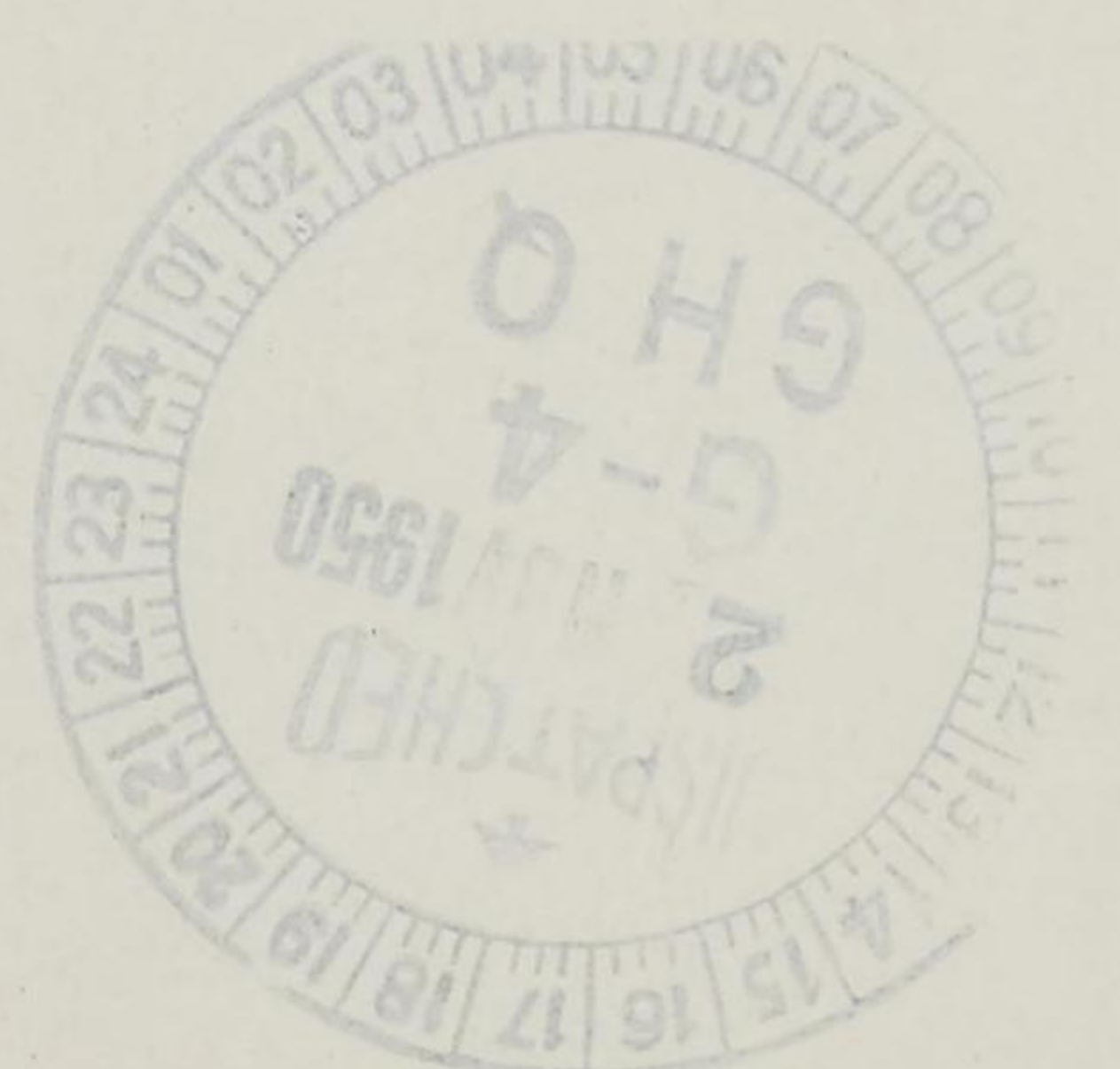
1. By C/N I CPO to G-4, subject as above, dated 30 Oct 50, CPO forwarded the balance sheet for the month of September in accordance with the provisions contained in the CPO OI's. G-4 has reviewed the contents of the report and finds the report in order. It is noted that a surplus of \$70,750 over the surplus reserve limit of \$3,038,000 authorized in para 6 of CPO OI's exists. It is considered that this amount is required for finance capital due to the recent considerable up swing in CPO business and therefore G-4 does not feel it necessary to turn this amount over to Central Welfare Fund or to declare a dividend. CPO advises that Accounts Receivable of \$2,093,564 as outlined in the report has been reduced by approximately one million dollars and therefore it appears that Accounts Receivable do not greatly deviate from normal.

2. Of particular interest is the fact that the inventory of precious metal reported to be \$47,471 in the August report has been reduced to \$5,688. CPO advises that this precious metal inventory will be further reduced in the near future. In general the report appears to be normal and therefore no action is indicated at this time.

3. In view of the foregoing, necessary G-4 action is to return the copy of this report to G-4 Admin for file.

4. Action complete on G-4 16053.

RBK 26-6456 JHPB 26-6456 BH 26-6043 (Div Chief)



300250
3813

1/10/54
1/10/54



GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
AND
FAR EAST COMMAND

Handwritten initials/signature

ROUTING SLIP

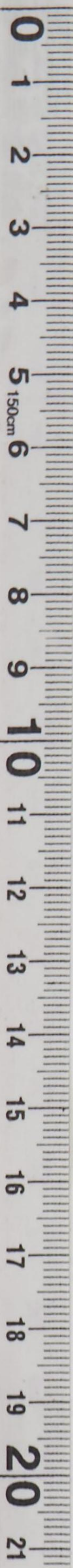
FROM: CPO. DATE: 31 Oct 1949 [✓]

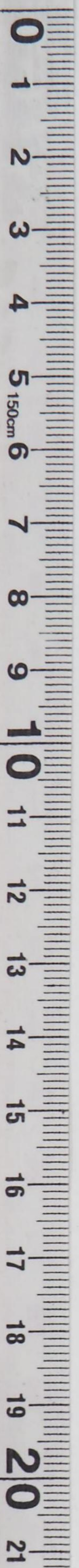
TO:

- | | |
|----------------------------|--------------------------------|
| Commander-in-Chief _____ | Ordnance _____ |
| Aide-de-Camp _____ | PM _____ |
| Chief of Staff _____ | PIO _____ |
| D C of S FEC _____ | Ryukyus Mil Govt _____ |
| D C of S SCAP _____ | QM _____ |
| SGS _____ | Signal _____ |
| G-1 _____ | Sp Services _____ |
| G-2 _____ | Trans _____ |
| G-3 _____ | TI&E _____ |
| G-4 <u>✓✓✓</u> _____ | Civ Comm _____ |
| JSPOG _____ | CI&E _____ |
| AG _____ | Civ Int _____ |
| Antiaircraft _____ | Civil Property Custodian _____ |
| Central Purchasing O _____ | Civ Trans _____ |
| Chaplain _____ | Diplomatic _____ |
| Chemical _____ | ESS _____ |
| Civ Personnel _____ | Gen Acctg _____ |
| Engineer _____ | Gen Proc _____ |
| Fiscal _____ | Government _____ |
| Hq Comdt _____ | Legal _____ |
| IG _____ | NRS _____ |
| JA _____ | PH&W _____ |
| Medical _____ | Statistics & Report Sec _____ |

FOR:

- | | |
|---------------------------------|----------------------------|
| Approval _____ | Note and Return _____ |
| Comment or _____ | Distribution Desired _____ |
| Concurrence _____ | Signature _____ |
| Information _____ | Dispatch _____ |
| Initials _____ | Attachment of _____ |
| Issuance of Orders _____ | Reference _____ |
| Necessary Action <u>✓</u> _____ | File _____ |



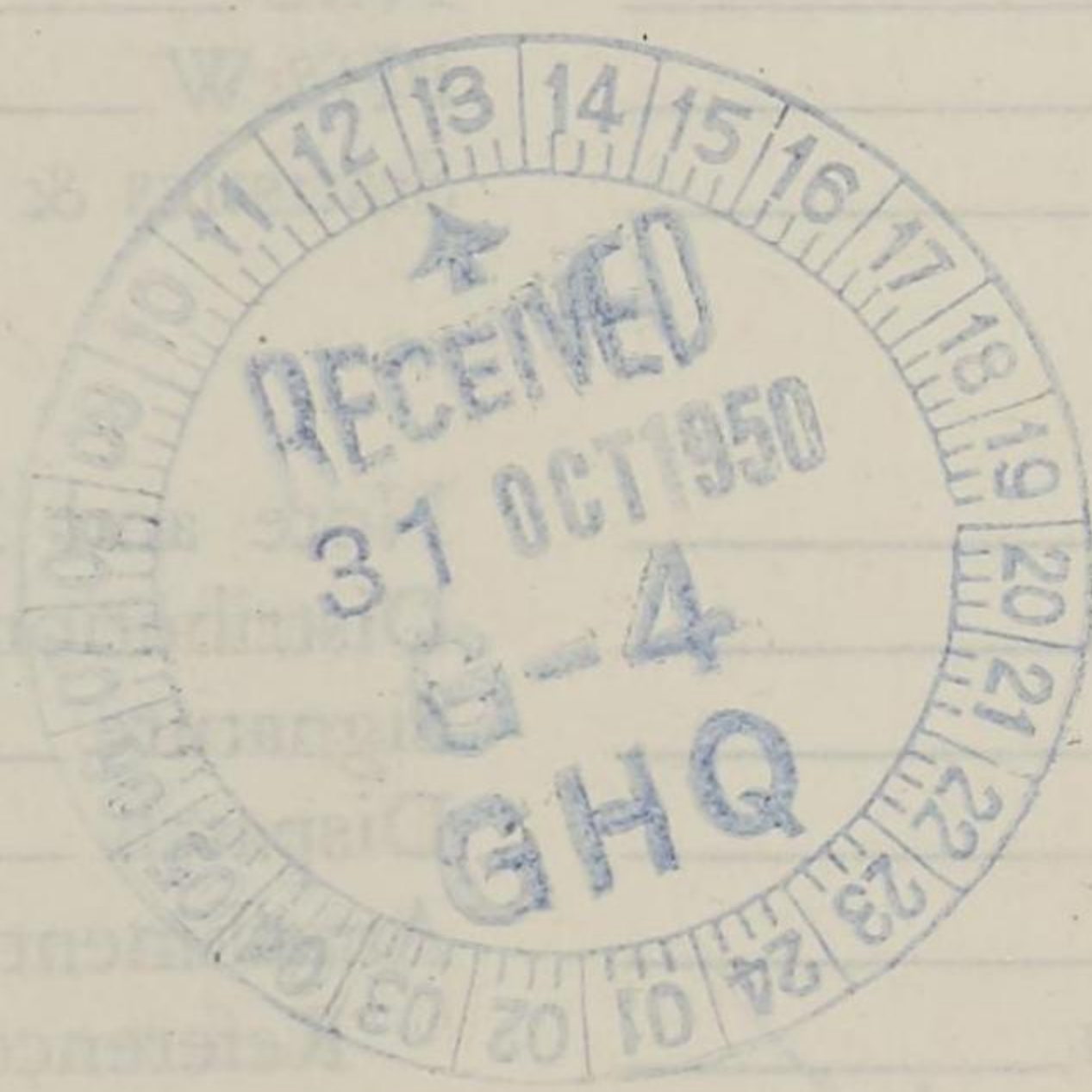


GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
AND
THE EAST COMMAND

ROUTING SLIP

FROM: C. P. O.
DATE: 31 Oct 1950
TO:

- Commander-in-Chief
- Aide-de-Camp
- Chief of Staff
- D-1 of 2 PFC
- D-2 of 2 SCAP
- SGS
- G-1
- G-2
- G-3
- G-4
- ASST
- AG
- Assistant
- General Purchasing O
- Chaplain
- Chemical
- Civ Personnel
- Engineer
- Field
- Inf Comd
- IS
- JA
- Medical



- FOR
- Approval
- Comment or
- Concurrence
- Information
- Initials
- Issuance of Order
- Necessary Action
- File

459k

**GENERAL HEADQUARTERS
FAR EAST COMMAND
CHECK SHEET**

(Do not remove from attached sheets) L. F. Murphy 26-7858

File No: AG (30 Oct 50) CPO Subject: Transmittal of Balance Sheet

lm

Note No.

From: CPO

To: G-4

Date: 30 October 1950

1

1. Transmitted herewith is the Central Purchasing Office Balance Sheet (Exhibit I), Profit and Loss Statement (Exhibit II), Schedule of Operating Expenses (Schedule A), Schedule of Other Expenses (Schedule B), Schedule of Other Income (Schedule C), and Analysis of Surplus (Exhibit III), as of 30 September 1950.

2. CPO business volume continues in excess of one million dollars monthly with sales for September amounting to \$1,061,563.00. Requisitions from Central Exchanges continue in excess of one million dollars monthly. The decline in the requisition volume in Philcom Exchange is not understood, since during the month of October requisitions from that command amounted to \$442.00, obviously inadequate for requirements of that command for Far Eastern merchandise. This matter will be reviewed by Col. Jolly and Mr. Murphy within the next week during their visit to Philcom.

3. Special efforts are being made to expedite collection of receivables which now exceed two million dollars. Several times in the past few weeks cash in the bank was almost completely depleted. Therefore, although CPO net worth exceeds \$2,500,000.00 by \$70,750.00, all existing funds are urgently required to finance current operations. This requirement will continue as long as CPO procures in excess of one million dollars a month. It is requested therefore, that no action be taken to effect a transfer of funds in excess of the authorized net worth of \$2,500,000.00. Stock control inventories continue to decline and continuing efforts are being made to further reduce these inventories. During the past month several additional accounts have been added for Navy Ships Stores, Ships afloat, Eniwetok and others desiring CPO services.

4. Net gain for September business amounted to \$25,602.00. This included a profit through the sale of platinum of \$8,153.14. Operationally and financially, CPO's position is considered excellent.

1 Incl.
Balance Sheet and
supporting schedules

Atm

-----A. H. N.-----

GENERAL HEADQUARTERS
FAR EAST COMMAND
CHECK SHEET

File No: AG

(30 Oct 50) CPO Subject: Transmittal of Balance Sheet

(Do not remove from attached sheets) L. J. Murphy 26-7853

Date: 30 October 1950

To: G-4

From: CPO

Note No. 1

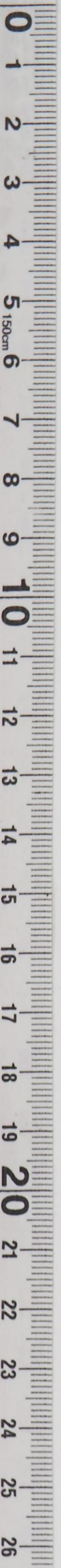
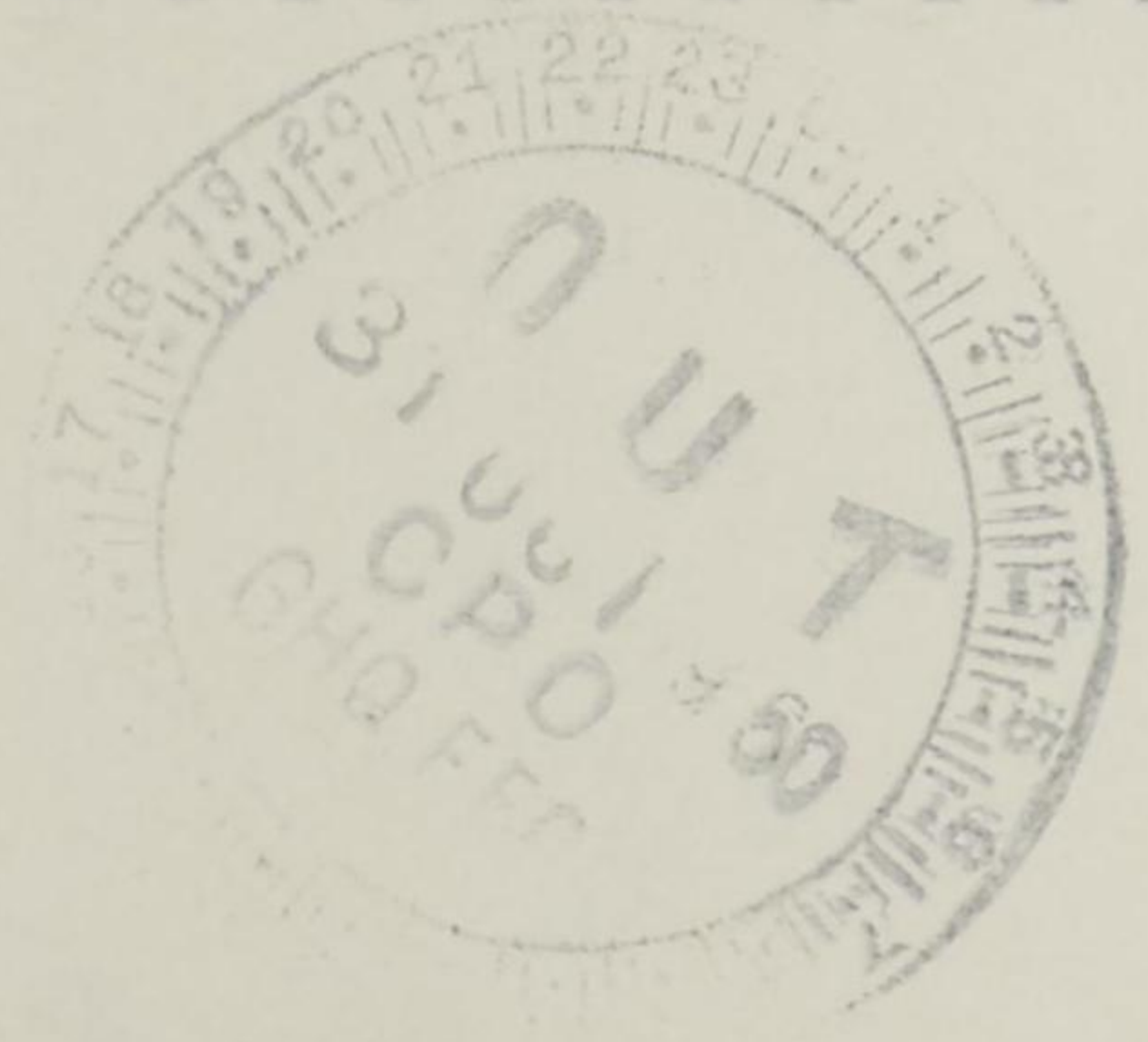
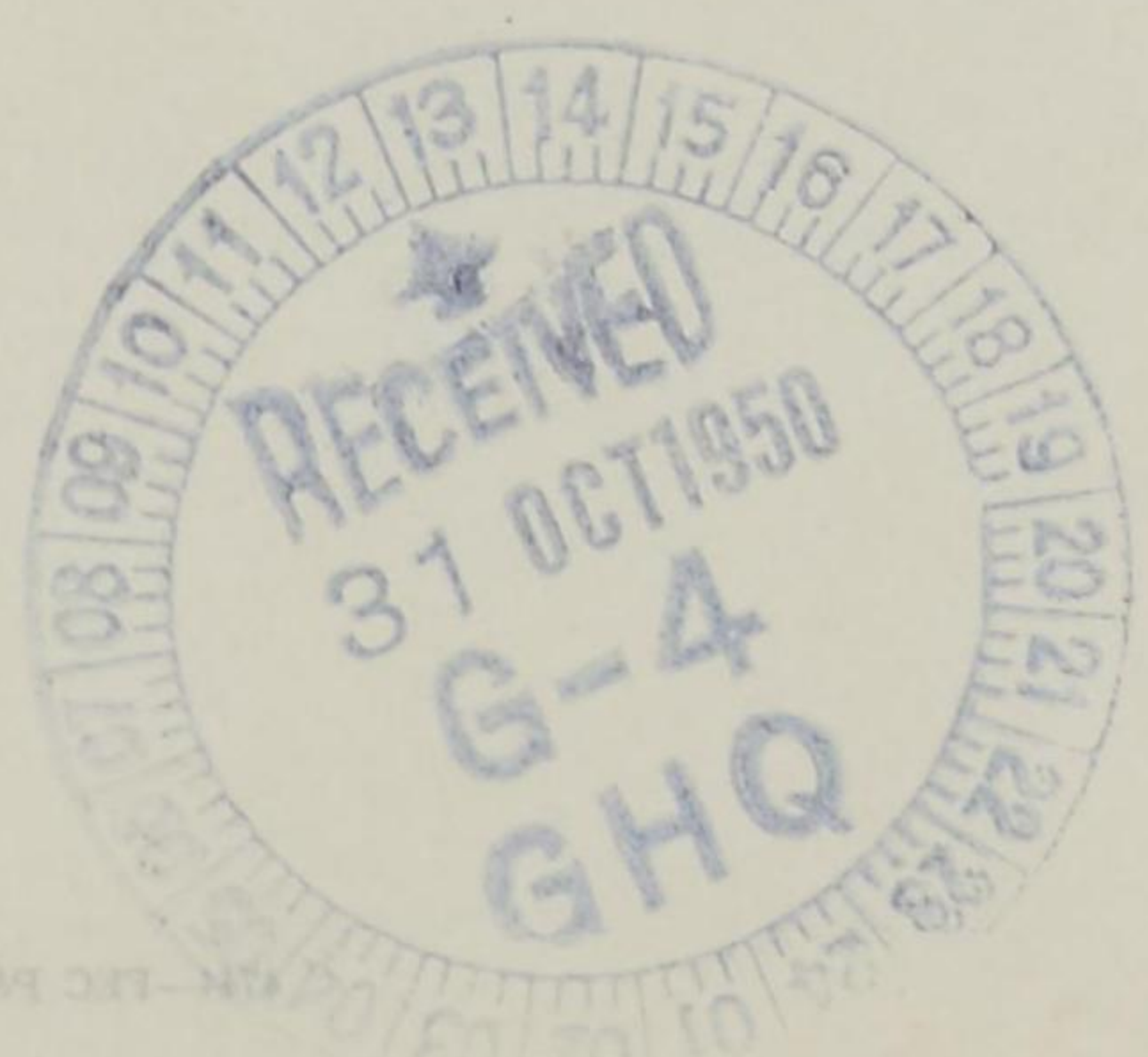
1. Transmitted herewith is the General Purchasing Office Balance Sheet (Exhibit I), Profit and Loss Statement (Exhibit II), Schedule of Operating Expenses (Schedule A), Schedule of Other Expenses (Schedule B), Schedule of Other Income (Schedule C), and Analysis of Surplus (Exhibit III), as of 30 September 1950.

2. CPO business volume continues in excess of one million dollars monthly with sales for September amounting to \$1,061,563.00. Requisitions from Central Exchanges continue in excess of one million dollars monthly. The decline in the requisition volume in Pacific Exchange is not understood, since during the month of October requisitions from that command amounted to \$442,000, obviously inadequate for requirements of that command for Far Eastern merchandise. This matter will be reviewed by Col. Jolly and Mr. Murphy within the next week during their visit to Pacific.

3. Special efforts are being made to expedite collection of receivables which now exceed two million dollars. Several times in the past few weeks cash in the bank was almost completely depleted. Therefore, although CPO net worth exceeds \$2,500,000.00 by \$70,750.00, all existing funds are urgently required to finance current operations. This requirement will continue as long as CPO operates in excess of one million dollars a month. It is requested therefore, that no action be taken to effect a transfer of funds in excess of the authorized net worth of \$2,500,000.00. Stock control inventories continue to decline and continuing efforts are being made to further reduce these inventories. During the past month several additional accounts have been added for Navy Ship Stores, Ship's stores, Binwotok and others desiring CPO services.

4. Net gain for September business amounted to \$25,602.00. This included a profit through the sale of platinum of \$8,153.14. Operationally and financially, CPO's position is considered excellent.

I Incl.
Balance Sheet and
Supporting schedules



GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Central Purchasing Office
 APO 500

Ex
 1

EXHIBIT I

Balance Sheet
 30 September 1950

Current Assets:

| | | |
|-------------------------------------|-------------------|-----------------|
| Cash in Banks | | |
| Chase Nat'l - Dollar, Tokyo A/C | \$276,965.58 | |
| Chase Nat'l - Yen A/C | 27,975.70 | |
| Chase Nat'l - Sales Deposit A/C | 12,172.62 | |
| Chase Nat'l - Air Force Uniform A/C | 12,562.32 | |
| Chase Nat'l - S.S.U. A/C | (137.18)* | |
| Nat'l City - Dollar, New York A/C | 83,548.75 | |
| Nat'l City - Dollar, HK - NY A/C | <u>123,800.00</u> | \$536,887.79 |
| Change Fund | | 450.00 |
| Petty Cash Fund | | 225.00 |
| Funds w/Agents, Hongkong | | |
| Cash on Hand | 592.60 | |
| Merchandise in Transit | <u>203,237.80</u> | 203,830.40 |
| Accounts Receivable, Dollars | | 2,093,564.94 |
| Accounts Receivable, Others | | 1,801.29 |
| Navy Insurance | | 1,298.53 |
| Philcom Freight | | 5,520.32 |
| Inventories: | | |
| Merchandise Inventory | 376,933.64 | |
| Manufacturing Stock Inventory | 157,127.97 | |
| Show Room Inventory | 5,665.28 | |
| Sales Room Inventory | <u>35,488.70</u> | 575,215.59 |
| Other Inventories: | | |
| Production Material | 3,778.55 | |
| Precious Metal | 5,668.78 | |
| Textile Sample | 594.63 | |
| Goods in Process | <u>147,219.43</u> | 157,261.39 |
| Merchandise Out for Repair | | <u>7,579.61</u> |
| Total Current Assets | | \$3,583,634.86 |



Other Assets:

| | | |
|-------------------------------|--------------------|-----------------------|
| Office Equipment, Tokyo | \$ 15,808.01 | |
| Less Reserve for Depreciation | <u>(15,808.01)</u> | ϕ |
| Office Equipment, Hongkong | 1,144.16 | |
| Less Reserve for Depreciation | <u>(1,144.16)</u> | ϕ |
| Automotive Equipment | 600.00 | |
| Less Reserve for Depreciation | <u>600.00</u> | |
| | | <u>\$3,583,634.86</u> |

Current Liabilities:

| | | |
|---------------------------------|-----------------|------------|
| Accounts Payable | | |
| Vendors, Yen | 287,255.33 | |
| Vendors, Dollars | (45,657.66) | |
| Vendors, Dollars Payable in Yen | 188,194.48 | |
| Vendors, Dollars (China) | (21.38) | |
| Vendors, Dollars (Bangkok) | (752.56) | |
| Deposits on Air Force Uniforms | 12,562.32 | |
| Deposit Orders Placed | 12,172.62 | |
| Others | 2,504.11 | |
| Rycom Freight | 3,650.68 | |
| Marbo Freight | 401.30 | |
| Accrued Salaries Payable | 4,601.33 | |
| Accrued Per Diem | 210.00 | |
| Accrued Subsistence | 499.92 | |
| Accrued Income Tax | <u>9,263.89</u> | 474,884.38 |

Net Worth:

| | | |
|-------------------------------|------------------|--------------|
| Surplus, 31 August 1950 | 2,545,147.88 | |
| Operating Gain September 1950 | <u>25,602.60</u> | 2,570,750.48 |

Reserve for Liquidation

500,000.00

Reserve for Expense Returning Personnel to U.S.

38,000.00

Total Liabilities and Net Worth

\$3,583,634.86

* Check \$137.18 - 20 Sept 1950, Battery A, 29th AAA AW Bn. returned from bank after transfer of funds made for Sept. 1950 on this account. Will clear Oct. 1950 period.

I certify this is a true statement to the best of my knowledge and belief of Central Purchasing Office Fiscal Accounts as of 30 September 1950.

REVIEWED BY:

| | |
|-------------------------------|--|
| <i>A. J. Millet</i> | <i>Edwin M. Mendenhall</i> |
| A. J. MILLET | EDWIN M. MENDENHALL |
| Deputy Chief, Fiscal Division | Chief, Accts. & Statistics Br. Fiscal Division |

L. F. Murphy
 L. F. MURPHY
 Chief, Fiscal Div.

APPROVED BY: *A. H. Nordstrom*
 A. H. NORDSTROM
 Lt. Col., Ord.
 Chief, CPO

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Profit and Loss Statement
Month of August 1950

EXHIBIT II

Ex
11

SALES

| | | |
|-------------------------|---------------|----------------|
| Exchange Systems | \$ 946,968.97 | |
| Clubs and Individuals | 67,081.50 | |
| Air Force Uniforms | 38,325.50 | |
| *Special Services Units | 9,191.46 | |
| Less Insurance Recovery | <u>(3.71)</u> | \$1,061,563.72 |

COST OF SALES

| | | |
|---|------------------|---------------------|
| Inventory 31 August 1950 | \$ 602,019.72 | |
| Add: Purchases Sept. 1950 | 1,014,335.90 | |
| Inventory Adjustments September 1950 | <u>7,788.84</u> | 1,624,144.46 |
| Less: Inventory 30 Sept. 1950 | 575,215.59 | |
| Inventory Transfers, September 1950 | <u>40,674.06</u> | <u>615,889.65</u> |
| | | <u>1,008,254.81</u> |

Gross Income from Sales 53,308.91

OPERATING EXPENSES (Schedule A) 34,379.75

OTHER EXPENSES (Schedule B) 1,479.70

Total Expenses 35,859.45

OTHER INCOME (Schedule C) 8,153.14 27,706.31

Gain for Period 25,602.60

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Profit and Loss Statement - Schedule A
30 September 1950

SCHEDULE OF OPERATING EXPENSE

Expenses - Tokyo

| | | |
|---|----------------|--------------|
| Salaries | \$ 23,468.49 | |
| Office Supplies | 17.24 | |
| Postage | 35.22 | |
| Printing and Forms | 183.89 | |
| Telegrams and Cables | 20.23 | |
| Courier Expense | 4.00 | |
| Insurance | 551.50 | |
| Insurance Recovered | (303.77) | |
| Freight Other than Hongkong | 7,088.38 | |
| Freight Other than Hongkong Recovered | (6,060.72) | |
| Depreciation | 3,746.07 | |
| Manufacturing Section Expense | 126.33 | |
| Manufacturing Section Expense Recovered | (85.92) | |
| Gas and Oil | 637.81 | |
| Travel | 631.73 | |
| Per Diem | 221.60 | |
| Miscellaneous | 272.78 | |
| Expense Personnel Ret. to U.S. | 34.74 | |
| Pearl Processing Expense and Recovery | <u>(14.43)</u> | \$ 30,575.17 |

Expenses - Hongkong

| | | |
|----------------------------|--------------|--------------------|
| Salaries | 913.78 | |
| Office Supplies | 15.02 | |
| Miscellaneous | 518.57 | |
| Per Diem | 210.00 | |
| Insurance | 1,616.60 | |
| Telegrams and Cables | 9.88 | |
| Hongkong Freight | 4,244.51 | |
| Hongkong Freight Recovered | (3,809.36) | |
| Postage | .58 | |
| Forms and Printing | 4.90 | |
| Courier | 51.36 | |
| Depreciation | <u>28.74</u> | <u>3,804.58</u> |
| | | <u>\$34,379.75</u> |

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Profit and Loss Statement - Schedule B
30 September 1950

SCHEDULE OF OTHER EXPENSES

| | |
|----------------------------------|-------------------|
| Procurement Manufacturing Losses | \$ 382.20 |
| Inventory Adjustments | 953.94 |
| Conversion Losses | 74.38 |
| Miscellaneous Adjustments | 14.58 |
| Loss on Dye Orders | <u>54.60</u> |
| | <u>\$1,479.70</u> |

GENERAL HEADQUARTERS
FAR EAST COMMAND
Central Purchasing Office
APO 500

Profit and Loss Statement - Schedule C
30 September 1950

SCHEDULE OF OTHER INCOME

| | |
|----------------------|--------------------------|
| Precious Metal Gains | <u><u>\$8,153.14</u></u> |
|----------------------|--------------------------|

Ex III

GENERAL HEADQUARTERS
 FAR EAST COMMAND
 Central Purchasing Office
 APO 500

Analysis of Surplus
 30 September 1950

EXHIBIT III

| | Balance 31 August 1950 | Adjustments Current Month | Balance 30 September 1950 |
|---|---------------------------|------------------------------|------------------------------|
| Operating Income | \$854,916.36 | \$ 18,929.16 | \$873,845.52 |
| *Inventory Adjustments | 301,938.26 | (953.94) | 300,984.32 |
| Sale of Free Merchandise | 382,457.33 | Ø | 382,457.33 |
| Conversion Gains | 334,215.29 | (74.38) | 334,140.91 |
| Precious Metal Gains | 37,048.21 | 8,153.14 | 45,201.35 |
| Procurement Manufacturing Gains | 320,368.18 | (382.20) | 319,985.98 |
| Fiscal Manufacturing Gains | 81,501.30 | Ø | 81,501.30 |
| Miscellaneous | 5,996.74 | (14.58) | 5,982.16 |
| Penalties to Vendors | (263.95) | Ø | (263.95) |
| Gain or Loss on Dye Orders | 57,417.65 | (54.60) | 57,363.05 |
| Adjustments to Surplus on Prior Months Entries | 301.71 | Ø | 301.71 |
| Reserve for Precious Metal Adjustments | (29,256.37) | Ø | (29,256.37) |
| Reserve for Inventory Loss (Brocade & Tribute Silk) | (150,000.00) | Ø | (150,000.00) |
| Precious Metal Reserve, Closed to Surplus | 9,104.59 | Ø | 9,104.59 |
| Inventory Loss (Brocade and Tribute Silk) | | | |
| Reserve Balance Closed to Surplus | 7,362.68 | Ø | 7,362.68 |
| Stock Dividend Issued and Transferred to Surplus | (651,090.21) | Ø | (651,090.21) |
| Stock Dividend Balance Closed to Surplus | 2.25 | Ø | 2.25 |
| Cash Dividend Paid | (1,354,066.45) | Ø | (1,354,066.45) |
| **Capitalization Gains | 2,875,194.31 | Ø | 2,875,194.31 |
| Reserve for Liquidation | (500,000.00) | Ø | (500,000.00) |
| Reserve for Expense Personnel Returned to U.S. | (38,000.00) | Ø | (38,000.00) |
| Net Surplus | <u>\$2,545,147.88</u> | <u>\$ 25,602.60</u> | <u>\$2,570,750.48</u> |

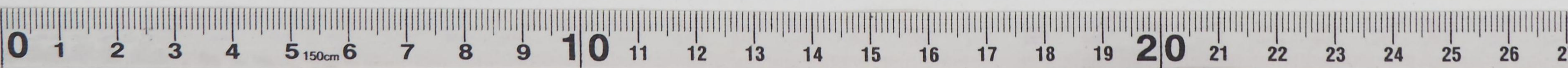
* Pricing Gains contained in this account from 25 October 1945 to 1 June 1948 as segregation was established 1 June 1948.

** Developed from beginning of operations to date.

FR-1-C

mso

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 Authority MND 975029

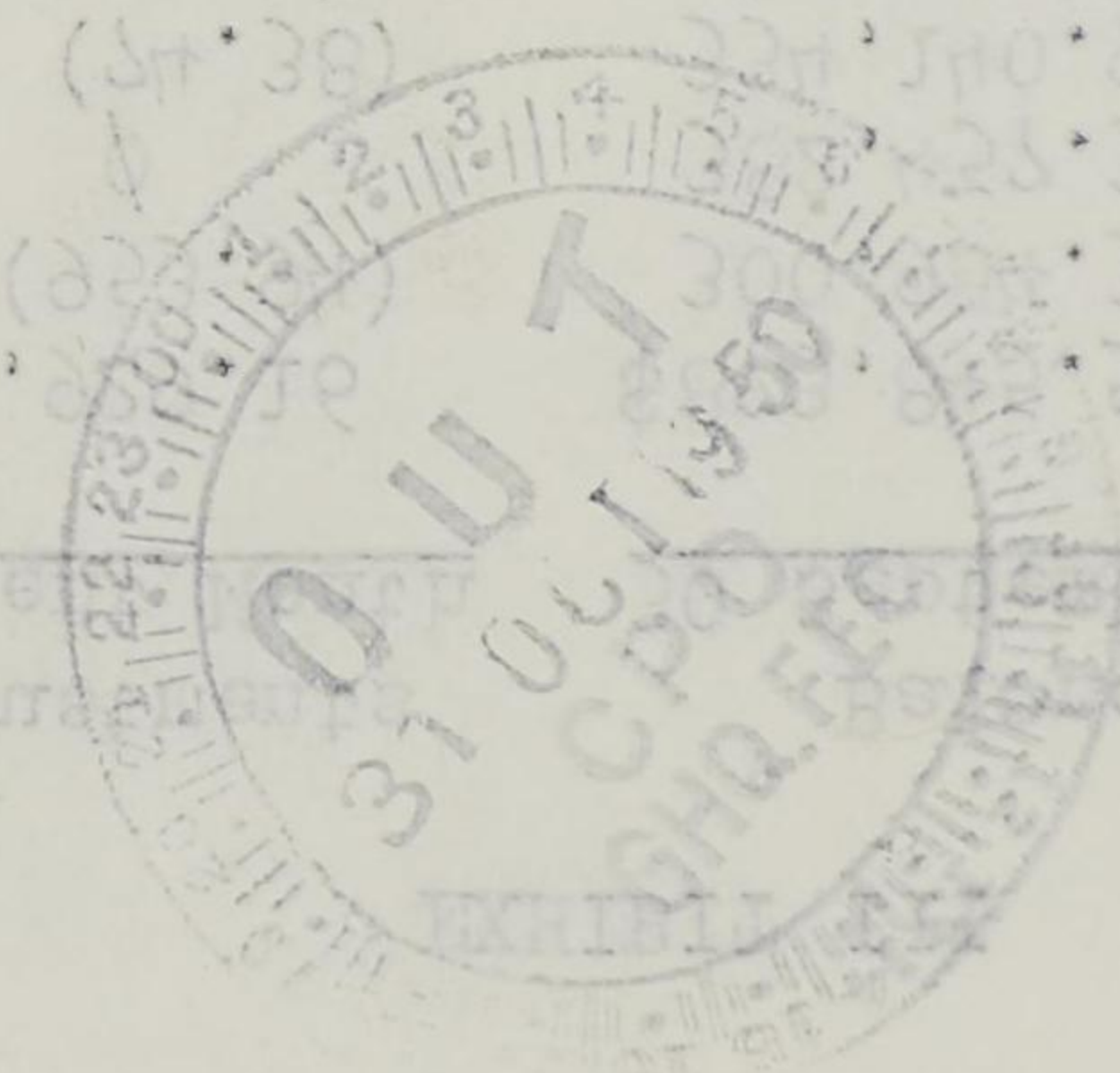


** Debit balance from retention of obligations to date.

1 June 1950

* Balance sheet contained in this account from 22 October 1949 to 1 June 1950 as collected from the corresponding

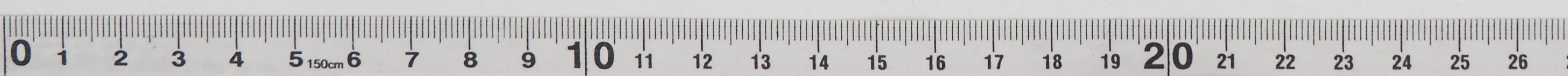
| Item | 22 October 1949 | 1 June 1950 | 22 October 1949 |
|---|-----------------|-------------|-----------------|
| Debit balance | \$5,242,145.88 | | \$5,240,320.78 |
| Reserve for Federal Reserve Bank of N.Y. | (38,000.00) | | (38,000.00) |
| Reserve for publication | (200,000.00) | | (200,000.00) |
| ** Retention of funds | 5,882,145.37 | | 5,882,145.37 |
| Stock purchase balance closed to surplus | (1,324,000.42) | | (1,324,000.42) |
| Stock purchase issued and transferred to surplus | 5.52 | | 5.52 |
| Reserve balance closed to surplus | (921,000.57) | | (921,000.57) |
| Inventory loss (losses and gains net) | 1,382.88 | | 1,382.88 |
| Reserve for inventory loss (losses and gains net) | 3,104.28 | | 3,104.28 |
| Reserve for inventory loss (losses and gains net) | (120,000.00) | | (120,000.00) |
| Reserve for inventory loss (losses and gains net) | (38,520.33) | | (38,520.33) |
| Adjustments to surplus on prior months' balances | 301.17 | | 301.17 |
| Gain or loss on the sale | 28,413.82 | (24.00) | 28,389.82 |
| Transfers to account | (26,832.00) | | (26,832.00) |
| Miscellaneous | 2,888.14 | (14.28) | 2,873.86 |
| Reserve for miscellaneous | 87,201.30 | | 87,201.30 |
| Reserve for miscellaneous | 350,389.78 | (355.50) | 349,934.28 |
| Reserve for miscellaneous | 38,404.57 | 8,123.14 | 46,527.71 |
| Contingency fund | 334,312.38 | (14.38) | 334,298.00 |
| Value of free merchandise | 335,425.33 | | 335,425.33 |
| Inventory adjustments | 301,328.88 | | 301,328.88 |
| Operating income | \$824,476.30 | | \$ 78,823.70 |
| | 37,444,145.12 | | 37,444,145.12 |



30 September 1950
Balance of surplus

VBO 200
Central Accounting Office
NAVY BASE COMMAND
GENERAL HEADQUARTERS

DECLASSIFIED
Authority NND 975029



CLOSE-OUT M/R

SP GD RBK/JHFB/BH/rs 12 Oct 50

Subject: Transmittal of Balance Sheet

931.3 Balance Sheet

1. By C/N 1, CPO to G-4, subject: Transmittal of Balance Sheet, dated 11 October 1950, CPO forwarded the balance sheet for the month of August in accordance with the provisions contained in Operation Instructions for CPO dated 14 November 1949 as amended. G-4 has reviewed the contents of the report and finds the report to be in order. It is noted that a surplus of \$45,148 over the surplus reserve limit of \$3,038,000 authorized in paragraph 7C of the CPO Operation Instructions exists. It is considered that this amount is required for finance capital in the immediate future and therefore G-4 does not feel it is necessary to turn this amount over to the Central Welfare Fund or declare a dividend. All other portions of the report appear to be normal and no action is indicated.

2. In view of the foregoing, necessary G-4 action is to return the copies of this report to the G-4 Admin for file.

3. Action complete on G-4 Journal No 14733.

RBK Y 26-6456

JHFB _____ 26-6456

for BH ET (Div Chief)

| G-4 ROUTING | |
|-------------|-----------|
| AC/SG-4 | |
| DAC/SG-4 | |
| EXECUTIVE | |
| P+Q | |
| C+RE | |
| ① SUPPLY | <u>Q</u> |
| PETROLEUM | |
| KEA | |
| ② ADMIN | <u>RT</u> |

RT
SUD
14733
RT.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
AND
FAR EAST COMMAND

ROUTING SLIP

A
guy

FROM: CPO

DATE: 11 Oct 1950

TO:

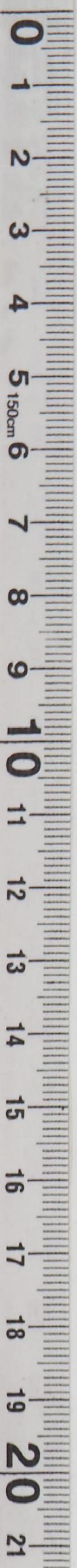
- Commander-in-Chief _____
- Aide-de-Camp _____
- Chief of Staff _____
- DCofS FEC _____
- DCofS SCAP _____
- SGS _____
- Comptroller _____
- G-1 _____
- G-2 _____
- G-3 _____
- G-4 _____
- JSPOG _____
- AG _____
- Antiaircraft _____
- Central Purchasing O _____
- Chaplain _____
- Chemical _____
- Civ Personnel _____
- Engineer _____
- Hq Comdt _____
- IG _____
- JA _____
- Medical _____

- Ordnance _____
- PM _____
- PIO _____
- Ryukyus Mil Govt _____
- QM _____
- Signal _____
- Sp Services _____
- Trans _____
- TI&E _____
- Civ Aff _____
- Civ Comm _____
- CI&E _____
- Civ Int _____
- Civil Property Custodian _____
- Civ Trans _____
- Diplomatic _____
- ESS _____
- Gen Proc _____
- Government _____
- Legal _____
- NRS _____
- PH&W _____
- Statistics & Reports _____

FOR:

- Approval _____
- Comment or
Concurrence _____
- Information _____
- Initials _____
- Issuance of Orders _____
- Necessary Action _____

- Note and Return _____
- Distribution Desired _____
- Signature _____
- Dispatch _____
- Attachment of
Reference _____
- File _____



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