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Authority 883078

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FINALIZATION OF APPROPRIATION
"EXPENSES, ARMY OF THE PHILIPPINES"

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HEADQUARTERS USAFRES PAC

FINALIZATION OF THE APPROPRIATION

"EXPENSES OF THE ARMY, PHILIPPINES"

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FINALIZATION OF THE APPROPRIATION, "EXPENSES OF THE ARMY, PHILIPPINES"

Under the provisions of Public Law No. 353, 17 December 1941, the Commanding General, USAFFE, was affixed with the responsibility for administration of the appropriation "Expenses of the Army, Philippines" to make payment to the Commonwealth of the Philippines in advance or in reimbursement for expenditures for projects approved by Commanding General. This authority was delegated to the Commanding General, AFRES-PAC, as a personal delegation in letter, Subject: "Delegation of authority to Approve Payments for Expense of the Philippine Army", To: Commanding General, United States Army Forces Western Pacific, APO 707, signed by General Douglas MacArthur, dated 9 November 1945. The Commanding General, USAFFE, originally charged certain agencies with the responsibility of conducting the programs within each project approved as follows. It is accentuated that the obligating agencies were transferred to AFRES-PAC from AFPAC theoretically operating under a budget prepared by AFPAC.

- a. Recovered Personnel Division, AG Section - Guerrilla Back Pay Claims Processing.
- b. Guerrilla Affairs Branch, Philippine Army Division, G-3 Section - Determination of number of Guerrillas to be recognized.
- c. Philippine Army Division, G-3 Section - Affixing of current strengths of the Philippine Army and operating costs thereof.

The above agencies were established to control or establish obligations to be incurred against the appropriation and the Finance Service, Philippine Army, was established to further the accounting system

Finalization of the Appropriation, "Expenses of the Army, Philippines"

prescribed in Executive Order No. 9011, dated 8 January 1942, in providing actual cash disbursements in liquidation of obligations thus established. Such disbursements were to be made from cash advanced to the Commonwealth by the Commanding General under his prerogative of advancing cash to cover approved projects rather than in reimbursements for such expenditures made. This practice was initially adopted in view of funding inability of the Commonwealth. The status of the appropriation under Public Law No. 353, dated 17 December 1941, effective 1 July 1945, indicated a balance of approximately \$177,000,000.00. On 8 September 1945, a budget was computed by APPAC based upon the 1 July 1945 proposed 5 Division T O & E for the Philippine Army as follows:

1. Subsistence of the Army, Procurement of Supplies & Equipment	\$ 547,500.00
2. Barracks and Quarters	2,000,000.00
3. Welfare of Enlisted Men, Army	44,900.00
4. Pay of the Army	288,754,300.64
5. Travel of the Army	661,663.50
6. Expense of Court Martial	5,800.00
7. Finance Service	5,000.00
8. Claims of Military and Civilian Personnel of the Army, for property lost, etc.	158,979.00
9. Incidental expense of the Army	26,572.00

Finalization of the Appropriation, "Expenses of the Army, Philippines"

10. Printing and Binding	\$ 20,000.00
11. Army Transportation, Water, Rental of Boats	50,000.00
12. Claims	98,024,640.00
Total Fiscal Year 46	390,299,355.34

A complete detailed breakdown of the total pay of the Army

(\$288,754,300.84) is as follows:

Current Pay of the Philippine Army	\$ 44,389,607.57
Arrears in Pay of the Philippine Army	102,347,514.14
Arrears in Pay for Guerrilla Forces	127,871,560.14
Arrears in Pay of Deceased Personnel, Philippine	<u>14,145,618.99</u>
Total Pay of the Philippine Army	288,754,300.84

The aforementioned APPAC budget in the amount of \$390,299,355.34 resulted in the passing of Public Law No. 301, dated 18 February 1946, making \$200,000,000.00 available under the appropriation plus the \$177,000,000.00 balance as of 1 July 1945 indicated a total amount available under the appropriation to cover such budget in the amount of \$377,000,000.00.

Actual activity has resulted in the following:

(See Annex "A")

The indicated deficit in Annex "A" would appear to be the result of the guerrilla program which factor has provided for current pay in excess of the 5 Division T O & E and has likewise exceeded the esti-

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mate for back pay. This condition is further apparent in considering the fact that what is now indicated to be actual requirements for emergency currency (\$55,716,856.51) and claims (\$19,299,973.95) totaling \$75,016,830.46 are now \$23,007,809.54 less than the original AFPAC provision of \$98,024,640.00 for the two programs.

Reports from the Recovered Personnel Division, AG Section indicate that \$211,500,000.00 would be necessary to complete payment of Guerrilla Back Pay on the current basis and the amount necessary to complete such program in the event of back dating would not run in excess of 1% of this estimate in accordance with information furnished by Colonel Carnahan, Guerrilla Affairs Branch, Philippine Army Division, G-3 Section, resulting in a total for entire program in the amount of \$213,615,000.00.

Reports from the Claims Service, AFWESPAC, indicate that \$19,299,973.95 would be needed to cover completion of payment of claims arising incident to guerrilla activities.

A complete or final amount necessary for redemption of emergency currency, as per interim report of AFWESPAC Board of Officers investigating emergency currency, dated 14 June 1946, is \$55,716,856.51.

This particular appropriation ceases to remain available for obligation 30 June 1946, i.e., the close of the fiscal year 1946. This office has requested the War Department to advance the remaining

Finalization of the Appropriation, "Expenses of the Army, Philippines"

balance of \$195,381,778.00 to this command for obligation purposes prior to that date with indication of requirements as follows:

a. Claims incident to Guerrilla activities	\$ 19,299,973.95
b. Back Pay and emergency currency	<u>176,081,804.05</u>
Total	<u>\$195,381,778.00</u>

The above supplement to funds now available, this headquarters would provide a total amount available for further obligation in the amount of \$266,652,487.00 which would appear to be necessarily distributed as follows:

Emergency Currency	\$ 55,716,856.51
Claims	19,299,973.95
Back Pay	<u>213,635,656.54</u>
Total	\$288,652,487.00
Less	<u>266,652,487.00</u>
Back Pay Deficit	<u>\$ 21,999,999.99</u>

Radio WX 84484 from the War Department first queried appropriation as follows:

"It is necessary that your Headquarters submit an estimate by projects of the obligations already incurred and those to be incurred by the Philippine Army for activities approved by you for the Fiscal Year ending 30 June 1946".

Explanation is as follows:

Finalization of the Appropriation, "Expenses of the Army, Philippines"

"Cite CX 62063

Reurad WK 84484 Request suballocation of remaining balance under the appropriation Expenses, Army of the Philippines for obligation purposes prior to 30 June 46 under project accounts as follows: 108, \$1,483,575; 109, \$193; 110, \$72,374.90; 112, \$5,017,221.23; 113, \$133,941.82; 114, \$18,141.98; 119, \$22,194.97; 120, \$5,799.99; 122, \$1,523,925.94; 126, \$386; 216, \$10,608; 423, \$68.68; 317, \$124,291.83; 403, \$176,081,804.05; 404, \$15,246.98; 411, \$133,748.82; 464, \$140,117.81 total \$195,381,778 Detailed justification and further clarification follows in respect to project account 403 requirements which in general cover back pay and redemption of emergency notes, other project numbers cover claims arising incident to Guerrilla activities. Request that suballocation be made by appropriation only to permit flexibility of action in program finalization to be reported later".

(See Annex "B")

Information has been received to the effect that the heretofore mentioned APPAC budget was successfully processed on the basis that same constituted final requirements thus resulting in the Public Law No. 301 making \$200,000,000.00 available under the appropriation. This law does not specifically mention any of the aforementioned programs other than Philippine Army operation. In view of the above, it was the opinion at APPAC that the only legislative approval for

Finalization of the Appropriation, "Expenses of the Army, Philippines"

such programs was the restrictive amount within which conducting of same should remain.

In view of the above, information is requested as to whether or not the Commanding General under his personal delegation of Authority for Administration of the appropriation wishes to modify the present program to remain within the total amount available or request a deficiency appropriation. In the event of the latter attention is invited to the fact that Radio MI 84484 states that an officer of this command would very likely be necessary in Washington to assist in presentation of the deficiency estimate to Congress. Such an officer would of necessity appear to be the one in charge of the particular program which the Commanding General deems to be in excess. In view of the vast nature of some programs in addition to the fact that indicated requirements are only estimates of actual requirements, it would not appear advisable to recommend a deficiency appropriation at this time.

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LIQUIDATION OF THE APPROPRIATION, "DEFENSE, ARMY OF THE PHILIPPINES"

INTRIN REPORT

CASH IN CWD (FY 1946)	\$188,770,709.00	CASH ADVANCED PA (FY 1946)	\$117,500,000.00
CASH ADVANCED PA (FY 1946)	<u>117,500,000.00</u>	EXPENDITURES (class.) PA (Up to 30 April 1946)	<u>28,905,520.88</u>
CASH REMAINING CWD (Obligated prior 30 June 46)	<u>71,270,709.00</u>	CASH REMAINING PA (To liquidate obligations to close out FY 1946)	28,594,079.12
		*LESS TOTAL VOUCHER COL- LECTIONS (1 July 45 - 30 April 46)	335,411.38
		CASH REMAINING PA FOR UTI- LIZATION FOR OBLIGATIONS (1 May 46 - 30 June 46)	<u>28,258,667.74</u>

CASH ON HAND OFFICE OF THE FISCAL DIRECTOR (Obligated prior to 30 June 1946)	\$ 71,270,709.00
*CASH ON HAND PHILIPPINE ARMY (To be obligated for liquidation 1 May 1946 - 30 June 1946)	28,594,079.12
CASH ON HAND IN WASHINGTON (Obligated by wire this office)	<u>195,383,778.00</u>
TOTAL AMOUNT AVAILABLE FOR UTILIZATION (1 May 1946)	<u>295,248,566.12</u>
UNLIQUIDATED OBLIGATIONS (30 April 1946 - 30 June 1946)	28,594,079.12
ESTIMATED CLAIMS (To close out program)	19,299,975.95
ESTIMATED BACK PAY (To close out program)	213,635,000.00
ESTIMATED EMERGENCY CURRENCY (To close out program)	<u>55,726,856.53</u>
TOTAL UNLIQUIDATED OBLIGATIONS	317,225,909.58
LESS TOTAL AMOUNT FOR UTILIZATION	<u>295,248,566.12</u>
POSSIBLE DEFICIT	<u>21,977,343.46</u>

* Finance Service Philippine Army reports expenditures as gross, utilizing Voucher Collections as Cash on Hand hence, no reduction to expenditures in this statement, however, Finance Service Philippine Army has been instructed by this office that subsequent to 30 April 1946 Voucher Collections will not be used for further disbursement purposes and that such collections will be offset against balance of Cash on Hand as unliquidated obligations for proper disposition upon finalization of the account.

INTERNAL DEBT

CASH ADVANCED TO PHILIPPINE ARMY (Fiscal Year 1946)

CASH ON HAND IN OFFICE OF THE FISCAL DIRECTOR (Obligated prior to 30 June 1946)

CASH ON HAND IN WASHINGTON (Obligated by wire this office)

\$117,500,000.00

71,270,709.00

195,261,778.00

\$195,261,778.00

TOTAL AMOUNT IN APPROPRIATION FOR UTILIZATION (Fiscal Year 1946)

LIQUIDATED CLASSIFIED OBLIGATIONS PHILIPPINE ARMY 1 JULY 1945 - 30 APRIL 1946 WICKED DOWN BY PROJECT NUMBER	ESTIMATED CASH TO CLOSE OUT ENTIRE PROGRAM (FISCAL YEAR 1947)	ESTIMATED BACK PAY AND REDEMPTION OF DEBT CERTIFICATES TO CLOSE OUT ENTIRE PROGRAM
108 \$ 317,658.91	\$ 1,443,975.00	
109 36,934.83	195.00	
110 44,004.58	72,374.90	
112 822,022.02	5,017,321.23	
113 23,469.83	133,941.82	
114 2,937.19	18,141.98	
119 1,824.96	22,194.97	
120 2,467.88	5,789.99	
122 184,856.37	1,523,925.94	
126 138,146.95	386.00	
216 672,715.32	10,608,423.68	
218 961,431.83		
317 45,503.86	124,291.83	
402 25,268.17		
403 85,355,407.65		269,331,656.31
404 3,666.75	15,266.98	
405 499.61		
411 40,713.79	133,748.82	
423 2,936.63		
464 <u>23,253.75</u>	<u>140,117.81</u>	
TOTALS 948,905,920.88	\$19,299,973.95	\$269,331,656.31
		\$377,537,751.34
TOTAL VOUCHER COLLECTIONS (1 July 1945 - 30 April 1946)	\$ 31,667.41	
TOTAL FINES AND PENALTIES (1 July 1945 - 30 April 1946)	3,062.34	
TOTAL MISCELLANEOUS FINES (1 July 1945 - 30 April 1946)	133.37	
TOTAL NATIONAL LIFE INSURANCE PREMIUMS COLLECTED (1 July 1945 - 27 June 1946)	200,000.00	
TOTAL VOUCHER COLLECTIONS		335,611.38
TOTAL CASH ON HAND PHILIPPINE ARMY (To be used for obligations 1 May 46 - 30 June 46)	28,594,079.12	
LESS VOUCHER COLLECTIONS		<u>335,611.38</u>
TOTAL CASH ON HAND PHILIPPINE ARMY (Less Voucher Collections)		<u>28,258,467.74</u>
TOTAL LIQUIDATIONS AND OBLIGATIONS (To close entire program)		406,131,830.46
LESS AMOUNT AVAILABLE FOR UTILIZATION		<u>284,152,487.00</u>
POSSIBLE DEFICIT		<u>121,979,343.46</u>

JWF/etg
(48455)

Information Necessary to Complete "Finalization of Appropriation,
Expenses, Army of the Philippines"

18 July 1946

FROM: Chief, Accts & Budget Div. TO: Chief, Receipts & Disbursement Div.

1. In view of the fact that your Division is making the necessary queries in regards to "Finalization of the Appropriation, Expenses, Army of the Philippines", the following is brought to your attention for consideration as these items are reflected in the monthly reports on "Status of Sub Allocations" prepared by the Budget and Fiscal Branch of this division. Has the amount which the PA collected for National Life Insurance premiums been forwarded to the Veterans Administration in Washington, or has the amount been utilized over again by the PA? If the latter is the case, will the amount eventually have to be submitted to the Veterans Administration? If so, then the total amount of premiums collected will necessarily have to be considered unliquidated obligations from the appropriation "Expenses, Army of the Philippines".

2. Voucher Collections, collected by the PA have been utilized over again by the PA for various projects under appropriation "Expenses, Army of the Philippines", will this amount have to be reimbursed to the U.S.? If so, then this amount should also be considered as an unliquidated obligation from the appropriation "Expenses, Army of the Philippines".

3. Utilization of the above amounts over again in the appropriation "Expenses, Army of the Philippines", will increase the total appropriation by virtue of a "revolving fund" above the amount as defined by law, as set forth by the United States Congress. In consideration of the above, it is deemed by this office that the PA should reimburse these subject collections to the Veterans Administration and to the Treasury of the United States, inasmuch as all money being expended out of the appropriation, "Expenses, Army of the Philippines" is U. S. funds. Any refunding thereof should be returned to the original source.

-----J. B. FOOTER-----

GSTFA
111 (p)

JWF/fcv
48455

: Brochure on Finalisation Appropriation "Expenses,
Army of the Philippines" and Budget Therefor

FROM: Fiscal Director

TO: Director of Plans

26 June 1946

Forwarded herewith Brochure, subject: "Finalisation of Appropriation
"Expenses, Army of the Philippines", compiled in accordance with
instructions contained in paragraph 1r, Instructions, your office, subject:
"Information for the Commanding General", dated 14 June 1946.

/s/ C. B. LENCOW
/c/ C. B. Lencow
Colonel, FD
Fiscal Director

1 Incl: as stated above
(4 copies)

(2)

FROM: Dir of Plans

TO: Fiscal Director

LAD/fsu/W 452
9 July 1946

In as much as CINCPAC and the War Dept have been fully advised
as to the status of the appropriation "Expenses, Army of the Philippines"
and recommendation has been made that no deficiency appropriation be
formulated pending further progress in the determination of obligations
to meet guerrilla back-pay and redemption of emergency currency, and in
as much as the Deputy Commander & Chief of Staff was furnished an infor-
mation copy of radiogram S 41490 GSTFA covering the foregoing, it was
not considered advisable to include the inclosed item in the brochure
for the Commanding General to take to Washington.

1 Incl: n/e

LEE AD DENSON
Colonel, GSC
Dir of Plans

JUL 10 1946

OSTA
III (9)

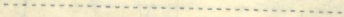
1945/10/20
1945/10/20
: Bureau on Investigation "Espionage"
Bureau of the Philippines" and Major Director

FROM: Special Director
TO: Director of Plans
26 June 1946

Forwarded herewith herewith Bureau's subject: "Investigation of Espionage"
"Espionage, Army of the Philippines," compiled in accordance with
instructions contained in paragraph 11, instructions, your office, subject
"Information for the Commanding General," dated 14 June 1946.

1946/6/26
1946/6/26
Colonel, PD
Special Director

1 copy as stated above
(1 copy)



1946/6/26
9 July 1946

(2)
DIRECTOR OF PLANS

In as much as DIRECTOR and the War Dept have been fully advised
as to the status of the organization "Espionage, Army of the Philippines"
and recommendations have been made that no additional investigation be
conducted further progress in the determination of whether
to most possible best-day and reduction of espionage activity, and in
as much as the Special Committee & Chief of Staff was provided an inter-
national copy of reference O-1946 OSTA covering the foregoing, it was
not considered advisable to include the enclosed item in the document
for the Commanding General to take to Washington.

1946/6/26
Colonel, PD
Dir of Plans



1 copy w/c

FINALIZATION OF "EXPENSE OF THE ARMY, PHILIPPINES"

Following is an explanation as to where the figures used in Annex "A" were obtained and how totals were computed.

1. Expenditure breakdown by projects was derived from a report from HPA, (Exhibit 1), showing breakdown by Projects covering period 1 July 1946 to 30 April 1946.
2. Breakdown of Claims by various projects was derived from report, (Exhibit 2), from Claims Service, AFRESFAC, covering period 1 Sept 1945 (Start of Program date) to 25 April 1946.
3. Total paid for Back Pay, for period 1 July 1945 to 31 May 1946, was derived from report of actual number and amount paid, (Exhibit 3), furnished by HPA.
4. Balance of PA obligations (unclassified) was computed by subtracting total Expenditures (\$88,905,920.88) from cash Advanced (\$117,500,000.00) which left a remaining total of \$28,594,079.12. HPA stated that this amount would be estimated to cover expenditures of all projects up to 30 June 1946 (close of FY 1946). (inclusive of Back Pay and Claims)
5. Total requirements to close out Back Pay Program was computed by Lt Black, Recovered Personnel Division, AG Section (Exhibit 4), result of this computation showed average pay per man as \$470. Total number to be recognized was estimated by Colonel Shaftoe, Guerrilla Affairs Section, Philippine Army Section, G-3, which was that there would be 350,000 Guerrillas and 100,000 USAFFE personnel recognized, total 450,000. This total was multiplied by the \$470. (Average pay per man, which resulted in a total estimated requirement of \$211,500,000.00.) Colonel Carnahan of Guerrilla Affairs Section, Philippine Army Division, G-3, estimated that one percent (1%) of this total would be required for back dating, this resulted in a grand total for entire Back Pay Program in the amount of \$217,615,000.00. Check sheets, from this office requesting confirmation of the above, were left at RPD and the Guerrilla Affairs Section, to be returned to this office thru channels. These Check Sheets arrived after final computation and Finalization of Expenses, Army, Philippines. Changes in previous verbal estimate from R.P.D. and reply to Check Sheet submitted by that office (Exhibit 5) resulted in an estimate per man from original estimate of \$470 to estimated \$586.52. Reply to Check Sheet from Guerrilla Affairs Section resulted in a change from original estimate of 450,000 to be recognized to an estimated 341,000, (Exhibit 6). These variations did not change the result of original estimates which is proven as follows:

FINALIZATION OF "EXPENSE OF THE ARMY, PHILIPPINES"

Following is an explanation as to where the figures used in Annex "A" were obtained and how totals were computed.

1. Expenditure breakdown by projects was derived from a report from HPA, (Exhibit 1), showing breakdown by Projects covering period 1 July 1946 to 30 April 1946.

2. Breakdown of Claims by various projects was derived from report, (Exhibit 2), from Claims Service, AFWESPAC, covering period 1 Sept 1945 (Start of Program date) to 25 April 1946.

3. Total paid for Back Pay, for period 1 July 1945 to 31 May 1946, was derived from report of actual number and amount paid, (Exhibit 3), furnished by HPA.

4. Balance of PA obligations (unclassified) was computed by subtracting total Expenditures (\$88,905,920.88) from cash Advanced (\$117,500,000.00) which left a remaining total of \$28,594,079.12. HPA stated that this amount would be estimated to cover expenditures of all projects up to 30 June 1946 (close of FY 1946). (inclusive of Back Pay and Claims)

5. Total requirements to close out Back Pay Program was computed by Lt Black, Recovered Personnel Division, AG Section (Exhibit 4), result of this computation showed average pay per man as \$470. Total number to be recognized was estimated by Colonel Shaftoe, Guerrilla Affairs Section, Philippine Army Section, G-3, which was that there would be 390,000 Guerrillas and 100,000 USAFFE personnel recognized, total 490,000. This total was multiplied by the \$470. (Average pay per man, which resulted in a total estimated requirement of \$231,500,000.00.) Colonel Carnahan of Guerrilla Affairs Section, Philippine Army Division, G-3, estimated that one percent (1%) of this total would be required for back dating, this resulted in a grand total for entire Back Pay Program in the amount of \$217,615,000.00. Check sheets, from this office requesting confirmation of the above, were left at RPD and the Guerrilla Affairs Section, to be returned to this office thru channels. These Check Sheets arrived after final computation and Finalization of Expenses, Army, Philippines. Changes in previous verbal estimate from R.P.D. and reply to Check Sheet submitted by that office (Exhibit 5) resulted in an estimate per man from original estimate of \$470 to estimated \$586.52. Reply to Check Sheet from Guerrilla Affairs Section resulted in a change from original estimate of 490,000 to be recognized to a estimated 341,000, (Exhibit 6). These variations did not change the result of original estimates which is proven as follows:

FINALIZATION OF "EXPENSE OF THE ARMY, PHILIPPINES"

Original estimate Guerrilla Affairs Section	450,000
Original estimate R P D	<u>8470</u>
	31,500,000
	<u>1,800,000</u>
Total	\$21,500,000
Plus 1% for Back Dating	<u>2,115,000</u>
Total to close program	\$23,615,000
Revised estimate Guerrilla Affairs Section	341,000
Revised estimate R P D	<u>8586.52</u>
	682000
	1705000
	2046000
	2728000
	<u>1705000</u>
	\$200,003,320.00
Plus 1% for Back Dating	<u>2,000,000.20</u>
Revised estimate to close program	\$202,003,320.20

The above further indicates and justifies that no deficiency legislation should be considered at this time.

6. Estimated total requirement for redemption of emergency currency (\$55,716,856.51) was furnished by Captain Vikander as a result of the interim report of AFWESPAC Board of Officers investigating this program.

7. Estimated claims by project number to close entire program, (Exhibit 2), was submitted by Claims Service Division, AFWESPAC.

8. Total liquidations and obligations (\$406,131,830.46) is grand total of above.

9. Cash advanced (obligated in Washington by report from this office) \$117,500,000.00 is total cash advanced to HPA, during Fiscal Year 1946.

10. Cash in OPD (\$71,270,709.00) (to be obligated prior to 30 June 1946 by FA) is amount in this office to be yet advanced to HPA.

11. Cash in Washington (\$195,381,778.00) (requested for obligation) is amount still in appropriation which will be sent to OPD for use by FA for unliquidated obligations.

FINALIZATION OF "EXPENSE OF THE ARMY, PHILIPPINES"

12. Total (\$384,152,487.00) (amount available for utilization) is amount remaining for unliquidated obligations, PA.
13. Total liquidations and obligations (\$406,131,830.46) is amount expended and estimated to Close out all program, PA.
14. Less amount available for utilization (\$384,152,487.00).
15. Possible deficit (\$21,979,343.46).
16. Inasmuch as amounts estimated are not final requirements, taking into consideration that final requirements which will be factual at a later date will probably mean cancellation of some obligations, it is deemed advisable not to consider a deficiency Bill at this time, inasmuch as future progress in closing out and finalizing all programs "Expenses, Army of the Philippines" will justify the fact that there will be no necessity for a deficiency.

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883078

COMMONWEALTH OF THE PHILIPPINES
ARMY HEADQUARTERS
OFFICE OF THE AUDITOR
AFO 75

Exhibit 1

EXPENDITURES OF THE ARMY OF THE PHILIPPINES UNDER THE
PROJECT ACCOUNTS FOR THE PERIOD STARTING 1 JULY TO 30 APRIL 1946

ACCOUNTS	AMOUNT	
	Symbol :	AMOUNT
1. Subsistence of the Army; Procurement of Supplies & Equipment.	: 108	: ₱ 366,335.29
2. Regular Supplies of the Army, Procurement of	: 109	: 77,834.67
3. Medical Supplies & Equipment, Procurement of	: 110	: 74,890.63
4. Army transportation-Motor, Procurement of Supplies & Equipment	: 112	: 734,631.61
5. Clothing & Equipage, Procurement of Supplies & Equipment.	: 113	: 23,061.60
6. Army transportation-Animal, Procurement of Supplies & Equipment	: 114	: 2,586.00
7. Signal Service of the Army, Procurement of Supplies & Equipment	: 119	: 3,649.93
8. Engineer Supplies & Equipment, Procurement of	: 120	: 912.74
9. Ordnance Supplies & Equipment, Procurement of	: 122	: 368,663.26
10. Army Air Forces, Procurement of Supplies & Equipment	: 126	: 69.85
11. Military Post, Construction of	: 216	: 1,745,360.68
12. Barracks and Quarters	: 317	: 91,007.71
13. Welfare of Enlisted Men	: 402	: 28,007.42
14. Pay of the Army	: 403	: 170,710,815.30
15. Travel of the Army	: 404	: 4,569.87
16. Expenses of Court-Martial	: 405	: 999.21
17. Incidental Expenses	: 411	: 57,184.52
18. Printing and Binding	: 425	: 5,873.27
19. Army Transportation-Water-Rental of Boats	: 464	: 21,110.00
Total Expenditures - - - - -		₱ 174,317,563.46

6666

CERTIFIED CORRECT:
3 May 1946

Isaac S. Eceta
ISAAC S. ECETA
Captain, FS
Chief, Accounts Division

24 (2)
 Exhibit 2

HEADQUARTERS
 CLAIMS SERVICE, AFWS&AC
 APO 707

30 April 1946

Schedule of Estimated Expenditures and Obligations of Philippine Army

Procurement Claims

F.A. Finance Project No.	Estimated Expenditures		Estimated Obligations	
	1 Sept. 1945 to 25 Apr. 1946		25 Apr. 1946 to 30 June 1946	
			Estimated Obligations	
			FY 1947	
108	\$ 134,491.31		\$ 248,633.07	\$ 1,483,975.00
109	17.49		32.34	193.00
110	6,559.27		12,126.08	72,374.90
112	454,706.21		840,611.94	5,017,221.23
113	12,139.03		22,441.33	133,941.82
114	1,644.19		3,039.60	18,141.98
119	2,011.51		3,718.66	22,194.97
120	524.74		970.09	5,789.99
122	138,112.03		255,326.66	1,523,925.94
126	34.98		64.67	386.00
216	961,431.83		1,777,391.76	10,608,423.68
317	11,264.46		20,824.51	124,291.83
404	1,381.82		2,554.56	15,246.98
411	12,121.53		22,408.99	133,748.82
464	12,698.75		23,476.08	140,117.81
TOTAL	\$ 1,749,139.15		\$ 3,233,620.34	\$ 19,299,973.95

Col. Marmon + Col. Phyllis

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Authority 883078



Ex 3
Exhibits

COMMONWEALTH OF THE PHILIPPINES
ARMY HEADQUARTERS
FINANCE SERVICE
APO 75

3 June 1946

MEMORANDUM for -
The Fiscal Director,
AFWESPAC, APO 707.

1. Pursuant to the verbal request of a Staff Sergeant of that section, this office is submitting herewith a report of the payments made in settlement of arrears in pay of Philippine Army personnel from 15 May to 31 Dec 1945, and from 1 Jan to 31 May 1946.

During the period ended 31 Dec 1945, 431 claimants were paid amounting to ₱3,092,811.99, while during the period from 1 Jan to 31 May 1946, 2,543 claimants were paid amounting to ₱6,783,054.51. In other words, 2,974 claimants amounting to ₱9,875,866.50 have been paid from 15 May 1945, to 31 May 1946. It should be noted, however, that out of the 2,974 claimants, 25 have been partially paid, pending the filing of their corresponding bonds, before any other payment could be effected to the corresponding heirs so that as of 31 May 1946, there is still an outstanding amount of ₱36,944.92 due heirs of these 25 deceased Philippine Army personnel.

2. As per your further verbal request, this office is submitting an estimate of the amount necessary, as well as the equipment, supplies, floor space and personnel required to close or to meet the payment of all arrears in pay of Philippine Army personnel. The estimate is based on the verbal information given by the Guerrilla Affairs Section, AFWESPAC, that there will not be more than 350,000 individuals who will be recognized as members of recognized guerrilla units in the Philippines, while the USAFFE personnel was estimated not to exceed 100,000, thus giving an approximate total of 450,000 Philippine Army personnel who will be entitled to their arrears in pay. The number of deceased and recovered Philippine Army personnel who have been actually paid is approximately 3,000 amounting to almost ₱10,000,000.00. Using these figures as the basis in estimating the monetary requirement to meet the back pay of all Philippine Army personnel, it will require approximately one billion, 500 million Philippine pesos to settle in full the arrears in pay of the 450,000 Philippine Army personnel. It

* Note: Subject to confirmation

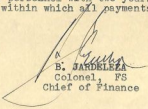
Memo to Fiscal Director, AFWESPAC, dtd 3 June 46, Cont'd.

should be understood, however, that of the payments already made to deceased and recovered Philippine Army personnel, the majority were not given the full pay, as they expected, in view of the present policy of the Recovered Personnel Division, AFWESPAC, so that necessary adjustments will have to be made if changes will be made in the present policy.

3. If the Arrears in Pay Section will continue its operation, the following facilities should be provided in order to carry out effectively the purpose for which it was created:

- a. There should be floor space of, more or less, 300 to 400 square meters;
- b. 10 officers with 20 EM and 30 civilian employees;
- c. 10 tables with 6 drawers and 10 revolving chairs;
- d. 50 folding tables, with 50 folding chairs;
- e. 2 checkwriters;
- f. 1 calculating machine and 5 adding machines;
- g. 10 steel filing cabinets with locks;
- h. 5 filing cabinets with 10 drawers;
- i. Transportation equipment;
- j. Telephone service;
- k. 1500 reams - 8 $\frac{1}{2}$ x 13 mimeograph paper;
- l. 200 " - 8 $\frac{1}{2}$ x 11 bond paper
- m. 500 boxes carbon papers & 500 boxes paper clips;
- n. 20 standard typewriters;
- o. 50 electric bulbs, and other minor supplies.

The foregoing requirements have been based on the 450,000 Philippine Army personnel with two years as the estimated period of time within which all payments will be completely made.


B. JARDELEZA
Colonel, FS
Chief of Finance

DECLASSIFIED
Authority 883078

COMMONWEALTH OF THE PHILIPPINES
ARMY HEADQUARTERS
FINANCE SERVICE
APO 501

31 Dec 1945

SUBJECT: Report of Paid Claims Covering "Arrears in
of PA Personnel from 15 May to 31 Dec. 1945.

TO : The Chief of Finance, HPA, APO 501

A - Deceased	- - -	125 . . .	₱ 278,818.89
B - Recovered	- - -	306 . . .	<u>2,813,993.10</u>
T O T A L			<u>₱3,092,811.99</u>

(SGD) D. S. MIRANDA
1st Lieut, FS
Chief Claims Div
Finance Service

Certified true copy:

JOSE L. TORRES
Major, FS
Chief Claims Division

PRIORITY CONFIDENTIAL

TOO 190159Z
RECD 19 APR 46 1630
FROM CINCPAC
TO CG AFWESPAC
CITE CX 60066

WLG/POM
AFWESPAC DIST
ACTION FIS OFF
FILE

WAR DEPT RADIO W 84484, 16 APR 46 IS TRANSMITTED FOR NECESSARY ACTION REMRAD CX 3319612 JANUARY 1946, DURAD W 94504, 24 JAN 46 AND BUDGET ESTIMATES SUBMITTED BY LETTER FOR 3RD QUARTER BY FISCAL OFFICER CG AFWESPAC, 14 FEB 46, EXPENSES, ARMY OF THE PHILIPPINES AS FOLLOWS: SUBSISTENCE OF THE ARMY, \$547,500.00: BARRACKS AND QUARTERS, \$2,000,000.00: WELFARE OF EM, \$44,900.00: PAY, \$287,113,475.00: EXPENSES COURT MARTIAL, \$5,800.00: CLAIMS \$231,655.00: INCIDENTAL EXPENSES, \$25,000: PRINTING AND BINDING, \$20,000: CLAIMS OF CIVILIANS FOR SUPPLIES FURNISHED QUERRILLA FORCES, \$98,240,640.00: FINANCE, \$500.00. ESTIMATE WAS PRESENTED TO THE WD IN OCTOBER BASED ON THEN EXISTING CONDITIONS AND POLICY YOUR HQS. WD HAS RECD NO CHANGE OF CONDITIONS OR POLICY. BASED ON OUR OCTOBER ESTIMATE CONGRESSIONAL COMMITTEES WERE TOLD THAT NO FURTHER REQUESTS FOR FUNDS WOULD BE MADE FOR EXPENSES, ARMY OF THE PHILIPPINES. TOTAL APPROVED WAS \$385,017,970.00. THE 3RD QUARTER ESTIMATE \$385,395,725.00 FROM AFWESPAC DOES NOT

PRIORITY CONFIDENTIAL
-2-

FROM: CINGAPPAC CITE: CX 60066 CONTD

INCLUDE \$98,024,640.00 SUBMITTED IN THE ORIGINAL ESTIMATE FOR THE PROPOSED REDEMPTION OF EMERGENCY CURRENCY AND FOR CLAIMS TO BE PAID FOR SUPPLIES FURNISHED GUERRILLA FORCES: FUNDS FOR BOTH OF THESE ITEMS SHOULD NECESSARILY BE INCLUDED. UNDER THE 3RD QUARTER ESTIMATE, PROPOSED EXPENDITURES WILL BE \$561,000,000.00 FOR THE FISCAL YEAR 1946, AN INCREASE OF \$173,000,000.00 OVER THE APPROVED AMOUNT. SUBTRACTING FROM THE REPORTED REQUIREMENTS OF \$561,000,000.00, THE ALLOCATING OF \$150,000,000.00 TO APPAC AND AN UNOBLIGATED BALANCE OF \$223,000,000.00 REMAINING ON THE BOOKS OF THE WD FOR THE BALANCE FISCAL YEAR 1946, THERE APPEARS A DEFICIENCY IN THE APPROPRIATION OF \$178,000,000.00. THE CURRENT STRENGTH OF THE PHILIPPINE ARMY FOR THE 3RD QUARTER, ACCORDING TO AFWESPAC, IS 283,234 OFFICERS AND EM FOR THE PURPOSES OF PAY AND 359,586 OFFICERS AND EM FOR ARREARS IN PAY TO DISCHARGED AND DECEASED PERSONNEL, ACCORDING TO APPAC RADIO CX 58697, 11 MARCH 46, 302,000 WAS THE ACCUMULATED TOTAL OF INDIVIDUALS ENTERING THE PHILIPPINE ARMY 28 JULY 1941 TO 28 FEB 1946, OF WHICH 100,000 WERE TO BE ON ACTIVE DUTY BY 1 MARCH 1946. PHASE 1 OF YOUR PLAN PROPOSING DEMOBILIZATION OF THE PHILIPPINE ARMY ANTICIPATED IN ENDING STRENGTH 31 DEC 1945 OF 92,241 OFFICERS AND EM: PHASE 2 ANTICIPATED AN ENDING STRENGTH 31 MARCH 1946 OF 45,719 OFFICERS AND EM. REFERENCE BASIC DATA FOR

PRIORITY CONFIDENTIAL

-3-

FROM: CINCPAC CITE: CX 60066 CONTD

CONGRESSIONAL COMMITTEE, HQS USAFWESPAW GAVE APPROXIMATE STRENGTH OF THE PHILIPPINE ARMY OF 200,000 OFFICERS AND EM AS OF 5 JAN 46. PLANNED RECEPTION WITH APPROXIMATE STRENGTH 31 MARCH 46 OF 47,000 AN APPROXIMATE STRENGTH 30 JUNE 46 OF 34,000 OFFICERS AND EM, WITH THE GREAT DEVIATION IN STRENGTHS AS REPORTED ABOVE, THE WD IS UNABLE TO JUSTIFY THE ACTUAL NEED FOR \$382,468,493.00 3RD QUARTER ESTIMATE FOR PAY AS AGAINST \$287,113,475.00 FISCAL YEAR 1946 ESTIMATE. UNDER THE 3RD QUARTER ESTIMATE, FUNDS ARE REQUESTED FOR PROJECTS WHICH WOULD NORMALLY BE SUPPLIED THROUGH US ARMY CHANNELS TO THE PHILIPPINE ARMY AND WOULD NOT BE A MATTER FOR LOCAL PROCUREMENT: TO CITE, "SUBSISTENCE OF ARMY" \$2,501,145.00 3RD QUARTER ESTIMATE, AGAINST \$547,500.00 FISCAL YEAR 1946 ESTIMATE: "WELFARE EM" \$1,209,175.00 AS AGAINST \$44,900.00, ETC YOUR COMMENT ON THIS PHASE IS REQUESTED. IN ORDER FOR THE WD TO END EVER TO CORRECT THE ACTUAL REQUIREMENTS OF THE APPROPRIATION "EXPENSES, ARMY OF THE PHILIPPINES", IT IS NECESSARY THAT YOUR HQS SUBMIT AN ESTIMATE BY PROJECTS OF THE OBLIGATIONS ALREADY INCURRED AND THOSE TO BE INCURRED BY THE PHILIPPINE ARMY FOR ACTIVITIES APPROVED BY YOU FOR THE FISCAL YEAR ENDING 30 JUNE 1946. THIS ESTIMATE IS DESIRED SOONEST. IN THIS CONNECTION IT APPEARS THAT ANY AMOUNT IN EXCESS OF THE APPROVED \$388,017,970.00 WOULD HAVE TO BE MADE THE SUBJECT OF A DEFICIENCY BILL, THE SUCCESSFUL

PRIORITY CONFIDENTIAL

-4-

FROM: CINCAFPAC CITE: CX 60066 CONTD

PROCESSING OF WHICH THROUGH CONGRESS IS SUBJECT TO MANY CONSIDERATIONS AND WOULD PROBABLY REQUIRE AN OFFICER FROM YOUR COMD TO SUPPORT BEFORE THE APPROPRIATION COMMITTEES. THIS ESTIMATE SHOULD BE VIEW ON FIRM BACKGROUND AND SHOULD BE THOROUGHLY SCREENED TO ASSURE THAT ACCURATE STRENGTH FIGURES ARE BASED AND THAT THE SUBJECTS ARE APPROVED BY YOUR HQS. AMPLE JUSTIFICATION SHOULD BE NOTED FOR EACH ITEM. NEW SUBJECT: IT IS UNDERSTOOD THAT RECOGNITION OF CERTAIN GUERRILLA ORGANIZATIONS WILL BE WITHDRAWN AFTER FURTHER INVESTIGATION. WILL THEIR NBR BE SUFFICIENT TO CAUSE ANY CONSIDERABLE REDUCTION IN THE AMOUNT OF FUNDS REQUIRED QUERY IT IS UNDERSTOOD THAT CERTAIN PHILIPPINE ARMY FINANCE OFFICERS IN MINDANAO ARE REDEMING LOCAL EMERGENCY CURRENCY WITH VICTORY PESOS PROVIDED THEM FROM THE APPROPRIATION, "EXPENSES, ARMY OF THE PHILIPPINES". (INFORMATION IS DESIRED AS TO WHAT IS ACTUALLY BEING DONE IN THIS ARMY) IT IS DESIRED YOU MAKE REPORT DIRECT TO WAR DEPT WITH INFORMATION COPY TO CINCAFPAC

"TRANSMISSION OF PLAIN TEXT
OF THIS MESSAGE AS CORRESPONDENCE OF
THE SAME CLASSIFICATION IS AUTHORIZED"

PRIORITY CONFIDENTIAL
(INCOMING)

DECLASSIFIED
Authority 883078

A N N E X

DECLASSIFIED
Authority

PRIORITY CONFIDENTIAL

FROM: CG AFWESPAC SGT STYER
TO : CINCPAC ATTN FISCAL DIRECTOR
NR : 3 GTFE

Reurad CX 60066 in retransmission of War Department Radio W 84484, Radio WARK 90038 from WAR to Commanding General, AFWESPAC and your radio CX 62063 to WARBUD interim report follows for transmission to WARBUD:

I. Reurad W 84484 basic reasons variations between October and third quarter estimates due to computation October estimate on basis of 1 July 1945 five division anticipated TO & E for Philippine Army, whereas third quarter requirements based upon estimate actual strength of Philippine Army as of the close of second quarter. It should be noted that such strength figures also included recognized Guerrilla units also on active duty which would be over and above the Philippine Army TO & E utilized in October computation by AFPAC. Strengths indicated in Radio CX 58697, 11 March 1946 were as of 28 February 1946. Policy established by CINCPAC on Guerrilla recognition had not been changed. Same general requirements for recognition followed by that Headquarters have been used as guide continuously by the Commanding General, AFWESPAC. No record is available to this headquarters indicating no further funds would be requested under "Expenses, Army of the Philippines", subsequent to October estimate. In respect to appropriation variations, Subsistence of the Army - \$547,500.00 computed on basis of Military Police Command only as indicated by copy of October estimate

on file this headquarters. Third quarter requirements based upon full estimated strength of Philippine Army as indicated in detailed justification. "Subsistence of the Army" requirements are chiefly for purchase of perishables due to reduced amounts of perishables available to United States Army units, issues of which have not been generally made to Philippine Army resulting in necessity for local procurement. "Welfare of Enlisted Men" - \$1,209,175.00, increase commensurate with excess of strength figure over that utilized in October estimate. "Pay of the Army" - Attention is invited to the fact that original October estimate includes \$286,754,300.84 vs. \$287,113,475.00 as cited in your radio W 84484. Original cost estimate for second, third, and fourth quarters, fiscal year 1946 included the amount of \$44,389,607.57 for current pay based on TO & E strength as of 1 July 1945 of 62,310 contemplated as five-division strength of the Philippine Army. The third quarter budget estimate for current pay in the amount of \$45,671,214.00 was based upon total strength of 283,234 personnel estimated to actually be on active duty with the Philippine Army as of 31 December as indicated in justification of third quarter budget on file your office. It is pointed out that the strength figure of 200,000 was submitted later in demobilization program that is, the budget figure was determined considerably in advance of strength report referred to in Radio 56697. Consequently, that was the best available figure at that time. In view of the above, it is apparent that October estimate prepared by AFPAC covered only one-third of actual current pay requirements of later Philippine Army strength as same did not apparently include provision for active duty of recognized Guerrilla

units prior to deactivation. The balance of the "Pay of the Army" requirements constitutes the back pay program which at computation of October estimate was in no manner accurately ascertainable and which was later necessarily modified as indicated in detailed narrative justification supporting the third quarter budget estimate. In respect to item \$98,204,640.00 indicated in Radio W84484 as originally included in October estimate for the proposed redemption of emergency currency and claims for supplies furnished Guerrilla forces, copy October estimate indicates such amount requested only for supplies furnished Guerrilla forces operating in the Philippines during the period of Japanese occupation and does not include any reference to redemption of emergency currency. Attention is invited to par. 3, basic letter transmitting third quarter budget, dated 16 January, signed Jalandoni, which stated as follows:

"Attention is invited to the fact that in view of the absence of any directive regarding definite policy to be followed with regards to the redemption of Guerrilla emergency notes issued by various Guerrilla organization in the Philippines before the liberation, no amount is recommended for that purpose although it is believed that proper steps should be taken in that direction."

Since receipt of your Radio W 84484, this headquarters in receipt of your Radio W85012, covering instructions that subject and necessary action taken (See Part II below). Assumed expenditure computation derived as follows:

\$75,000,000.00 allocated first and second quarters, \$388,395,725.00 third quarter budget (includes \$336,797,279 non-current item for back pay program) plus your recommended figure of \$98,024,640.00 emergency notes and supplies totaling \$561,420,365.00. In respect to cited AFPAC allocation of \$150,000,000, attention is invited to your Radio W 22862, 27 June 1945 allocating \$75,000,000.00 also 90226, 26 Dec 45 96891, 11 Feb 1946 allocating \$85,335,000.00 indicating total allocation for fiscal year 1946 of \$160,335,000.00. In respect to appropriation balance, your Radio W 84494 amount \$223,000,000.00 for fiscal year 1946, attention is invited to your Radio W 228602, 27 June, stating balance open fiscal year 1946 to be \$177,000,000.00 plus \$200,000,000.00 Public Law 301 less \$160,335,000.00 allocated through third quarter indicates balance of \$216,665,000.00. Request clarification.

In reference to deficiency requirements, see Part II below. In relation to new subject, it is not contemplated that recognition of Guerrilla units will be withdrawn. The number of Guerrilla recognitions that possibly may be withdrawn will not be sufficient cause of any considerable modification of funds required. In respect to alleged redemption of emergency currency with victory pesos by Philippine Army Disbursing Officers, full investigation is being conducted. You will be advised.

II. With regards to our Radio BX 40777 GSTFA from Commanding General, AFRESPEC to WARMUD, recognition of Philippine Army requirements follows. Internal procedure utilized establishes certain U. S. Army offices for determination of obligations to be incurred under projects approved per authority Public 353 with establishment of Finance Service,

Philippine Army for liquidation of such obligations under Executive Order 9011 using cash advanced by Commanding General, USAFFE under project account A03 in a manner comparable to U. S. Army Account of Advances procedure. Obligor offices are as follows: Recovered Personnel Division, AG Section and Guerrilla Affairs Branch, Philippine Army Division, G-3, AFWESPAC determine Guerrilla back pay requirements; Claims Service, AFWESPAC determine requirements for claims arising incident to Guerrilla activities; Trigger Board, AFWESPAC determines requirements incident to redemption of emergency notes; Philippine Army Division, G-3, AFWESPAC and AG, Philippine Army determine current pay requirements. Attention is invited to the fact that only apparent obligations on record WARBUD are cash advances for liquidation purposes June 1946 report Status of Sub-Allocation for "Expenses, Army of the Philippines" will include obligations for first time in full utilization of appropriation balance on assumption balance wire be advanced per request in CINCPAC Radio CX 62063. Above procedure established by APPAC later transferred to Commanding General, AFWESPAC.

Requirements as follows are in tabular form (See Annex "A").

III. Comments and recommendations: the balance of \$28,594,079.12 unclassified Cash on Hand PA Finance Service consists in part of \$23,500,000 cash in bank, this date not as yet advanced to disbursing officers of the Philippine Army, but may be required in liquidation of June 1946 obligations; however, Chief, Finance Service, Philippine Army states no intention requesting further cash advances prior to 30 June 1946, so this amount best presently and tentatively considered as amount required

to finalize Philippine Army operation requirements. In respect to back pay requirements, any deficit would appear to be as a result of this particular activity as the primary factor responsible for strength fluctuation from the originally contemplated five-division strength. Emergency currency estimate explained in interim report of Crigger Board presently en route to Washington from AFPAC by courier. Claims Service recommends indicated amount for claims as being ample to cover program. It should be noted that the emergency currency and claims requirements of \$55,716,856.51 and \$21,049,113.10 respectively, totaling \$76,765,969.61 are well within the original AFPAC estimate of \$96,000,000.00 for these two requirements, thus leaving the strength fluctuation factor created by Guerrilla program as the explanation of any excess. In view of the vast scope of the internal program involved together with the fact that major requirements are of the estimate nature, it would not appear advisable to recommend an appropriation deficiency estimate at this time as final settlement with the Philippine Army, and possible disapproval of claims by Claims Service and Recovered Personnel Division, AFWESPAC may result in reduced requirements.

PRIORITY

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HEADQUARTERS AFWESPAC
CHECK SHEET

Do Not Remove From Attached Sheets

JWP/AG
AGAS

File No. CGTFA Subject: Cost of Operation, Phil Army Branch, Recovered Personnel Division, AG Section.

FROM: Fiscal Director

TO : AG
ATL: RFD

7 June 1946

It is requested that this office be furnished an estimate of funds required for payment of civilian personnel of the Philippine Army Branch, Recovered Personnel Division, AG Section, for the duration of the existence of such unit as such amount must be indicated to Congress for consideration in a deficiency estimate. Requirements thus far furnished this office cover only the Fiscal Year 1947. It is requested that such information be furnished at the earliest practicable moment to facilitate reply to radiogram on file this office.


G. B. LEWIS
Colonel, PG...
Fiscal Director

(2) FROM: Rec Pers Div

TO: Fiscal Director,
AFWESPAC
THRU: AG

CME/ret
DATE: 8 June 1946

1. Attached herewith is copy of estimate submitted 31 May 46 relative to monthly budget requirements for civilian personnel servicing PA Branch, Project "A" Branch, and Hq Comd of this division.

2. It is estimated that the figures contained on attached sheet relative to PA Branch will be the amount necessary to cover the needs of this division for the duration of the existence of the unit, which is estimated to be 1 July 1947.


CLIFTON M. HAHN
Lt Col AGD
Asst Dir, Rec Pers Div

1 Incl: C/W GSERP 230 dtd 31 May 46

(3) FROM: AG

TO: Fiscal Director

10 June 1946

Attention is invited to CN #2, above.


----- W. P. MOORE, Lt Col, AGD, Asst AG -----

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Authority 883078



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Authority

JWF/fo
AE455

mf

GSTFA : Cost of Operation, Phil Army Branch, Recovered Personnel Division,
AG Section.

FROM: Fiscal Director

TO : AG
ATTN: RPD

7 June 1946

It is requested that this office be furnished an estimate of funds required for payment of civilian personnel of the Philippine Army Branch, Recovered Personnel Division, AG Section, for the duration of the existence of such unit as such amount must be indicated to Congress for consideration in a deficiency estimate. Requirements thus far furnished this office cover only the Fiscal Year 1947. It is requested that such information be furnished at the earliest practicable moment to facilitate reply to radiogram on file this office.

C. B. LENOW
Colonel, FD.D.
Fiscal Director

Receipt - Budget Div.
FILE

8 June 46.

FISCAL OFFICE

TO: ~~ASST AD-CONT~~
^{making}

Accts & Budget Sect.

The information you came out here
for yesterday, has been forwarded to
your office, THRU the A.C. -

However, the estimated date of
the closing out of R.P.D., was ~~set~~ set
at 1 July 1949. -

Wm. F. Gould
Asst. Dir.

67591, Ext 1.

HEADQUARTERS AFWESPAC
CHECK SHEET

Do Not Remove From Attached Sheets

OSIRP 250
File No. Subject Estimates of Civilian Personnel Requirements

1 June 1946

(2) FROM: AG

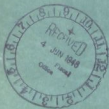
TO: Office Fiscal Director
Attn: Major Foster

1. Inclosed is report on number of civilians required in Recovered Personnel Division after 1 July 1946 per your request.

William W. Kelly
WILLIAM W. KELLY
Major, GAO

Incl: As indicated

DECLASSIFIED
Authority 883078



DECLASSIFIED
Authority

AG-Control
 5768

HEADQUARTERS AFTRISPAC
 Check Sheet

Do not remove from attached sheet.

File No. GSEXP 230 Subject: Estimates of Civilian Personnel Requirements

CHM/fet

(4) FROM: Dir, Rec Pers Div TO: Office of the DATE: 31 May 46
 Fiscal Director,
 Attn: Major Foster
 THRU: AG

1. Reference telephone request, Major Foster, Office of the Fiscal Director, on estimate of civilians for Recovered Personnel Division on and after 1 July 1946, the following information is submitted:

a. It is estimated that there will be 700 civilian personnel working with Recovered Personnel Division after 1 July 1946. Of these 530 will be administrative personnel and 170 to be on hourly wage. Of the above, 116 will be servicing AUS personnel (Project "J" Branch) and 584 will be servicing PA functions of this division.

b. It is estimated that the monthly payrolls for civilian personnel will be \$80,000 for an indefinite period after 1 July. \$56,000 for the administrative personnel and \$24,000 to be for workers on an hourly wage scale. \$12,450 is to be used to pay civilian personnel servicing AUS personnel (Project "J" Branch) and the remainder \$67,550 to be used in servicing PA functions.

c. A recapitulation of the above for a one year period would involve a total of \$960,000 for payment to civilian personnel. \$149,400 to be used for AUS (Project "J" Branch) personnel and the remainder \$810,600 to be used for the PA function.

d. Recapitulation:

	NUMBER OF PERSONNEL		
	Salaried	Hourly	Total
Project "J" Branch	116	0	116
PA Branch	391	0	391
Hq Comdt	23	170	193
Total	530	170	700

	AMOUNT PER MONTH		
	Salaried	Hourly	Total
Project "J" Branch	\$12,450	0	\$12,450
PA Branch	40,950	0	40,950
Hq Comdt	2,600	\$24,000	26,600
Total	\$56,000	\$24,000	\$80,000

Clifton M. Hawn
 CLIFTON M. HAWN
 Lt Col AGD
 Asst Dir, Rec Pers Div

COMMONWEALTH OF THE PHILIPPINES
 ARMY HEADQUARTERS
 OFFICE OF THE AUDITOR
 APO 75

4 June 1946

CIVILIAN PERSONNEL
Fiscal 1946

<u>MONTH</u>	<u>No. of Employees</u>	<u>Amount Paid</u>
June		
July		
August	2	₱ 220.00
September	19	1,440.00
October	132	9,581.60
November	151	10,644.12
December	210	16,197.16
January	251	22,352.08
February	347	31,056.82
March	355	33,204.42
April	532	53,625.00
May	730	78,204.24
June	<u>720</u> <i>EST.</i>	<u>77,000.00</u>
		<u>₱ 353,525.44</u>

Actual Expenditures for Salaries of Civilian Personnel for the Fiscal Year 1946 with the exception of June which is an estimate.

Note: Figures were taken from payrolls on file with the Civilian Personnel Division, Office of the Adjutant General, HPA.

SUBMITTED BY:

[Signature]
 PROCEPO E. SAMARTE
 R/Mgt. Office of the Auditor
 Accounts Division, HPA.

		<u>Monthly Salary</u>
Chief Clerk	1	\$263.93
Supervisors	4	\$200.00
Clerks	10	\$121.30
Clerk-Typists	40	\$121.33
Typists	10	\$107.47
Auditors	42	\$322.40
Stenographers	3	\$162.93
Chief Accountants	2	\$322.40
Accountant	<u>18</u>	\$214.93
	130	

Total yearly salary	\$320,965.92
	\$160,482.96
Plus 2% overtime raiser, etc.	<u>3,209.66</u>
Total	\$163,692.62
Request	\$175,000.00

audit
 //

87 civilians Expense
PA
\$11,500

\$5,750 per month

Will function until RRD
effies

45,000 Deced Claims
unliquidated obligations

100,000 Living Claims

have 6549 Deced Claims
since Feb. 1946
200 approx. premiums

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Authority 883078

7
1
1
Maj. Amels: This seems
to involve Claus and Res.
Pursuant as well as Insman
and Pierce. Don't you think
it should be discussed
with G-3 (P.) Sect.?

OPV

DECLASSIFIED

Authority

COMMONWEALTH OF THE PHILIPPINES
ARMY HEADQUARTERS
APO 75

31 May 1946

SUBJECT: Personnel and Appropriation

TO : Fiscal Director, AFWESPAC,
APO 707

1. Per arrangement had between the Recovered Personnel Division, AFWESPAC, and this Headquarters, the personnel of the AG-Insurance Division has been increased early in January 1946, so as to meet its requirements to process at least 1,500 claims for arrears in pay daily. With the exception of only 25 claims which are being held in abeyance pending receipt of the date of birth of those concerned, this Division has, as of this date, already processed 71,673 claims. It is estimated that it will take as long as six (6) more months until all claims for arrears in pay shall have been acted upon by the AG-Insurance Division.

2. Due to the retrenchment policy of this Headquarters and requests for reversion, the personnel of the AG-Insurance Division at this writing are as follows:

- 6 - Officers covered by T/O
- 5 - Officers on TDY, one of whom is still under hospitalization due to injuries sustained in the line of duty.
- 11 - Enlisted men (7 are covered by T/O requested for reversion to inactive status).
- 83 - Civilians
- 106 - TOTAL

Whereas it had 184 employees in January 1946, it now has only 106 who are actually working in the AG-Insurance Division. However, by 1 June 1946, all TDY's will be demobilized and the officer-personnel will be reduced to its minimum of only six (6) as per Table of Organization.

DECLASSIFIED

Authority 883078

3. So as not to hamper its work in the dispensation of claims for arrears in pay, request that its appropriation be extended for another six (6) months beginning 1 July 1946, or, until such time as claims for arrears in pay which have to be processed by the AG-Insurance Division be continued. Request further that this Division be given blanket authority to adjust its needs in civilian personnel as the efficiency of the service shall so require.

FOR THE CHIEF OF STAFF:

Geronimo T. Suva

GERONIMO T. SUVA
Lt-Colonel, AGS
Asst Adjutant General

DECLASSIFIED

Authority

LABOR ESTIMATE FOR PA PROJECTS

in addition to the 1st

1. EPA - - - - - \$388,587.00
2. General Depot - - - - - \$492,400.00
3. Military District Project -

DISTRICT	ESTIMATED COST OF LABOR				TOTAL
	HQ	HOSP	DEPOT		
1st	\$ 15,128	\$ 17,722	\$ 31,087	\$	\$ 83,937.00
2nd	15,128	17,722	27,279		60,129.00
3rd	15,128	17,722	133,933		166,833.00
4th	15,128	17,722	59,571		92,421.00
5th	15,128	17,722	117,307		150,157.00
6th	15,128	17,722	21,663		54,513.00
7th	15,128	17,722	15,047		48,897.00
8th	15,128	17,722	19,855		52,705.00
9th	15,128	17,722	19,855		52,705.00
10th	15,128	17,722	124,155		157,005.00
	\$151,280	\$ 177,220	\$ 570,802	\$	\$ 899,302.00

These estimates are based on typical plan and on Manila prices.

47991-2-6
 (701) 4
 Col Jones
 4/15/66

40 (8)

5 May 1946
27-9

STATEMENT OF PROPOSED TRANSFER OF FUNDS REQUESTED BY
 THE PHILIPPINE ARMY

FROM		TO	
Project No.:	Amount	Project No.:	Amount
108	\$ 50,000.00	216	\$ 58,193.95
109	13,000.00	218	100,000.00
113	13,000.00	218	27,806.05
402	100,000.00	317	50,000.00
404	50,000.00		
TOTAL	\$ 236,000.00	TOTAL	\$ 236,000.00

58,194
27,806

CERTIFIED CORRECT:

[Signature]
 1st Lt. Col. FS
 Executive Officer
 Budget Office, P.A.

26 April 1946

108 - 58,193.95 *216 58,193.95*
108 - 1,806.05 *218 1,806.05*
109 - 13,000.00 *218 13,000.00*
113 - 13,000.00 *218 13,000.00*
402 - 100,000.00 *216 100,000.00*
404 - 50,000.00 *317 - 50,000.00*

\$ 236,000.00 *\$ 236,000.00*

27806

HEADQUARTERS AFWES, AC

CHECK SHEET

JH/rau
(48455)

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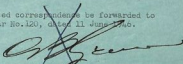
File No. 111 (P) Subject: Deductions for National Service Life Insurance Premiums
to Republic of the Philippines, Army Headquarters.

FROM: Fiscal Director

TO: AG

17 July 1946

It is requested that the inclosed correspondence be forwarded to
Philippine Army as provided in Circular No. 120, dated 11 June 1946.



C. B. LENO
Colonel, FD
Fiscal Director.

Incl: As stated above.

*Maj. Foster - These monies are being held by
Maj. Moran - They do not know what disposition
to make. - I have already written to SSA
wanting to know if they received payment from
any other agency -*

*The auditor has only abstracted from vouchers
about 1/2 of premiums reported collected by IO's
soon as a total is arrived at we will be able
to transfer*

(90)

DECLASSIFIED

Authority 883078

HEADQUARTERS
UNITED STATES ARMY FORCES WESTERN PACIFIC

AFO 707

SUBJECT: Deductions for National Service Life Insurance Premiums
to Republic of the Philippines, Army Headquarters.

THRU : Ambassador, United States of America, Manila.

TO : Secretary of National Defense, Republic of the Philippines
(Attn: Chief, Finance Service, Philippine Army)

Information is desired as to disposition being made of collections from pay of Philippine Army under the Commonwealth of the Philippines prior to 30 June 1946 for National Service Life Insurance Premiums. This information is desired at the soonest possible date to facilitate finalization of the Philippine Army operating fund portion of the appropriation, "Expenses, Army of the Philippines".

J. G. CHRISTIANSEN
Major General, USA
Commanding

DECLASSIFIED

COMMONWEALTH OF THE PHILIPPINES
 ARMY HEADQUARTERS
 APO 75

29 June 1946

SUBJECT: Class "N" Deductions

TO : Fiscal Director, AFWESPAC
 APO 707

As per Abstracts of Class "N" Allotments submitted to this office by Disbursing Officers, hereunder is a partial list of insurance premiums deducted from the pay of insured personnel of the Philippine Army as of June 27, 1946:

<u>DISBURSING OFFICERS</u>	<u>AMOUNT</u>
1. T. T. Asuncion	P 1,220.91
2. P. M. Buencamino	20.90
3. R. G. Cantara	1,110.30
4. D. E. Colligado	4,334.65
5. A. Jimenez	83.66
6. G. M. Llanes	1,015.44
7. N. E. Mesa	2,149.08
8. D. S. Miranda	2,000.00
9. P. C. Sales	31.92
10. G. San Agustin	33,274.60
11. A. San Agustin	757.16
12. I. U. Villanueva	40.30
13. F. B. Vitug	83.36
T o t a l	P 46,122.28
Amount already reported as of	
June 7, 1946	555,334.23
Grand Total	P 601,456.51

BY COMMAND OF MAJOR GENERAL JALANDONI:

Geronimo T. Suva
 GERONIMO T. SUVA
 Lt. Colonel, AGS
 Asst Adjutant General

TITLE II OF PUBLIC NO. 301, 79th CONGRESS,
APPROVED ON FEBRUARY 18, 1946

"Army of the Philippines, \$200,000,000: Provided, That service in the organized military forces of the Government of the Commonwealth of the Philippines, while such forces were in the service of the armed forces of the United States pursuant to the military order of the President of the United States dated July 26, 1941, shall not be deemed to be or to have been service in the military or naval forces of the United States or any component thereof for the purposes of any law of the United States conferring rights, privileges, or benefits upon any person in the military or naval forces of the United States or any component thereof, except benefits under (1) the National Service Life Insurance Act of 1940, as amended, under contracts heretofore entered into, and, (2) laws administered by the Veterans' Administration providing for the payment of pensions on account of service-connected disability or death: Provided further, That such pensions shall be paid at the rate of one Philippine peso for each dollar authorized to be paid under the laws providing for such pensions: Provided further, That any payments heretofore made under any such law to or with respect to any member of the military forces of the Government of the Commonwealth of the Philippines who served in the service of the armed forces of the United States shall not be deemed to be invalid by reason of the circumstances that his service was not service in the military or naval forces of the United States or any component thereof within the meaning of such law."

A TRUE COPY:

A TRUE COPY OF A TRUE COPY:

/s/ Mamerto R. Montemayor
/t/ MAMERTO R. MONTEMAYOR
Lt. Colonel. JAGS
On TBY, V. A.

[Signature]
SYDNEY V. FRAZIER
Major, Infantry
G-3 PA Division

EXTRACT

BULLETIN)
NO. 5)

WAR DEPARTMENT
WASHINGTON 25, D. C., 15 March 1946 ✓

I.—REDUCING CERTAIN APPROPRIATIONS. - The following act of Congress (Public Law 301 - 79th Cong.) is published for the information and guidance of all concerned:

An Act Reducing certain appropriations and contract authorizations available for the fiscal year 1946, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the appropriations and contractual authorizations of the departments and agencies available in the fiscal year 1946, and prior year unrevoted appropriations, are hereby reduced in the sums hereinafter set forth, such sums to be carried to the surplus fund and covered into the Treasury immediately upon the approval of this Act:

TRANSFER OF APPROPRIATIONS

In addition to the transfers authorized by section 3 of the Military Appropriation Act, 1946, transfers of not to exceed the amounts hereinafter set forth may be made, with the approval of the Bureau of the Budget, from the appropriation "Ordnance Service and Supplies, Army", to the following appropriations:

Army of the Philippines, \$200,000,000: Provided, That service in the organized military forces of the Government of the Commonwealth of the Philippines, while such forces were in the service of the armed forces of the United States pursuant to the military order of the President of the United States dated July 26, 1941, shall not be deemed to be or to have been service in the military or naval forces of the United States or any component thereof for the purposes of law of the United States conferring rights, privileges, or benefits upon any person by reason of the service of such person or the service of any other person in the military or naval forces of the United States or any component thereof, except benefits under (1) the National Service Life Insurance Act of 1940, as amended, under contracts heretofore entered into, and (2) laws administered by the Veterans' Administration providing for the payment of pensions on account of service-connected disability or death: Provided further, That such pensions shall be paid at the rate of one Philippine peso for each dollar authorized to be paid under the laws providing for such pensions: Enacted further, That any payments heretofore made under any such law to or with respect to any member of the military forces of the Government of the Commonwealth of the Philippines who served in the service of the armed forces of the United States shall not be deemed to be invalid by reason of the circumstances that his service was not service in the military or naval forces of the United States or any component thereof within the meaning of such law.

*do with
provisions
concerning
with...
Military Service
Law*

REPORT ON STATUS OF ALLOTMENTS
 Cumulative - Fiscal Year 1966

Approving Officer's Signature and Title

C. R. WINDT, 2d Lt., Inf.

Fiscal Station No. Wendon Building

Date

31 Mar 66

23 Apr 66

Appropriation & Project Symbol	Allotment Received	Expenses, Any of the Following			Unobligated Balance (2-5)	Prior Expenditure	Current Month Expenditure	Expenditure To Date	Unobligated Obligation (5-9)
		Prior Obligation	Current Month Obligation	Obligations To Date					
212/62300 P106									
109	549,590.07				549,590.07				
110	71,631.18				71,631.18				
113	1,098.56				1,098.56				
216	26,477.48				26,477.48				
218	237,968.76				237,968.76				
317	20,872.58				20,872.58				
401	19,960.78				19,960.78				
402	4,943.52				4,943.52				
403	265,669.53				265,669.53				
404	97,494,251.00	97,494,251.00	20,000,000.	117,494,251.	41,538,268.97	97,494,251.	20,000,000.	117,494,251.	-
405	87,884.56				87,884.56				
407	3,295.67				3,295.67				
411	7,090.76				7,090.76				
425	3,021.09				3,021.09				
	3,075.96				3,075.96				
Total	140,315,000.00	97,494,251.00	20,000,000.	117,494,251.	42,840,719.00	97,494,251.	20,000,000.	117,494,251.	-

COMMONWEALTH OF THE PHILIPPINES
ARMY HEADQUARTERS
APO 75

7 June 1946

SUBJECT: Class "N" Deductions

TO : Chief, Fiscal Director's Office
AFWESPAC, APO 707

1. As per abstracts of Class "N" Allotments submitted by different Disbursing Officers to this office, hereunder is a partial report of insurance premium payments deducted from the salaries of insured personnel of the Philippine Army as of this date.

2. Efforts are being made to expedite the collection of premiums and form letters to this effect initiated at the rate of a hundred a day.

<u>DISBURSING OFFICER</u>	<u>AMOUNT</u>
1. Capt. Tomas T. Asuncion	P 10,909.68
2. Lt. Nemesio R. Avilla	1,144.15
3. Lt. E. F. Borja	586.41
4. Capt. P. M. Biancasino	42.34
5. Capt. R. G. Cantara	7,025.54
6. Capt. F. E. Cantor	96.80
7. Lt. V. M. Cavallida	234.05
8. Capt. I. Colona	29.60
9. Lt. D. E. Coligado	14,373.18
10. Lt. A. S. Cruz	335.60
11. Lt. C. F. de Borja	25,562.08
12. Lt. S. de Guzman	216.26
13. Lt. R. F. Diaz	2,711.76
14. Lt. V. R. Garcia	1,621.70
15. Lt. A. Jimenez	3,783.55
16. Capt. N. E. Mesa	12,632.11
17. Lt. D. S. Miranda	21,003.01
18. Lt. F. N. Mavarrette	1,458.84
19. Lt. R. Q. Mavarro	581.45
20. Lt. E. B. Campo	117.20
21. Major P. T. Palafex	1,355.99
22. Lt. S. T. Perez	76.90
23. Major F. P. Faberno	5,710.91
24. Capt. S. P. Ramirez	1,127.30
25. Capt. E. M. Rameo	9,079.47
26. Lt. C. C. Reyes	169,813.68
27. Capt. H. N. Reyes	46.40
28. Lt. P. C. Sales	500.80
29. Capt. A. Sanagustin	1,996.77
30. Capt. G. C. San Agustin	33,480.29
31. Lt. C. F. Tansoco	34,440.23
32. Lt. J. B. Vargas	870.28
33. Capt. I. U. Villanueva	21.70
34. Lt. F. B. Vitug	2,329.20
TOTAL - - - -	P 555,334.23

FOR THE CHIEF OF STAFF:

Gregorio T. Suva

GREGORIO T. SUVA
Lt-Colonel, AUS
Asst Adjutant General

HEADQUARTERS
UNITED STATES ARMY FORCES WESTERN PACIFIC

GSTPL 123(P)

APO 707

SUBJECT: Disbursements of Funds after 30 June 1946.

TO: Chief of Staff, Headquarters, Philippine Army, APO 75
Attn: Chief of Finance

1. It is directed that, effective 16 July 1946, Philippine Army Finance Officers, with the exception of those located at Headquarters, Philippine Army, make no disbursements from the fund "Expenses, Army of the Philippines," unless authorization for payment is given for specific vouchers by this Headquarters thru Headquarters, Philippine Army.

2. Disbursements to be made during the period 1 July 1946 thru 15 July 1946 will consist of pay and allowances, claims, etc. which have accrued prior to 1 July 1946 only.

3. All disbursing officers will mail or have enroute by messenger to Headquarters, Philippine Army, by 1800 hours, 16 July 1946, all abstracts and a complete report of funds on hand.

4. Headquarters, Philippine Army, will furnish this Headquarters as soon as possible, but not later than 31 July 1946, a consolidated report on the status of expenditures made from funds furnished by the United States Government.

BY COMMAND OF LIEUTENANT GENERAL STYER:

INFO COPY

No May. Further - Needs Budget Div.

COMMONWEALTH OF THE PHILIPPINES
ARMY HEADQUARTERS
OFFICE OF THE AUDITOR
APO 75

1 Jan 40 - 15 Apr 75
1 Apr 75

EXPENDITURE OF THE ARMY OF THE PHILIPPINES UNDER THE
PROJECT ACCOUNTS FOR THE YEAR ENDED 15 APRIL 1956

A C C O U N T S	Account Symbol	AMOUNT
1. Subsistence of the Army, Pro of Supplies & Equipment	108	P 364,636.74
2. Regular Supplies of the Army, Procurement of	109	74,968.07
3. Medical Supplies & Equip., Procurement of	110	74,650.63
4. Army Transportation-Motor, Pro of Supp. & Equipment	112	734,631.61
5. Clothing & Equipage, Procurement of Supplies and Equipment.	113	23,061.60
6. Army Trans. - Animal, Pro of Supplies & Equip ment	114	2,586.00
7. Signal Service of the Army Procurement of Supplies and equipment.	119	3,649.93
8. Engineer Supplies & Equip.-Procurement of	120	838.94
9. Ordnance Supplies & Equip.-Procurement of	122	236,518.97
10. Army Air Forces, Procurement of Supplies & Equipment	126	69.85
11. Military Post, Construction of	216	1,634,844.13
12. Barracks and Quarters	317	91,007.71
13. Welfare of Enlisted Men	402	28,007.42
14. Pay of the Army	403	167,258,649.47
15. Travel of the Army	404	4,214.87
16. Expenses of Courts-Martia l	405	999.21
17. Incidental Expenses	411	57,184.52
18. Printing & Binding	425	5,873.27
19. Army Trans-Water-Rental of Boats	464	20,510.00
Total Expenditures - - - - -		P 170,616,902.94

COMMONWEALTH OF THE PHILIPPINES
 ARMY HEADQUARTERS
 FINANCE SERVICE
 APO 75

22 June 1946

SUBJECT: Outstanding obligation of the U. S. Army, Partial report of

TO : The Adjutant General, HPA, APO 75

1. Pursuant to par. 1(b) of your letter dated 11 May, 1946, the following is the tentative report of the unpaid obligation of the U. S. Army as of 30 June 1946, as reported by 54 Philippine Army units:

SALARIES:

Pay & allowances of officers & EM	P4,766,299.54*	
Civilian employees	400,878.07	
Pay & allowances of officers & EM who have pending cases in the People's Court ...	<u>1,072,664.66</u>	P 6,239,902.27

Subsistence		113,019.90
-------------------	--	------------

C L A I M S:

Miscellaneous Contract ...	3,485,312.56	
Arrears in pay with partial payments.....	16,949.07	
Arrears in pay pending payment	<u>1,500,600,000.00</u>	P1,502,502,261.63

Construction of Buildings		299,582.21
Equipment and supplies		320,351.47
Printing and binding		12,082.89
Repairs of quarters		23,678.80
Clothing and equipment		6,960.50
Expenses - Court Martial		3,228.64
Light and water		5,761.08
R e n t s		31,212.31
Transportation		17,290.52
Ordinance, Service & Supply		2,500.00
Incidental expenses		2,500.00
Advertisements		52.00
Telephone		5,535.96
Real Estate Board		65,314.16
Premium on bond for Officers		9,412.29
Office Equipment		<u>12,000.00</u>

GRAND TOTAL

P1,510,618,648.29

2. As soon as the remaining reports from other Philippine Army units are received, a more complete report will be submitted to that office.

[Signature]
 S. [Name]
 Colonel, SC
 Chief of Finance

JLT/Tha-

* certain units included herein pay payable in 30 days all + this is paid on all date it being correct pay.

JUN 25 1946 - 8844

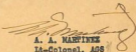
W-26-1

BASIC: Ltr from Chief, FS, dtd 22 June '46, subject: "Outstanding
Obligation of the U. S. Army, Partial Report of".

(AG-EK) 1317 1st Ind.
HEADQUARTERS PHILIPPINE ARMY, APO 75, 26 June 1946

TO: Commanding General, AFWESPAC, APO 707
(Attn: Fiscal Director)

FOR THE CHIEF OF STAFF:



A. A. MARTINEZ
Lt-Colonel, AGS
Asst Adjutant General

DECLASSIFIED
Authority 883078

RECEIVED
26 JUN 1958
COMM. DIV.
U.S. AIR FORCE
RECEIVED
26 JUN AM
U.S. AIR FORCE

10/6

DECLASSIFIED
Authority

52,555
36,475

Completed.
position Exhibit 4

18,599
17,096

Computed

17,404.362.32

2132 paid-

6,782,737.63

A 470
470

B ←

34
Black-P PD (paid)
for man average (paid)
247

71,500,000

365,000
470

18,599

8,702,181.16

150,000,000

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Authority 883078

3.0%	50%	20%	40%
1942	1943	14	45

DECLASSIFIED

Authority

- 1) Guerrilla Affairs Section estimated that a total of 450,000 would be recognized for "Back Pay"
- | | |
|------------|----------------|
| Guerrillas | 350,000 |
| USAFFE | <u>100,000</u> |

Total 450,000

- 2) Approximately 275,000 have been recognized to date, remaining figure to total expected to be recognized by end of program
- 3) Recovered Personnel Division estimated that \$211,500,000.00 would cover entire program.
- 4) R.P.D. based this estimate

on the fact that from a
 total of 18,599 computed
 a total of \$8,702,181.16
 would be expended
 This averages \$470 per
 man, or figure total re-
 quired to close program

459,000 \$ per man for all
 470 purchase of back pay

3,150,000
 1,800,000

 \$2,115,000

not
 back
 dated

5) From the total computed over
 half will for USAFFE per
 -sonnell. almost as USAFFE
 Personnel are recognized for a
 longer period of time than are
 subscribers, the average of \$470
 per man is figured to be the
 best estimation possible

HEADQUARTERS AFTRSPAC
Check Sheet

7809
Exhibit 5

Do not remove from attached sheets

File No. OSMFP Subject: Verification of PA Estimate for "Back Pay" Requirements

~~(S)~~ (X) FROM: Dir, Rec Pers Div TO: Fiscal Director DATE: 19 June 46
THRU: AG X

1. Reference is made to basic check note, dtd 10 June 1946.
2. The following computations and amounts shown were made by this Division for payment of Philippine Army personnel and heirs of deceased personnel up to 11 May 1946 when processing was suspended:

	No.	Amount
Living Personnel	11,458	\$11,280,128.59
Heirs of Deceased Personnel	7,838	11,112,354.71
	<u>19,096</u>	<u>\$22,400,083.29</u>

3. This Division has on hand 196,833 claims of individuals who claim to be entitled to Arrears in Pay by reason of service in Philippine Army or Recognized Guerrilla Organizations.

4. The above figures and computations are submitted as requested in a conference with Staff Sgt. V. E. Mabey on 10 June 46. In this conference it was stated by Staff Sgt Mabey that further estimates concerning numbers of personnel to be processed would be obtained from G-3, PA Division.

Thomas J. Marcus
MORRIS H. MARCUS
Colonel AGD
Director

FROM: AG TO: Fiscal Director 20 June 1946

Noted.

W. P. Moore

W. P. MOORE, Lt Col, AGD, Asst AG

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00.000.000.00 00.000.000.00 00.000.000.00

Faint, mostly illegible typed text in the middle section of the page.

[Handwritten signature]
[Illegible typed name]
[Illegible typed title]

Mr. [Illegible] Mr. [Illegible] Mr. [Illegible]



HEADQUARTERS AFWESPAC

CHECK SHEET

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48455

GSTFA

File No. 111 (P) Subject : Verification of Philippine Army Estimate for "Back Pay" Requirements.

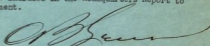
10 June 1946

FROM: Fiscal Director

TO: Recovered Personnel Div
AG Section
ATTN: Col M H Marcus

1. This office is presently attempting to finalize requirements under the appropriation "Expenses, Army of the Philippines" one of which requirements is the factor of the "Back Pay" of guerrilla or non-standard units of the Philippine Army. In so doing, it is apparent that the requirements for "Back Pay" will run considerably in excess of the balance available under the appropriation. This fact will require the responsible staff office to send a representative to the Budget Office for the War Department to assist in justifying the need for such excess funds to Congress; hence, it is cautioned that any figure submitted as requirements for this activity must be reasonably justifiable and in accordance with conference, this date, with Colonel Kreuter, G-3, PA Division, such a figure should bear the joint approval of Col Shaftoe, G-3, PA Division, Guerrilla Affairs Branch, and Col Marcus, your office.

2. Accordingly, it is requested that Staff Sgt V R Mabey of this office, who will personally present this check sheet be extended all possible assistance in finalizing the amount finally to be included in the Headquarters Report to the Budget Officer for the War Department.



C. B. LENOW
Colonel, FD
Fiscal Director

Exhibit
6

R7981
8310

HEADQUARTERS
UNITED STATES ARMY FORCES WESTERN PACIFIC

CHECK SUNSET

eo
2710

Do not remove from attached sheets.

FILE NO. SUBJECT: Verification of Philippine Army
Estimate for "Back Pay" require-
ments.

19 June 1946

(2) ~~xxx~~ FROM: G-3 TO: Fiscal
Thru GSXRP

1. The present non-standard recognized strength is 241,000.
2. The estimated maximum additional recognition is 100,000.
 - a. Of this 100,000 over 50% will be casualties; and will go from a pay status to Veterans Administration.
3. It is believed by this office that about 20% of the above figure (241,000) were active in 1942; 20% in 1943; 20% in 1944; and the remaining 40% in 1945.

Frank
E. J. McGAW
Brig. Gen. USA
AC of S, G-3

(3) ~~xxx~~ FROM: Dir, Rec Pers Div TO: Fiscal Director DATE: 24 June 1946

Forwarded for your information. Attention is also invited to C/W from this office dated 19 June 1946 upon the same subject.

Morris H. Marcus
MORRIS H. MARCUS
Colonel AGD
Director

DECLASSIFIED

Authority 883078



DECLASSIFIED

Authority ~~XXXXXXXXXX~~

HEADQUARTERS AFWELPAC
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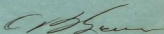
GSTFA
File No. 111 (F) Subject: Verification of Philippine Army Estimate for "Back Pay" Requirements.

FROM: Fiscal Director

TO: G-3, PA Div, Guerrilla 10 June 46
Affairs Branch
ATTN: Lt Col B L Shaftoe

1. This office is presently attempting to finalize requirements under the appropriation "expenses, Army of the Philippines" one of which requirements is the factor of "Back Pay" of guerrilla or non-standard units of the Philippine Army. In so doing, it is apparent that the requirements for "Back Pay" will run considerably in excess of the balance available under the appropriation. This fact will require the responsible staff office to send a representative to the Budget Office for the War Department to assist in justifying the need for such excess funds to Congress; hence, it is cautioned that any figure submitted as requirements for this activity must be reasonably justifiable and in accordance with conference, this date, with Colonel Krester, G-3, PA Division, since a figure should bear the joint approval of Col Shaftoe, your office, and Col Marcus, Recovered Personnel Division, AG Section.

2. Accordingly, it is requested that Staff Sgt F K Babey of this office, who will personally present this check sheet be extended all possible assistance in finalizing the amount finally to be included in the Headquarters Report to the Budget Officer for the War Department.



C. B. LARSON
Colonel, PD
Fiscal Director

JUN 17 1946

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Authority 883078

70 Fiscal

Col. Kreuter asked that
this be sent over to you as
it is tied up somewhere in
ATWEDKAL M/C.

vcc BAB

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Authority

HEADQUARTERS
UNITED STATES ARMY FORCES WESTERN PACIFIC

CHECK SHEET

Do not remove from attach sheets.

FILE NO.

SUBJECT: Verification of Philippine Army
Estimate for "Back Pay" Requirements.

19 June 1946

(1) FROM: G-3 USFPO TO: Fiscal

1. The present non-standard recognized strength is 241,000.
2. The estimated maximum additional recognition is 100,000.
 - a. Of this 100,000 over 50% will be casualties; and will go from a pay status to Veterans Administration.
3. It is believed by this office that about 20% of the above figure (241,000) were active in 1942; 20% in 1943; 20% in 1944; and the remaining 40% in 1945.

S. J. MOHR
Brig. Gen. USA
AC of S, G-3

*This is a true
copy of the original
correspondence*

TOTAL USAFEE AUTHORIZED OBLIGATIONS FOR FY 1946
 FOR PHILIPPINE ARMY

PROJECT	APPROVED PROJECTS TO DEC 1945	P4C FOR 3RD QUARTER OBLIGMENTS	TOTAL	ESTIMATE FOR 4TH QUARTER	PROGRAM FOR CLAIMS FY '46	TOTAL
108	13245570	4109500	17355070	196187000	38312432	250854508
109	4500000	2777200	7277200	91416500	4783	98700683
110	8750000	2397500	11147500	3084000	1868535	16100035
112					129531815	129531815
113	2000000	277750	2277750	750000	3458032	6485786
114					468377	468377
116				750000		750000
119	2500000	100000	350000	1220000	593017	2143017
120					149483	149483
122					39343869	39343869
126					9765	9765
216	19611745	6799380	26411325	367000000	273882359	617293684
218	12500000	100000	12600000	63200000		75800000
317	7099647	941134	8040781	15680000	3208897	26929678
401				2250000		2250000
402	2000000	1416167	3416167	72975000		76191167
403						
404	4500000	1000000	5500000	6500000	393638	12393638
405	1250000	450000	1700000	1500000		3200000
407				4400000		4400000
411	2500000	1420000	3920000	3217000	3453052	10590052
415		150000	150000			150000
425	1000000	62500	1062500	1000000		2062500
464					3617483	3617483
TOTALS	79207162	22003131	10121029383	1929500498	275949143	115742

BREAKDOWN OF PROJECT 403

PA 403	10207074528
CIVILIAN 403	16676272
PHILIPPINE ARMY 403	474484351
RPD 403	40530000

TOTAL - PROJECT 403 10738785151

TOTAL - ALL PROJECTS FY 1946 12170200873

ESTIMATED AMOUNT NEEDED TO CLOSE BACK PAY PROGRAMS 00000000000

" " " FOR CLAIMS SERVICE 1729977395

" " " FOR R.P.D. 40530000

ESTIMATE TOTAL TO CLOSE PROGRAM

TOTAL

FY 1946	STRENGTH OF PHILIPPINE ARMY	AVERAGE PAY AND ALLOW. - ARMY	NUMBER CIVILIAN EMPLOYEES	PAY AND ALLOWANCES	BACK PAY GUERRILLA FORCES	PAY AND ALLOWANCES
JULY	200000	1075000000				
AUGUST	195000	1048025000	2	11000		
SEPTEMBER	185000	994375000	17	72000		
OCTOBER	175000	940625000	132	479080		
NOVEMBER	170000	913750000	151	532206		
DECEMBER	168500	905627500	210	809858	400	135331625
JANUARY	142000	763250000	251	1117604	5	3288602
FEBRUARY	110000	591250000	347	1552841	198	34362658
MARCH	84260	452843750	355	1660221	865	97781476
APRIL	62000	333250000	532	2681250	1064	153373758
MAY	45000	241875000	730	3910212	411	48146132
JUNE	37000	198775000	720	385000000		

*Other numbers
 Total in your file
 job - 1 July 45 to 31 Dec
 1945 (combined)*

TOTAL - FY 1946 * 8458806250 16676272 474484351
 * PER CAPITA RATE \$5375 FOR PA
 FOR FY 1946

ACTUAL STRENGTH - PAY OF RECOVERED PERSONEL
 PHILIPPINE ARMY FY 1946

			DIVISION	
JULY	131802	622560423	584	3377500
AUGUST	158680	833258370	584	3377500
SEPTEMBER	146076	597716567	584	3377500
OCTOBER	158844	943305833	584	3377500
NOVEMBER	161913	870963210	584	3377500
DECEMBER	187895	1128107719	584	3377500
JANUARY	208736	1308483834	584	3377500
FEBRUARY	168768	920386175	584	3377500
MARCH	163315	1038975823	584	3377500
APRIL	113627	593334742	584	3377500
MAY	46312	750000000	584	3377500
JUNE	37000	600000000	584	3377500

*These figures
 include payments
 to Chinese firms
 claiming to be*

10207094523 40530000

Vot#	Accts of		
Vot			
v977	Walters	July	10 000 000
U147	✓	✓	115 -
?	✓	✓	771.56
11720	✓	Aug	5 000 000 -
v7247	✓	Sept	50 000 000 -
5119	Laughlin	Oct	7 500 000 -
13029	✓	Oct	100 000 000 -
v1331	✓	Nov	10 000 000 -
v8712	✓	Dec	10 000 000 -
33281	✓	✓	10 000 000 -
39289	✓	Jan	10 000 000 -
42697	✓	✓	10 000 000 -
47999	✓	Feb	10 000 000 -
56834	✓	Mar	10 000 000 -
65058	✓	✓	10 000 000 -
			<u>117 500 996.56</u>
			00000

DECLASSIFIED
Authority: 38200

PHILIPPINE ARMY BUDGET FOR FY 1946 - (INCLUDING ESTIMATES TO CLOSE OUT ENTIRE PROGRAM)

PROJECT	ORGANIZATION	CHARACTER OF PROJECT	ESTIMATE NO.	ESTIMATE AMOUNT	ESTIMATE PERIOD	ESTIMATE TYPE	ESTIMATE SOURCE	ESTIMATE DATE	ESTIMATE STATUS	ESTIMATE COMMENTS	ESTIMATE TOTAL	ESTIMATE BALANCE	ESTIMATE CLOSURE	ESTIMATE REVISIONS	ESTIMATE APPROVAL	ESTIMATE SIGNATURE	ESTIMATE DATE
101																	
102																	
103																	
104																	
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TOTALS																	

TRIG
30/11

(1) Estimated amount shown herein for closing out entire program to be made as well as amount to be expended to close out "Cash Pay" program, based on estimates submitted by all concerned command agencies to the Executive Officer, Office of the Chief of Staff, Manila, 25/10/45.

(2) Estimated amount shown for closing out "Cash Pay" program, at P20,000,000.

(3) Estimated amount shown for closing out "Cash Pay" program, at P20,000,000.

(4) Estimated amount shown for closing out "Cash Pay" program, at P20,000,000.

(5) Estimated amount shown for closing out "Cash Pay" program, at P20,000,000.

(6) Estimated amount shown for closing out "Cash Pay" program, at P20,000,000.

(7) Estimated amount shown for closing out "Cash Pay" program, at P20,000,000.

(8) Estimated amount shown for closing out "Cash Pay" program, at P20,000,000.

(9) Estimated amount shown for closing out "Cash Pay" program, at P20,000,000.

(10) Estimated amount shown for closing out "Cash Pay" program, at P20,000,000.

SCHEDULE OF GUERRILLA ARREARS IN PAY CLAIMS APPEARING TWICE
IN SEPARATE TRUST FUND ABSTRACTS

NAME	AUDITED CLAIM			LIVING TO DECREASE			REMARKS
	Claim #	(Capt Casad)	Amount	Claim #	(Lt Detin)	Amount	
	Abst #	Line #	Amount	Abst #	Line #	Amount	
1. ASIGNACION, Leopoldo B.	544	1	95.47	1527	18	95.47	
2. DIAZ, Dalmacio S.	604	3	29.11	1501	2	29.11	
3. FLORES, Feliciano B.	588	26	305.29	1513	19	181.35	No MI in Abst #688
4. GAMBOA, Angelo P.	586	31	281.05	1514	8	281.05	
5. GARCIA, Segundo T.	511	47	242.39	1502	23	53.88	No MI in Abst #511
6. GILMANNING, Rafo D.	605	17	43.16	1514	12	124.87	
7. GUIA, Hespcio G.	604	5	355.65	1514	7	355.65	
8. IYUG, Tomas L.	605	19	330.02	1515	7	330.02	
9. JACALNE, Geminiano P.	545	24	814.95				Not passed in Audit
	602	23	815.28	1529	14	515.00	
10. LUSOC, Justo E.	605	21	122.66	1512	1	659.88	
11. MACASAGUIT, Eufrosio G.	565	24	73.92	1515	1	210.57	
12. MADLA, Ireneo E.	600	27	631.31	1509	30	631.31	
13. MADRERA, Aquilino G.	600	28	197.87	1524	1	351.87	
14. MAGDALE, Feliciano O.	600	29	85.93	1524	6	109.47	
15. MARTIN, Hilario P.	508	31	451.21	1512	21	544.71	
16. PABLO, Mauro V.	518	34	128.95	1505	5	128.95	
17. RANCO, Anastasio G.	584	12	454.65	1525	8	649.92	
18. REYES, Juan G. delos	508	42	800.00	1507	31	274.28	No MI in Abst #508
19. REYES, Ramon P.	515	33	198.84	1506	1	529.74	No MI in Abst #515
20. RICAPORT, Vicente E.	582	48	285.47	1514	11	233.44	
21. ROMANO, Rosalio L.	542	46	1,451.94	1515	3	1,771.90	
22. ROTON, Hugo C.	578	47	430.62	1528	5	370.94	
23. SALANAP, Romeo E.	604	8	212.27	1506	4	193.27	
24. SISON, Macario S.	504	38	4,417.51	1515	7	4,045.08	

19 Aug. 49

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SCHEDULE OF USAFFE ARREARS IN PAY CLAIMS APPEARING TWICE
IN SEPARATE TRUST FUND ABSTRACTS

NAME	AUDITED CLAIM			LIVING TO DECREASED			REMARKS
	Claim #		Amount	Claim #		Amount	
	Abst #	Line #		Abst #	Line #		
1. ALCALDE, Adriano T.	1	2	2,447.35	1521	19	377.05	No MI in Abst # 1
2. APOSTOL, Jose P.	151	5	578.52	1522	31	235.56	No MI in Abst # 151
3. BARANDA, Melchor N.	21	8	471.20	1523	15	454.45	No MI in Abst # 21
4. BAUN, Roberto S.	155	4	18.67	1502	33	459.45	No MI in Abst # 155
5. CABALAR, Anselmo C.	178	18	181.04	1528	11	507.48	No MI in Abst # 178
6. CALIDA, Candelario A.	210	15	225.77	1508	34	227.61	No MI in Abst # 210
7. CASTRO, Jose A. de	87	31	771.93	1529	11	91.36	No MI in Abst # 87
8. CHUZ, Severino G. dela	26	29	25.22	1519	29	106.01	
9. DAYAGMIL, Roque D.	186	23	571.94	1509	18	212.04	
10. DEFINISTA, Pastor B.	61	10	802.10	1508	22	725.77	No MI in Abst # 61
11. DELAGUERON, Ruben C.	26	31	1,816.57	1508	28	350.81	
12. DEVATOS, Filomeno M.	218	5	106.00	1529	10	135.72	
13. FERRER, Pedro F.	99	16	548.65	1513	14	318.71	No MI in Abst # 99
14. GARCIA, Alfredo A.	41	12	1,080.95	1518	6	267.68	No MI in Abst # 41
15. GASCON, Esteban D.	26	35	1,189.91	1529	18	1,356.24	No MI in Abst # 26
16. IPONG, Getulio L.	225	7	171.52	1508	2	584.87	No MI in Abst # 225
17. LIETOGAN, Vicente	207	45	825.25	1528	7	635.52	With MI "B" in Abst # 207
18. LUNA, Florentino L.	214	25	509.79	1525	3	31.00	No MI in Abst # 214
19. MEDINA, Emilio C.	39	17	186.67	1523	12	75.50	No MI in Abst # 39
20. NINEZ, Gaudencio V.	8	41	425.00	1528	10	425.00	No MI in Abst # 8
21. ORTEGA, Epifanio V.	22	14	678.52	1518	5	142.49	No MI in Abst # 22
22. ROJO, Jesus S.	224	15	453.04	1504	2	453.04	No MI in Abst # 224
23. SABIO, Alfredo C.	151	41	501.03	1522	18	847.49	
24. SALAS, Francisco G.	122	45	1,058.27	1527	4	842.59	No MI in Abst # 122
25. TECODRO, Jose P.	214	36	985.98	1519	23	188.93	
26. VILLANUEVA, Jose E.	36	47	1,506.00	1502	17	61.58	No MI in Abst # 36

19 Aug 49

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COMMONWEALTH OF THE PHILIPPINES
ARMY HEADQUARTERS
APO 75

31 May 1946

STRENGTH OF THE PHILIPPINE
ARMY BY MONTHS FROM JULY, 1945
TO 18 MAY 1946

July, 1945	-----	88,458
August, 1945	-----	62,861
September, 1945	-----	117,458
October, 1945	-----	154,580
November, 1945	-----	153,510
December, 1945	-----	115,974
January, 1946	-----	150,741
February, 1946	-----	113,234
March, 1946	-----	74,672
April, 1946	-----	69,364
May, 18, 1946	-----	49,903


F. B. QUARLES

Major, AGS

Asst Adjutant General

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