

its identity throughout the progressive consolidation that takes place in building up to the departmental total Estimates. This is in contrast to the present system in which individual expenditure items such as travel costs or repairs and upkeep are spun off and merged with similar expenditure items in a departmental total for each item.

Before we ask a responsibility centre to prepare its budget, we will inform it of the manpower allocations affecting it and also of the effect of the financial constraints in which the Department has to operate for that year. Thereafter, if the post or division is sufficiently careful and responsible in the preparation of its budget, it can expect that only minor adjustments will be necessary during the review process.

We do not plan to abandon the posts to their own resources in preparing a budget they will have to live with for a year. To begin with, they will be provided with carefully designed budget worksheets which will guide their efforts. For information they do not have and for specialized advice of various kinds, they will be expected to call upon the appropriate experts in the administrative divisions. Finally, they will be able to consult with, and the first review of their budget will be carried out by, the Area Comptroller mentioned in an earlier section.

In Exhibit No. II the post abroad was shown as responsible to the Area Division for Program Review, to the Area Comptroller on the administrative side for Estimates purposes. You will remember that we created this divergence to recognize the two kinds of resource planning in the Department. Program officials - foreign service officers in area divisions - must do the manpower planning and therefore the review and coordination of the Program Review procedure is in their hands. They will not have to concern themselves with support resources and consequently Estimates and day-to-day financial