

**Can
FEDERAL EXPENDITURES
Be Cut?**

*A Compendium of Proposals for Effecting
Economy in the U. S. Budget*

VOLUME ONE

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**The Tax Foundation
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INTRODUCTION

Advocates of economy in Federal spending are confronted perennially with the blunt question: "Where can we cut?" Now the President has proposed an unprecedented peacetime budget of \$85.4 billion for fiscal 1953, and there is renewed clamor in and out of Congress for sharp reductions. To the inevitable question of where to cut, this compendium provides some answers. Here are ~~two~~^{three} volumes containing a representative sample of statements outlining proposed savings and illustrating waste in the Federal budget of fiscal 1952. Most are applicable in principle to the budget for fiscal 1953.

It is significant that many of these statements apply not merely to waste and inefficiency in Federal activities but to whole programs believed out of place in our present rearmament economy.

The comments and opinions in these volumes are, of course, those of the persons and groups credited and not necessarily of the Tax Foundation.

Sources used in compiling the compendium were: government publications, such as the Congressional Record and Hearings and Reports of Congressional Committees, published in calendar year 1951; non-government periodicals, pamphlets, books and press releases published during 1951 and the latter part of 1950. A representative sample of items appearing in these sources has been included in the compendium. One of the chief determinants of selection was the extent to which the proposed economy was supported by specific reasons and/or data. Illustrations of waste were selected in similar fashion.

The compendium has been organized primarily according to budgetary classifications. Statements of waste or proposed savings have been arranged in five major categories:

Part I By Organizational Unit

Part II By Function

Part III By Object

Part IV By Activity

Part V By Administrative Practices

The first four parts are the chief breakdowns of expenditures as found in the budget. The fifth part includes statements which point out savings which apply to government as a whole and involve changes in government management.

The detailed breakdown of statements under Organizational Unit falls under major groupings used in the 1952 Federal budget, such as Legislative Branch, Executive Office of the President, Independent Offices, Department of Defense, Department of the Interior, etc.

The Function breakdown also follows the Federal budget procedure and falls into groups such as the following: Military Services; International Security and Foreign Relations; Social Security, Welfare and Health; Veterans' Services and Benefits; and Natural Resources.

Statements under Object are arranged according to object of expenditure classes reflecting the nature of the services or things, e.g., travel, personal services, equipment, etc.

The Activity classification also follows the Federal budget. It is similar to that used by the Committee on Federal Tax Policy in its Report: Financing Defense: Can Expenditures Be Reduced? It includes such groupings as Federal Aid to State and Local Governments, Loans, etc.

The Administrative Practices classification has been included to encompass those statements, not in any of the above categories, which point out poor management or administrative inefficiency.

Each statement of proposed savings or waste was included in only one section of the compendium. The statement was classified according to the approach taken by the speaker or writer. For example, if Senator X spoke specifically of the Forest Service in the Department of Agriculture, his comments appear under the Organizational Unit and in no other category. If he spoke of conservation and development of forest resources, his comments appear under the Function category.

Within each category, the order of the 1952 Federal Budget has been followed. An attempt has been made to obtain as detailed a breakdown as possible, since it is believed that this will be more useful for the reader. Where no detailed breakdown was possible because of the overall nature of the proposal or because the statement of savings was for several items combined, the items concerned were included in a general category under the most pertinent budget heading.

THE TAX FOUNDATION

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PART I

Classified by Organizational Unit

Legislative Branch

LEGISLATIVE BRANCH

GENERAL

"Mr. Duke....Say, for instance, that you want a letter to go to the Pentagon Building, and that you want to get it over there quickly and not wait for its delivery by mail. You call the Senate post office, and they send a boy to you. That boy takes the letter immediately to the Pentagon Building."

.

"Mr. Duke. Well, the situation is a headache. I would just like to abolish the service, if you want to know the truth of it."

.

"Mr. Duke. The service is being abused, and there is no way of checking it...."

"

.

"Senator Ellender. Do you know what the cost of this operation amounts to?"

.

"Mr. Duke. A boy working in the Senate post office gets about \$1,900. This figure is base pay which amounts to about \$3,300. There are six of these, which total about \$18,000.

"It is necessary to buy new cars about every other year, Senator, economically wise; and the Chevrolets cost about \$1,500 at the Government's price. The cost to operate these cars amounts to about \$20 a day, I would say."

Savings: \$18,000 plus.

Source: Mr. Duke, Sergeant at Arms, Senate, in Hearings before a Subcommittee of the Committee on Appropriations, Senate, 82d Cong., 1st Sess., Legislative Appropriations, 1952, pp. 114, 115.

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PRINTING AND REPRODUCTION

"Mr. Horan. One of my colleagues wrote to me about the possibility of eliminating a very small item, and that was the printing of the calendars which is one of these items.

"Mr. Cole. The items included here in the miscellaneous publications include calendars that are used in the Senate and House, the wall calendars. The big item for calendars is committee calendars, of course.

"Mr. Horan, If this committee were to act on this suggestion, and I understand it only amounts to \$4,000 a year, it is an item which would come under this subheading here, would it not?"

Savings: \$4,000 a year.

Source: Mr. Horan, Representative from Washington, in Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Legislative Branch Appropriation Bill, 1952, p. 195.

* * * * *

EQUIPMENT

"The resolution provides for electric or mechanical equipment for each office at a cost of \$1,500 to be charged to the contingent fund. If each Member asks for such equipment, and probably equipment for several committees--and it includes in addition \$1,000 worth more of equipment to be paid for out of the allowance for clerk hire of each Member--that would be \$2,500 worth of equipment that is provided for in this simple resolution for 435 Members and for the Delegates from Puerto Rico and Alaska and Hawaii, and perhaps for several committees. This will total over a million dollars.

"I think that with the budget going up somewhere from \$75,000,000,000 to \$100,000,000,000; with the Congress laboring over a bill to raise more taxes, and the budget still far from balanced, that it would be a good time for Members of Congress to practice a little economy themselves...we have gotten along with the arrangements we have, and I am unalterably opposed at this time to asking the taxpayers to take over the burden of paying for electric or mechanical equipment for 435 offices in addition to several more offices that may be included...."

Savings: Amount unspecified.

Source: Mr. LeCompte, Representative from Iowa, Congressional Record, September 28, 1951, pp. A6263-A6264.

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SENATE

PERSONAL SERVICES

"...this is a very modest amendment; it merely proposes to do away with free haircuts and free shaves for Members of the Senate.

"The idea came to me yesterday when I had a much-needed haircut in the Senate barber shop. After I had finished, I reflected on the fact that that was at the expense of the taxpayers, and that our incomes are ample to enable us to pay for our own haircuts and shaves."

"...Since we have been imposing economy on others, I think the adoption of this amendment would be a good indication for us to give to the country that we are willing to make our sacrifices, too, and to pay a dollar or a dollar and a quarter to get a haircut."

Savings: Amount unspecified.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, September 14, 1951, pp. 11586-11587.

* * * * *

HOUSE OF REPRESENTATIVES

PRINTING AND REPRODUCTION

"...A short time ago I made a personal inspection of the folding room and I discovered, according to an inventory I requested that back in one of the small stockrooms in the basement there were 77,096 copies of Communism in Action; 57,899 copies of 100 Things You Should Know About Communism; 54,166 copies, the remainder of the total quantity of 83,790 copies of Fascism in Action."

.

"There were 72,789 Servicemen's Rights and Benefits,

"There were 26,140 copies of manuals, explaining their privileges, rights, and benefits.

"There were 8,723 copies of the Eulogy of Former President Roosevelt.

"There were 18,194 copies of the American Government."

.

"I also noticed during my investigation that there is a tremendous volume of bound copies of the Congressional Records which have been credited to Members. Many of them have long since left Congress, and I assume that in order to get the benefit of the bound volumes the committee must necessarily appropriate funds, or approve the appropriation for these bound volumes.

"As I understand it, each Member is entitled to four sets of the bound volumes. I think from my survey it is quite evident, while many of the Members are using their four sets, and should have four sets, possibly the vast majority of them have no use for four sets of bound volumes. I think that we should scrutinize that particular appropriation when it comes before the committee very carefully, because frankly, in my opinion at least, a lot of space is being used in the folding room for obsolete and unnecessary printed documents. It would gripe anyone who goes down there to see the things that have been stored there for years and years and years. Then after they have been stored there for maybe 7 or 8 years they are declared surplus and sold as scrap paper."

Savings: Amount unspecified.

Source: Mr. Busbey, Representative from Illinois, in Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Legislative Branch Appropriation Bill, 1952, pp. 67, 68.

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SALARIES, OFFICERS AND EMPLOYEES

"As a result of information coming to my attention...indicating certain employment irregularities in the Folding Room of the House of Representatives, the General Accounting Office recently made an examination of that organization...."

.

"...Three other employees apparently were paid in August 1940, for twenty-eight hours for which they performed no services."

"...Another employee of the Folding Room who had private employment after hours is shown to have worked at her private employment during the period March 2 through September 21, 1950, on twenty-eight days of which she was on 'sick leave' from her Folding Room duties...."

Savings: Amount unspecified.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Legislative Branch Appropriation Bill, 1952, pp. 7, 8.

* * * * *

GOVERNMENT PRINTING OFFICE

GENERAL

"It is believed that small reductions \$4,000,000 could be effected in the operation of...the Government Printing Office, and at least they should not require a much greater amount to operate in 1952 than they did in 1950."

Savings: \$4,000,000.

Source: National Association of Manufacturers, Cut Non-Defense Spending Now, Economic Policy Division Series, No. 40, New York, February, 1951, p. 17.

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WORKING CAPITAL AND CONGRESSIONAL PRINTING AND BINDING

"...senatorial speeches and observations made during the present session of the Congress filled 7,920 pages of the Record--more than six times as many pages as the Bible contains."

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"...the expression of senatorial irrelevancy, loquacity, and verbosity since the third day of last January has required the astronomical total of 11,780,000 words."

.

"On the average, each Senator has consumed 78 pages of the Record during the present session of Congress. But more than a majority of the Senators should be congratulated upon the fact that their consumption of Record pages during the session has been far below this average. A third of the Members should be severally cited for having

consumed fewer than 16 pages, while a half a dozen Members have earned the lasting gratitude of the taxpayers by heroically resisting the temptation to use, during the entire session, more than 10 pages of the Record to express their views."

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"The filling of more than a hundred pages of the Record is chargeable to each of three Republican and three Democratic Senators. Without mentioning names, the Senate is informed that one distinguished Republican Member has completely filled 184 pages of the Record with his remarks. Other material that he has inserted consumes 125 pages more, making his total consumption of the Record 309 pages. It is a matter of common knowledge that the vocal organs of a small number of Democratic Senators have been not only overstrained but completely robbed of rest ever since this session began. The most voluble of our distinguished Democrats has, during this session, filled 132 pages of the Record with his talk, the greater part of which has been in behalf of the thrilling, imaginary consummation known as economy. This Senator's insertions have filled 27 additional pages. Thus his consumption of pages totals 159.

"The cost of printing the Record is \$85 a page. The average cost for each Senator to date is \$6,638.50.

"The total cost of the recordation of all senatorial speeches, verbiages and irrelevancies during the present session is \$646,272.

"The cost to the taxpayers of the 309 pages used by the most talkative Republican Senator is \$26,265. The cost of the 159 pages consumed by the most talkative Democratic senatorial crusader for economy is \$13,515."

.

"...three Republican and three Democratic Senators...
[have], on the average, spoken on the floor of the Senate more than a quarter of a million words during the session at a cost to the taxpayers of more than \$10,000..."

Waste: Amount unspecified.

Source: Mr. Neely, Senator from West Virginia, Congressional Record, November 14, 1951, p. A7242.

The Judiciary

OTHER COURTS AND SERVICES

TRAVEL EXPENSES, UNITED STATES COURTS

"...It seems to me that some provision should be made either by this committee or by a legislative committee or by whatever means are possible to require that judges be called within a reasonable distance from the seat of the courts where congested calendars exist to fill this responsibility rather than take a man from the extreme eastern portion of the United States and transport him at great cost with additional per diem to proceed to California."

Savings: Amount unspecified.

Source: Mr. Preston, Representative from Georgia, in Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., The Judiciary Appropriations for 1952, pp. 70-71.

Executive Office of the President

THE WHITE HOUSE OFFICE

SALARIES AND EXPENSES

Amendment offered by Mr. Gross of Iowa to cut the White House Office appropriation for salaries and expenses from \$1,883,615 to \$1,425,254.

"...There is nothing complex about this amendment; it simply restores the amount to that which was appropriated last year with an approximate 10 percent cut.

"Now, if the President means what he says and says what he means there could be no objection to knocking off this \$300,000 that has been added this year, with an approximate 10-percent cut.

"Is it too much to expect the President of the United States to set the pace for economy, sacrifice and belt-tightening about which he preaches at every opportunity?"

Savings: \$458,361.

Source: Mr. Gross, Representative from Iowa, Congressional Record, May 4, 1951, p. 5004.

* * *

"...my amendment would amend the bill by striking out the figure '\$1,883,615,' and inserting in lieu thereof the figure '\$1,585,553.' It would represent a reduction of approximately \$300,000.

"The reason for taking the latter figure is that it represents the exact amount which was allowed to the President during the past fiscal year. Frankly, I seriously question the advisability of allowing even this much for salaries and expenses of the White House Office, but surely there can be no argument whatever made for the increase which is recommended."

Savings: \$300,000.

Source: Mr. Williams, Senator from Delaware, Congressional Record, June 19, 1951, p. 6869.

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EMERGENCIES (NATIONAL DEFENSE)

GENERAL

"...As a matter of fact, there were two appropriations made covering fiscal 1951 for emergency funds for the President of the United States. One was for \$1,000,000, carried in the regular independent offices appropriation bill last year. The other was for \$10,000,000, and was brought in the Supplemental Appropriations Act for 1951. It is that \$10,000,000 item that I attempt to cut here. The \$10,000,000 has been raised by the committee to \$12,500,000. It may be necessary to have some funds available for that purpose, because some of it was used for defense; \$2,100,000 was used for the Civilian Defense Agency. It is necessary for the President of the United States to have some emergency funds. I do not want you to confuse this with the defense funds that are set up for use by the armed services. There is \$190,000,000 in the armed services defense emergency fund, which is an adequate sum available for any purpose directly affecting the war effort.

"Here are the facts I should like to cite to you. Out of that \$10,000,000 appropriated for this purpose during the current year, \$3,238,000 was spent up to January 25, 1951, leaving \$6,762,000. My amendment would cut this item to \$5,000,000...."

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"...This is an item in which we can get a measure of economy by cutting down this fund, and it would not in any way cripple the effective operation of the executive branch of the Government. This Congress is open for business practically all year long and stands ready to provide funds in the regular manner for essential needs."

Savings: \$7,500,000.

Source: Mr. Gathings, Representative from Arkansas, Congressional Record, May 4, 1951, p. 5031.

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EXECUTIVE MANSION AND GROUNDS

GENERAL

"...in 1951 the appropriation for the Executive Mansion and grounds was \$266,000. For 1952 the request is \$315,600. The House allowed \$315,600. The appropriation in the bill is \$315,600. The amount proposed in my amendment is \$290,000, which represents a reduction of \$25,000, but is still higher than the 1951 appropriation."

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"The increase of \$49,600 over last year's appropriation is to cover additional operating expenses required by the expanded facilities of the White House and grounds for a period of 7 months after completion of the White House renovation on December 1. It is at the rate of an annual increase of \$80,000.

"To justify the increase, it has been submitted that roughly 30 percent additional floor area and facilities must be maintained. But the curious thing is that the dollar request also is a 30 percent increase. In other words, the increase is by rule of thumb rather than on the basis of any calculated relationship to additional requirement. I cannot subscribe to the view that costs of maintenance go up in exact proportion to the area of floor space of facilities to be maintained.

"The amendment proposes a reduction of \$25,000 in this appropriation item, which will permit an increase in operating expense at an annual rate of \$42,850, instead of \$80,000."

Savings: \$25,000.

Source: Mr. Ferguson, Senator from Michigan, Congressional Record, June 18, 1951, p. 6795.

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COUNCIL OF ECONOMIC ADVISERS

GENERAL

"The committee recommends \$300,000 for this activity, which is the amount of the current appropriation and \$75,000 less than the budget estimate....The committee is opposed to the approval of funds at an annual rate in excess of \$300,000 for the regular activities of the council and will require that funds essential for work arising as a result of international conditions shall continue to be financed from emergency funds."

Savings: \$75,000.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Independent Offices Appropriation Bill, 1952, pp. 3, 4.

* * *

"...this particular amendment would save only \$24,975, but even that is money. The amendment would strike out an item in that amount for the use of the Council of Economic Advisers. It seems to me that we have plenty of economic advisers. Most of their advice has not been too consistently right. They have been adequately provided for in the regular appropriation bills...."

Savings: \$24,975.

Source: Mr. Bridges, Senator from New Hampshire, Congressional Record, October 8, 1951, p. 13019.

Funds Appropriated to the President

DISASTER RELIEF

GENERAL

The budget request includes a proposal to indemnify flood victims for physical loss of or damage to tangible real or personal property up to 80 percent of the amount of such loss, provided that the amount to be paid any one person submitting such a claim does not exceed \$20,000. The Committee...after careful deliberation has not approved it for several important reasons."

"...The Committee believes that the approval of the proposed indemnification program would commit the Federal Government to a new concept of Federal responsibility which would result in an almost unlimited number of claims from victims of every 'Act of God' disaster throughout the country regardless of the type or size of the disaster. The financial implications inherent in such an action would be enormous."

Savings: Amount unspecified.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Rehabilitation of Flood-Stricken Areas, p. 5.

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EXPENSES OF DEFENSE PRODUCTION

GENERAL

"The amount of \$38,000,000, a reduction of \$13,000,000 in the budget estimate, is recommended for implementation of provisions of the Defense Production Act of 1950."

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"It is unrealistic and wholly unreasonable for anyone to assume that it takes 2,300,000 Federal civil employees to govern us during a normal emergency, and then when a greater emphasis is placed on the security of the country and on the development of its capacity to defend itself a new army of specialists must be recruited to perform the added task."

"One way for Russia to accomplish its objective without spending a ruble is to allow us to spend ourselves poor--poorer than we now are. Our economy can withstand only so much borrowing, and that maximum is not too far away."

Savings: \$13,000,000.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Third Supplemental Appropriations Bill, 1951, pp. 32, 34.

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"The total amount of \$194,090,000, a reduction of \$68,319,000 in the budget estimates of \$262,409,000, is recommended for the several agencies charged with carrying out provisions of the Defense Production Act of 1950, as amended...."

.

"...the committee is wholly disappointed in the apparent absence of determination on the part of both the Bureau of the Budget and the regularly established agencies of the executive branch to channel normal activities and assign regular personnel to those functions designed to strengthen the nation in its struggle for continued freedom. New defense and control agencies created under the Defense Production Act, likewise must not consider themselves as having carte blanche to hire personnel and otherwise expend appropriated funds without proper regard for needed economy."

Savings: \$68,319,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., The Supplemental Appropriation Bill, 1952, p. 38.

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COUNCIL OF ECONOMIC ADVISERS

"The request of \$75,000 for this activity is denied. The only economy in which this Nation is interested at present is a defense economy, and the present resources of the Council should be devoted to this purpose."

Savings: \$75,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., The Supplemental Appropriation Bill, 1952, p. 39.

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DEFENSE PRODUCTION ADMINISTRATION

"...Testimony developed a certain lack of clarity in the distinction between the over-all supervisory and policy functions of this office and similar but more detailed operating functions of the National Production Authority....There seems to be no doubt but what these two activities can be more closely integrated, or even combined, with a resultant saving of at least \$800,000, which is the amount of the reduction made by the committee."

Savings: \$800,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., The Supplemental Appropriation Bill, 1952, p. 39.

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ECONOMIC STABILIZATION AGENCY

"The committee recommends a total appropriation of \$127,600,000 for these offices, a reduction, of \$14,230,000 in the budget estimates...."

"Office of the Administrator.--This Office is concerned with the overall supervision and control of the stabilization program. The committee believes that the requirements in connection with travel and lapses have been incorrectly stated in the light of past experience and actual need. An appropriation of \$600,000 is therefore recommended, a reduction of \$50,000 in the budget estimates."

"Office of Price Stabilization.--The amount of \$97,000,000 is recommended for OPS, a reduction of \$8,500,000...."

"Office of Rent Stabilization.--The committee recommends \$15,000,000 for this agency, a reduction of \$1,400,000 in the budget estimates. While the committee believes that the workload of this agency will increase as a result of the recent amendments of the Housing and Rent Act, it does not believe that such an increase will be commensurate with the increase of nearly \$3,600,000 in the budget estimates as compared with estimated obligations for 1951."

.

"Wage Stabilization Board.--The amount of \$14,000,000 is recommended for WSB, a reduction of \$2,154,000 in the budget request... Testimony would indicate that requirements in connection with lapses have been incorrectly stated in light of recruitment experiences in other defense agencies. The estimate for travel also appears to be overstated. The application of sound management practices in organizing the administrative and fiscal procedures of the Board and the defining of relationships with other governmental agencies dealing with wage matters should result in economies not contemplated by the estimate."

Savings: \$14,230,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., The Supplemental Appropriation Bill, 1952, pp. 44, 45.

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FEDERAL SECURITY AGENCY

"The budget request of \$6,314,000 for the two activities within this agency is approved in the amount of \$600,000. Adequate and convincing justification was not presented in support of the item of \$5,114,000 for defense training, and accordingly, this amount is denied. It is not believed that our manpower problems have reached the point where this type training is needed. The Office of Education had definite information on only one area, with no specific plans for the remainder of the request. The amount of \$600,000, representing a considerable increase over the current level of emergency employment, is approved for claimant agency functions of the agency."

Savings: \$5,714,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., The Supplemental Appropriation Bill, 1952, p. 42.

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GENERAL SERVICES ADMINISTRATION

"The bill includes the amount of \$10,000,000, a reduction of \$2,500,000 in the estimates, for this activity. Estimates presented the committee were based on full recruitment in all defense agencies involved in the estimate. The committee considers this basis to be

unrealistic. Furthermore, reductions effected in the several defense agencies lessens the demand for space and services to be provided by GSA. Intangibles, such as alterations, conversion and moving in connection with space, some of which is still to be acquired, was a factor in the committee's consideration of the budget request."

Savings: \$2,500,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., The Supplemental Appropriations Bill, 1952, pp. 45, 46.

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HOUSING AND HOME FINANCE AGENCY

"The amount of \$800,000, a reduction of \$825,000 is recommended for the defense activities of this agency. The committee cannot understand the need for so much survey data in view of the many housing statistical data that have been gathered by this agency over the past several years. Building intention surveys would seem to be governed by availability of supplies and materials rather than by the intent of individual builders. Lapse figures for the employment of personnel have, in the opinion of the committee, been understated."

Savings: \$825,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., The Supplemental Appropriation Bill, 1952, p. 43.

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DEPARTMENT OF AGRICULTURE

"Requested amounts of \$250,000 for the Forest Service and \$150,000 for the Office of Foreign Agricultural Relations are denied in the belief that such defense work as may be required of these agencies should be carried on with regular funds...."

Savings: \$400,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., The Supplemental Appropriations Bill, 1952, p. 42.

* * *

"The total request for designated defense activities of this department of \$3,575,000 is approved in the amount of \$2,550,000, a reduction of \$1,025,000 in the budget estimates. The committee is not convinced that greater appropriations for defense manpower activities will have any effect on the manpower situation."

Savings: \$1,025,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., The Supplemental Appropriation Bill, 1952, p. 43.

* * *

"...among the requests made in the Supplemental Appropriation Bill, 1952 is one...by the Office of Information for \$110,000 more. The President has issued his secrecy order, and governmental agencies are limited as to the information they can give out. Why are departments asking for more personnel to put out more information when the President of the United States clamps down on the giving out of information, under the guise of secrecy, and stops the flow of information? That just does not make sense. So far as I am concerned, I shall offer an amendment to eliminate the additional funds requested for the Office of Information."

"Then we come down to the Office of Foreign Agricultural Relations. I do not know why \$150,000 more is needed for the Office of Foreign Agricultural Relations."

"Then we have the Office of Solicitor. Very adequate funds were provided in the regular appropriation bill for plenty of attorneys in the Solicitor's office, and I do not think \$80,000 more is needed for that office."

"The Secretary of Agriculture is very well equipped with assistants, and he has a very excellent establishment, and I do not think, because he has certain duties aimed in the direction of the defense effort, he should ask for \$60,000 more."

"...I move to reduce the item for expenses necessary to enable the Department of Agriculture to carry out its functions under the Defense Production Act of 1950 from \$4,174,414 to \$3,500,000, which is a cut of \$674,414."

Savings: \$674,414.

Source: Mr. Bridges, Senator from New Hampshire, Congressional Record, October 8, 1951, p. 13033.

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DEPARTMENT OF COMMERCE

"...Requests for the Industry Evaluation Board, Offices of Technical Services, Office of Transportation, and Office of International Trade, are denied, either because of adequate regular funds, or the belief of the committee that the services for which funds were requested are not essential to our defense efforts...."

.

"The accompanying bill includes \$9,000,000 for this activity, a reduction of \$4,250,000 in the budget estimates...."

"Testimony on this item discloses that the Department has been less than realistic in its approach to expand the field organization for the purpose of meeting defense requirements. Expansion should be slowed down in order that a more sound and better coordinated organization might be established...."

.

"National Production Authority.--The bill includes \$30,000,000 for this item, a reduction of \$5,912,000 in the budget estimate...."

"The budget estimate contemplates a total permanent personnel of 6,044. In view of testimony before the committee that the peak of work for both the DPA and NPA would be reached in October, and in view of the fact that as of August 1, the date of the hearings, only 4,552 regular employees were on the rolls, the committee feels that the recommended appropriation should prove adequate. Also, a further closing of the gap between DPA and NPA activities will, no doubt, result in additional economies."

Savings: Amount unspecified.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., The Supplemental Appropriation Bill, 1952, pp. 39, 40.

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DEPARTMENT OF THE INTERIOR

"The total recommended for the several agencies within this department is \$5,250,000, a reduction of \$1,995,000 in the budget estimates.

"Office of the Secretary.--The committee is not impressed with the need in this office for 54 positions to coordinate at the Secretary's level the defense production activities of the department. It would seem that the budget estimate contemplates reviews of Bureau determinations to a far greater extent than is necessary for the making of policy and for adherence to established policy. The amount of \$250,000, a reduction of \$120,000 in the estimates is approved.

"Defense Solid Fuels Administration.--The committee recommends \$450,000 for this activity, a reduction of \$215,000 in the budget estimates....The committee suggests that it might be advantageous for this administration to reevaluate some of the proposed special studies and surveys.

"Defense Electric Power Administration.--The budget estimate, \$1,000,000, is approved in the amount of \$750,000. The primary function of this agency is a continuous appraisal of the power situation throughout the Nation and to act as claimant for the necessary raw and processed materials for the power producing and distributing organizations. It would seem to the committee that once the pattern for a defense power program is established the workload of the administration will remain more or less constant...."

"Petroleum Administration for Defense.--The bill includes \$2,400,000 for this item, a reduction of \$770,000 in the budget estimate of \$3,170,000...."

"The budget estimate contemplates a total regular employment of 448, whereas actual employment as of July 31 was only 262. While this activity is considered to be of prime importance, especially in view of the possible urgent need for pipeline and other transportation facilities, it is not believed that a recruitment rate in excess of that provided for in the accompanying bill will be accomplished. Furthermore, it is reasonable to assume that as the emergency program develops and the need for steel for pipelines becomes apparent, it will not take a total of 78 employees to convince NPA of those needs."

Savings: \$1,995,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., The Supplemental Appropriation Bill, 1952, pp. 41, 42.

SMALL DEFENSE PLANTS ADMINISTRATION

"The committee considered an estimate in the amount of \$25,000,000 for the Small Defense Plants Administration. This agency has not yet been formed having been only recently authorized by the amendments to the Defense Production Act. Until such time as an organization is formulated with definite responsibilities, properly coordinated with the existing small business functions of other governmental agencies, especially the Department of Commerce, the committee does not believe that funds should be appropriated for its activation."

Savings: \$25,000,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., The Supplemental Appropriation Bill, 1952, p. 46.

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MUTUAL DEFENSE ASSISTANCE

GENERAL

"From the production standpoint I believe our policy should be to stimulate European production of military equipment to the greatest possible extent....And if such action is taken, then the cost of the materials contemplated to be delivered from the money appropriated in this bill can be reduced."

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"By assigning all or nearly all unobligated counterpart funds to the production of weapons in European plants, we can make corresponding reductions in the appropriations now to be voted for the same military items."

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"Now, it has been pointed out that to use counterpart funds already obligated would require the agreement of some of the governments involved to change their program and cut down some of their highly desirable domestic improvements. This might be a little difficult politically, but no more difficult than some of the decisions that this Congress has been required to make in order to do America's part in the leadership in this program. I believe it can be done."

"Applying the counterpart yardstick, I believe a saving of \$350,800,000 can be made in this way.... Estimates have been furnished to me... that reductions can be made of \$75,000,000 in the economic aid to Belgium and some of the other NATO countries, that military assistance to Asia can be compressed by \$50,000,000 and that since the date of Korean reconstruction is still so uncertain, \$100,000,000 can be taken off the programs' estimate for that purpose."

"...I should like to point out that while the appropriation for Germany is not a part of the pending bill but comes under the military appropriations measure, Germany has a great capacity for production of small parts and ammunition particularly for electronic and other fine, technical devices which could properly and safely be assigned to them at this time. I believe, therefore, that a saving of roughly \$100,000,000 can be made from the accompanying military appropriation bill by using what amounts to German counterpart in the manner I have described here for NATO countries."

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"This would mean a total reduction of \$651,800,000 below the estimate presented to the Congress in this program...."

Savings: \$651,800,000.

Source: Mr. Moody, Senator from Michigan, Congressional Record, August 29, 1951, pp. 10976, 10977.

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PERSONAL SERVICES

"I am calling attention to a thing in the bill establishing the Mutual Security Administration Office that has appeared almost identically in many other bills. These people say they will hire employees under the Civil Service Act but 'we will put in a few more at a higher salary.' Then they tell you they are unable to secure persons qualified for some particular job, and therefore they have to go above-ceiling salaries. The number here is 100. Rather than strike the whole thing out, I have offered a compromise, so that with respect to the 10 instead of 25 they will get as high as \$15,000, and with respect to the remainder, which I have cut down to 60--and this is mild--they would get somewhere between \$11,000 and \$14,000...a comparative little item that does not seem to amount to very much. But it could be as much as \$100,000 per year..."