

Released

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON 25



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AUG 20 1952

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Administrator

Defense Production Administration

My dear Mr. Administrator:

Reference is made to letter of the Deputy Administrator, dated August 4, 1952, with enclosures, requesting approval by this Office of a working fund account for financing through the facilities of the Defense Production Administration the cost of participation by certain defense agencies of the United States in the allocation of critical and strategic materials by the International Materials Conference during the fiscal year 1953.

The Deputy Administrator's letter states that the continued participation by the United States in the International Materials Conference is important to the administration of the Defense Production Act of 1950, as amended, and Executive Order 10200, dated January 3, 1951, as recognized in section 102 of the Defense Production Act Amendments of 1952, Public Law 429, approved June 30, 1952, and that several Government agencies other than the Defense Production Administration are necessarily involved in the program.

Also, the letter points out that the appropriation to the Department of State for international contingencies theretofore charged with the cost of this activity is not available for that

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purpose during the fiscal year 1953 by virtue of the prohibition contained in section 113 of the Department of State Appropriation Act, 1953, Public Law 495, ^{66 Stat. 556,} approved July 10, 1952, as follows:

"No part of any appropriation contained in this title shall be used to pay any expenses incident to or in connection with participation in the International Materials Conference."

However, continued participation is deemed necessary and there is submitted a tentative agreement between the several agencies involved for contributions by them to a proposed working fund account to finance the cost of the jointly sponsored undertaking, as a convenient accounting device in order to simplify and reduce the cost of administration of this activity.

While the use of appropriations to the Department of State to finance the United States share of the expenses of the International Materials Conference was prohibited by section 113 of the Department of State Appropriation Act, 1953, by the enactment of section 102 of the Defense Production Act Amendments of 1952, ^{66 Stat. 497,} adding subsection b to section 101 of the Defense Production Act of 1950, the Congress accorded recognition to the Conference. Moreover, there appears ample authority in basic legislation for participation by the defense agencies involved in the activities of the International Materials Conference and in the absence of any prohibition against the use of funds, other than appropriations to the Department of State, for the United States share of the cost of administration of the activity

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there would appear to be no reasonable basis for holding that funds of defense agencies otherwise properly available for the purpose here proposed could not be so used.

Accordingly, while the proposed working fund is not a true working fund within the meaning of section 601 of the Economy Act of 1932, as amended, 31 U.S.C. 686, this Office is not required to object to its establishment with the understanding that proper distribution of costs will be made as between advances from the several source appropriations and that such advances must be obligated and expended in accordance with the statutes appropriating such funds and within the period of availability of the original appropriations.

Sincerely yours,

Lindsay C. Warren

Comptroller General
of the United States