



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON

A-33513

OCT 10 1930

The Honorable,

The Secretary of State.

Sir:

There has been received your letter of September 23, 1930, as follows:

"You are informed that each year early in June, it is necessary for the American Legation at Cairo, Egypt, to move to summer quarters in the vicinity of Alexandria, which are occupied until approximately the middle of October. The rent for the entire period, June 7 to October 15 of the present year is LE 410 (\$2026.67 at normal rate of exchange). It appears that suitable accommodations for summer quarters are exceedingly scarce and difficult to obtain. Furthermore, it is necessary for the summer furniture and equipment to be stored during the winter months at an expense to the Government of about \$250.00, the former storage space in the Alexandria consular premises being no longer available.

"The Legation now has an opportunity to rent a villa at Bulksley, near Alexandria, for a period of three years, to accommodate it during the summers of 1931, 1932 and 1933. It would be of great value to the Mission to be able to procure a lease for such premises, not only to facilitate the housing of the Legation during the summer months, but also for the storage of the Government property during the winter and spring.

"The rental asked for the proposed building is \$2500.00 a year, of which, in view of its dilapidated condition, approximately one-half would be expended for repairs and the remainder paid as rent.

"The Department would be pleased to be informed whether it is permissible for it to authorize the annual rental for a period of three years of a villa to be occupied during the summer as a Legation and during the remainder of each year to be held available for that purpose and to be used for the storage of the summer effects of the Mission.

"If the above mentioned arrangement is approved, it is assumed that the desired repairs could be paid for by the Government by

specifying in the lease that they, in a specified amount, 'shall constitute a part of the rental consideration.'"

The appropriation for "Contingent Expenses, Foreign Missions, 1930," act of April 18, 1930, 46 Stat. 175, contains a specific provision for rent and in the same act, 46 Stat. 176, it is provided:

"The Secretary of State may lease or rent, for periods not exceeding ten years, such buildings and grounds for the use of the Foreign Service as may be necessary; * * *."

While it is a general rule that private property may not be repaired or improved at the expense of the United States, such rule does not prevent the repair or improvement of private property held under a lease, the cost of such repairs being deducted from the agreed rental, provided no payment for repairs exceeds the amount of rent due and payable at that time.

So far as appears from the statement of facts in your submission, there would be no objection to renting the villa for a three-year term at a fixed rate not in excess of the reasonable rental value of the premises, the lease providing expressly that the cost of necessary repairs may be paid by the Government and deducted from the agreed rental. In drawing such a lease or agreement, care should be exercised to see that it conforms with the law of the country in which the property is situated and that the United States is not obligated to pay for repairs in advance of the date that rental in that amount would be due and payable.

Respectfully,

(Signed) J. R. McCarl

Comptroller General
of the United States.