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*Unnumbered
Project*

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1 September 1953

MEMORANDUM FOR: Mr. Saunders

SUBJECT : Project TPAJAX

REFERENCE : Memo dtd 31 Aug 53 to A-DD/A fr Comp, same subject.

1. I understand the referenced memorandum. However, it would appear to me that it is clearly illegal to honor the NEA request that expenditures made subsequent to 30 June 1953 be charged against the [redacted] obligation approved by the Director on 6 April 1953. It also seems to me that upon receipt of this memorandum on or about 29 May 1953 the Finance Division should have advised the NEA Division to this effect. It is my understanding that the NEA Division has made commitments in addition to those which are recorded on Finance Division books in the amount of [redacted]

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2. We must report on and make recommendations concerning two things to the Director: first, how did the error occur which caused us to ask for [redacted] from the Bureau of the Budget when we should have asked for [redacted] and possibly more?; (This would appear to be brought about by our failure to advise the NEA Division that the unobligated balance of [redacted] could not be legally obligated after 30 June 1953, as well as NEA's erroneous advice to Mr. Wisner that it had [redacted] in the budget which could be used for this Project.) second, we must recommend to the Director a proposed course of action to take now. To do this we must find out exactly what commitments have been made, how much money it takes to cover them, what can be legally spent out of Fiscal Year 1953 money, what has to come out of Fiscal Year 1954 money, whether it can come out of the budget, or whether it must be released by the Bureau of the Budget from our reserve. In order to do this, representatives of the Finance Division and the NEA Division should get together and prepare a memorandum for my signature to the Director in which Mr. Wisner can concur.

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L. K. White

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NO CHANGE IN CLASS.
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CLASS. CHANGED TO: _____
NEXT REVIEW DATE: _____
AUTH: HR 70-2
DATE: 06/04/82 REVIEWER: [redacted]

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