

Savings: \$100,000 annually.

Source: Mr. Rees, Representative from Kansas, Congressional Record, August 17, 1951, p. 10491.

* * * * *

EXPANSION OF DEFENSE PRODUCTION

GENERAL

"In addition \$1 billion might be saved by knocking out entirely the Government's request for funds to finance American industrial expansion....With private investment at its present level, there is no need for such Government activity...."

Savings: \$1,000,000,000.

Source: "The Unbelievable Budget," Barron's, Vol. XXXI, No. 4, January 22, 1951, p. 3.

* * *

"Authorizing legislation is also being sought to spend \$700 millions next year for 'expansion of production facilities' in connection with the defense effort. We should expect Congress to review this request most critically to determine which parts of the programs are really indispensable to war production and which are not, and to make sure that the program is not used as an excuse for further Federal intrusion into fields of private industry. There is little doubt that this \$700 million proposal can at least be cut down to a more modest size."

Savings: Amount unspecified.

Source: Alvin A. Burger, Research Director, Council of State Chambers of Commerce, "How and Where the Federal Budget Can Be Cut," Federal Spending Facts, Bulletin No. 80, March 5, 1951, p. 2.

* * *

"I suggest that the funds for defense production loans and civilian defense be reduced to not more than \$1,500,000,000.

"The principal difference between this suggestion and the President's budget proposal would be in the so-called defense production business loans and subsidies and in the virtual elimination of the proposal to disperse government activities. I suggest elimination from the defense production loan and subsidy funds of all of the money proposed to be used as a club or blackjack over private business as a Government threat to establish plants in competition with private industry."

Savings: \$1,500,000,000.

Source: Mr. Byrd, Senator from Virginia, Congressional Record, February 5, 1951, p. 956.

* * *

"Special attention should be given to the \$1100 million of expenditures included in the budget for the expansion of defense production. Clearly, the defense program calls for an expansion of productive capacity in many industries. Clearly, also, where the necessary expansions cannot be privately financed because of their specialized character, government financing should be available. But there is no evidence in the Budget to suggest that these specialized cases will amount to \$1.1 billion in fiscal 1952. We believe that if the present and prospective requirements are clearly spelled out, and with accelerated amortization available, much of this \$1.1 billion may be unnecessary - especially the \$440 million that is estimated to take the form of loans. If programs of this kind are not carefully restricted we may find ourselves paying high taxes to finance government expenditures for investment that cannot be financed privately because taxes are so high."

Savings: Amount unspecified.

Source: Committee for Economic Development, An Emergency Tax Program for 1951, March 1951, pp. 14-15.

* * * * *

ECONOMIC STABILIZATION AND ALLOCATION

GENERAL

"...the amendment would permit a saving of \$2,834,000. It would reduce the funds provided to the Wage Stabilization Board and the Salary Stabilization Board of the Economic Stabilization Agency..."

"Both these agencies are relatively new. They began to function within the last 6 months. I believe it is obvious that they would be flooded with requests for action during the first months of their existence. However, I do not believe an estimate for a long fiscal period of 9 or 10 months should be based on the early experience."

.

"...I believe it is easier to thwart the too rapid growth of such agencies rather than to try to cut them down after they have grown too large."

Savings: \$2,834,000.

Source: Mr. Bridges, Senator from New Hampshire, Congressional Record, October 8, 1951, pp. 13033-4.

* * *

"...In one item you will find something like \$127,000,000 for the Eric Johnston and Mike DiSalle set-ups downtown. I call your attention to that, \$127,000,000,...which is to run the price-control set-up, although we do not have any rationing, and we do not have any price control, either one. I would like for the committee to compare, or for someone else on the floor to compare, the appropriation which is requested--that \$127,000,000--with the amount Congress voted OPA when that agency was actually administering price control, rationing, and all that in World War II..."

.

"One hundred twenty-seven million six hundred thousand dollars in this one item. That is not very far from the amount we appropriated to run OPA..."

.

"...If I recall correctly, the appropriation we made for OPA itself the last year it was in operation was around \$120,000,000. I may be wrong about that, however. Now if they tell us we are going

to have rationing, that we are going into a completely controlled economy, which they say we are not, then they may need all of this money. If we are going to organize OPS clear down into every little town and hamlet in the Nation; if we are going to put a whole horde of Government employees on the payroll, and get up to the 40,000 OPS officials we had during the war, then perhaps this item can be justified, but otherwise I feel this is an item the House had better look over carefully...."

Savings: Amount unspecified.

Source: Mr. Brown, Representative from Ohio, Congressional Record, August 20, 1951, pp. 10569, 10570.

* * *

"Senator Maybank. I would like to ask this question. How much do you think this interchange of funds in the special war agency that could eliminate duplications would save?

"Mr. Fleischmann. I think it will save a minimum of about \$4,000,000, and I am hoping to save more. In the past I made a few predictions, and they have usually been accurate as to what we can save, because I think we can. I am hoping frankly that I can cut down,..."

Savings: \$4,000,000.

Source: Mr. Manly Fleischmann, DPA & NPA head in Hearings before the Committee on Appropriations, Senate, 82d Cong., 1st Sess., Supplemental Appropriations for 1952, p. 855.

* * *

"...The request for allocations, price and wage controls administration should be reduced \$100,000,000 which would still leave \$173,000,000 for these activities."

Savings: \$100,000,000.

Source: Statement by Mr. Robert C. Hendrickson, Senator from New Jersey, March 31, 1951, pp. 1-2.

* * *

"...this is a comparatively new agency [Economic Stabiliza-

tion Agency⁷...I would call your attention to the fact that my amendment simply reduces this amount by \$52,600,000.

"We only have 4 months to run, so to speak, until the Congress is in session again. We can find out at that time how this outfit is getting along and what they are doing, whether they need more money or not, or whether we ought to cut them out altogether.

"I call your attention further to the fact that the budget estimate and figures show that there are 29 people which they ask for at salaries of \$10,000 or more each, and 209 in the other group of \$10,000 or more each, and a total of 526 people at \$9,000 or more."

.

"...in the Committee's report;

'The estimates envisage the employment of 19,000 persons, 15,900 in the field and the remainder in the central office by December 31, 1951. At the present time there are 30,700 employees on the rolls.'

"As a matter of fact, we should be aware of just throwing the people's money away for any such purpose as this...."

.

"...I know they are likely to do a better job if we do not have them overcrowded and overstaffed."

Savings: \$52,600,000.

Source: Mr. Schwabe, Representative from Oklahoma, Congressional Record, August 20, 1951, p. 10606.

* * * * *

DEFENSE HOUSING, COMMUNITY FACILITIES AND SERVICES

GENERAL

"...Defense housing, \$100,000,000..., could be rejected by Congress without too much trouble..."

Savings: \$100,000,000.

Source: Statement by Mr. Robert C. Hendrickson, Senator from New Jersey, March 31, 1951, p. 24

* * * * *

MUTUAL ASSISTANCE, MILITARY AND ECONOMIC

GENERAL

"...my amendment to this first section...of the Mutual Security Act of 1951/ would cut the appropriation for military \$328,000,000....in view of the testimony before our committee I think my cut of \$328,000,000 is as much justified as is the figure that is in the bill.

"We know that the testimony was very indefinite and uncertain. We were not able to pinpoint or to determine exactly what the need was for military end items, and I submit that so far as the record is concerned that much of the testimony that we had was of a guessing variety. We would insist upon specific testimony being brought in to justify the amount but, of course, the old bugaboo of secrecy confronted us."

.

"...We had an appropriation as of June 30, 1951 for military items of \$5,794,300,000. That was the amount we appropriated,...the correct figures on delivery as against a \$5,500,000,000 appropriation were \$108,400,000 worth of end items. The first guess was something like \$450,000,000. General Scott was off only \$291,000,000 in one month of shipments. If that is the extent of the accuracy of the testimony then it is not entitled to much weight."

Savings: \$328,000,000.

Source: Mr. Smith, Representative from Wisconsin, Congressional Record, August 17, 1951, p. 10440.

* * *

"Mr. Wigglesworth. How many interpreters are you going to employ?"

.

"Mr. Bellows. This item is made up of \$525,000 for compensation at the rate of \$12 per day (including subsistence) and \$125,000 for actual cost of the travel for necessary interpreters and for traveling secretaries to record team observations and reports..."

.

"Mr. Wigglesworth. Offhand, that looks like a large figure for interpreters...."

Savings: Amount unspecified.

Source: Mr. Wigglesworth, Representative from Massachusetts, in Hearings before a Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Mutual Security Program Appropriations for 1952, Part 1, p. 435.

* * * * *

Independent Offices

INDEPENDENT OFFICES

PERSONAL SERVICES

"In recommending the deletion of the Jensen amendment, the committee took action,...which it is believed will result in definite and direct savings, instead of the uncertain and contingent savings which may have been effected by the Jensen amendment. The committee adopted a proposal to reduce each appropriation recommended by not less than 5 percent of the estimate for personal services, and to add a limitation to each appropriation item specifying by amounts representing 95 percent of the budget estimate for personal services that not more than such amounts shall be available for that purpose. The action of the Senate in recommitting the bill extended the proposal to reduce each appropriation recommended by not less than 10 percent of the estimate for personal services, and added a limitation to each appropriation item specifying by amounts representing 90 percent of the budget estimate for personal services that not more than such amount shall be available for that purpose.

"The committee agrees with the exemptions from such action as stated in the Jensen amendment for employees in veterans' medical facilities and for employees of the General Accounting Office.

"Since other reductions in the bill bring the total below the budget estimates by over \$600,000,000, the savings immediately resulting from such action amount to \$14,762,838. In addition, the limitation upon the agencies provided for in the bill with respect to the employment of personnel will serve to keep to the minimum the number on the Government payrolls and the committee believes that proper administration should also show substantial savings in other object classifications."

Savings: \$14,762,838.

Source: Report of the Committee on Appropriations, Senate, 82d Cong., 1st Sess., Independent Offices Appropriation Bill, 1952, pp. 15-16.

* * * * *

AMERICAN BATTLE MONUMENTS COMMISSION

CONSTRUCTION OF MEMORIALS AND CEMETERIES

"The committee recommends \$3,000,000 for the continuation of construction of memorials and cemeteries, which is a reduction of \$1,000,000 in the budget estimate. While this reduction will delay

to some extent the completion date of these projects the demand for economy justifies the deceleration of the program during the next fiscal year."

Savings: \$1,000,000.

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

* * * * *

ATOMIC ENERGY COMMISSION

SALARIES AND EXPENSES

"The reduction of \$65,000,000 in funds for plant construction is a relatively small cut when consideration is given to the fact that the commission has under way a construction program involving an expenditure of about 2.2 billion dollars....In applying the...reduction of \$50,000,000, the committee requests the commission to use care and simplicity in the designing of buildings and other construction. In the construction of new projects, only the bare minimum of details and space, without curtailing the utility of the project, should be approved. By carefully screening and eliminating unnecessary construction details, the committee is of the opinion that future construction costs can be substantially reduced....The committee, as required by law, is being constantly advised of increased construction costs over the original estimate. A small but typical example can be cited in connection with the construction of a hospital for the care of dogs and other animals at Los Alamos, New Mexico. During last year's hearings it was stated the cost of the hospital would be \$59,000. At the recent hearings of the committee it was testified the cost had risen to \$85,000. Another example is in connection with the construction of a junior high school at Hanford where the original estimate was \$1,786,000 and the final cost approximately \$3,800,000."

Savings: \$65,000,000.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Independent Offices Appropriation Bill, 1952, p. 5.

* * *

"The committee considered a supplemental estimate of \$273,000,000 to provide additional funds for the atomic energy program and has allowed a total of \$260,000,000 for this purpose.... The committee was not satisfied with the presentation of the commission in its request for additional personnel, and has taken this factor into consideration in effecting a reduction of \$13,000,000 in the budget estimate. The committee is of the opinion, also, that substantial savings can be made in the construction program through simplification of plans and specifications and the restriction of construction to purely utilitarian purposes."

Savings: \$13,000,000 and additional amount unspecified.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., The Supplemental Appropriation Bill, 1952, p. 26.

* * *

"The committee considered a supplemental estimate in the sum of \$484,240,000 for this agency to provide additional funds for increased costs of production facilities being constructed at the Savannah River Operations Office in South Carolina....In view of the assurance of AEC officials that funds already provided will meet all requirements until early next spring, the committee has effected a reduction of \$284,240,000 in the supplemental request of \$484,240,000, leaving a total of \$200,000,000 which will be entirely sufficient to meet any emergency needs for additional funds which may arise prior to the time Congress has had a further opportunity to review the program and the efficiency with which construction work is proceeding. The committee wishes to emphasize the fact that refusal to grant the full amount of the estimate at this time will in no way retard the construction progress of this important project.

"The committee is disturbed because of reports which have come to it indicating inefficiency and waste of public funds in the construction of this project. The committee now has investigators on the ground looking into these alleged inefficient and wasteful practices."

.

"The committee was advised during hearings on the pending supplemental request that the total estimated cost had now risen to \$1,180,000,000, and the Commission advises that the plans are only about 10 percent complete at the present time. It is quite possible, in view of previous estimates, that the cost of the project will be in the neighborhood of 125 to 150 percent in excess of the Commission's estimate of December 6, 1950.

"In connection with the construction program the committee received testimony to the effect that the Commission proposed erecting 259 buildings consisting of 63 operating and processing buildings, 79 utility buildings, and 117 service buildings. The committee has the very definite impression that everything the Commission plans to build is with the idea that it will be in business at this location for the next 50 years. The committee urges now, as in the past, that only utilitarian types of buildings be constructed...."

Savings: \$284,240,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Second Supplemental Appropriation Bill, 1952, pp. 13, 14.

* * *

"...I have been looking at the justifications submitted in connection with the supplemental request....I find a request for over \$46,000 for information services. In view of President Truman's recent censorship decree, I feel sure that the agency will be unable usefully to employ 12 persons as information specialists."

"...another item...is for a small bus terminal, to cost approximately \$30,000."

"...there is a request for \$4,500,000, with which to build 300 dwelling units. According to my arithmetic, this amounts to \$15,000 per family unit. It appears that less expensive dwellings could well be built during this period of national crisis."

"...I find a request for \$3,105,000, to provide for an extension of the civil defense program, to build atomic shelters, and to finance a so-called shelter program. I may point out that both the House and Senate have seen fit to eliminate the shelter program from civilian defense. There is some question as to whether this agency should be treated differently from the way in which the civilian defense agency is treated."

Savings: Amount unspecified.

Source: Mr. Bridges, Senator from New Hampshire, Congressional Record, October 8, 1951, p. 13010.

* * *

"...This amendment involves a cut of \$85,000. I offer to bring to your attention how very difficult it is for Members of the

Congress to intelligently vote on matters such as the appropriations for the Atomic Energy Commission. In the report issued by the committee, page 5, they call to the attention of the House a small but typical example of uncontrolled spending in connection with the construction of a hospital for the care of dogs and other animals at Los Alamos, N. Mex. During last year's hearings, it was stated the cost of the hospital should have been \$59,000, but instead it cost \$85,000. If you will refer to the hearings and the discussion between the members of the committee and the people who appeared in behalf of the bill, you will be informed that the committee expressed considerable opposition and doubt about the proposed construction of a dog sanitarium at Los Alamos. However, the Commission, notwithstanding opposition of the committee, did construct the hospital at a cost of \$85,000. They had a few dogs there, and later--so the hearings go--rented it to a veterinarian for \$150 a month. That is disgusting and ridiculous...."

Savings: \$85,000.

Source: Mr. Lyle, Representative from Texas, Congressional Record, May 4, 1951, p. 5007.

* * * * *

CIVIL SERVICE COMMISSION

SALARIES AND EXPENSES

"...a portion of the reduction of \$4,950,000 in the budget estimate is based on the belief that the turnover rate during the next fiscal year will not be substantially in excess of the rate during the first six months of the current year, which will permit a saving of approximately \$1,500,000. The committee also wishes to point out that 72 percent of placements during the next fiscal year will be made by boards and committees of examiners paid for by the several agencies, whereas only 54 percent of such placements will be made by agency boards during the current fiscal year. This transfer of work to the agencies will permit additional savings in the commission's expenditures."

Savings: Over \$1,500,000.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Independent Offices Appropriation Bill, 1952, p. 6.

* * *

"I have an amendment which is a limitation on travel expense of the Civil Service Commission."

.

"The budget estimates for 1952 carry an estimate for travel of \$499,058. Despite this estimate it was asked [later Budget request] that the limitation for this item be raised to \$623,000. The House allowed \$520,000 and the Senate Committee has allowed \$600,000. We propose that the limitation be reduced to \$575,000, which is about \$75,000 more than was allotted by the Budget Bureau [originally], and some \$25,000 under the Senate committee figure. It would be in line with the amendment previously adopted.

"This limitation does not actually assure any saving. It is, however, a brake upon waste through excessive or unnecessary travel. If anything, we have been entirely too generous in the ceiling upon travel expense which we propose in this amendment."

Savings: \$48,000 less than the later Budget Bureau request.

Source: Mr. Bridges, Senator from New Hampshire, Congressional Record, June 19, 1951, p. 6876,

* * *

"...The loyalty program has now become a watchword, but the testimony indicated that they have nearly finished the screening of those now employed by the Government, and from now on the problem is simply those applicants we are about to hire. For that purpose it seems hardly necessary to increase, in the field of the Civil Service Commission loyalty program, the number of boards from 708 to 1,222. It seems hardly necessary to create new regional and appeal boards in a huge program, whereby a person who is turned away from Government employment because his loyalty is in question, can go on from appeal to appeal until he reaches the final board here in Washington."

Savings: Amount unspecified.

Source: Mr. Cotton, Representative from New Hampshire, Congressional Record, May 4, 1951, p. 4995.

* * *

"It is believed that small reductions [totalling \$5,000,000] could be effected in the operation of the Civil Service Commission..."

and at least they should not require a much greater amount to operate in 1952 than they did in 1950."

Savings: \$5,000,000.

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

* * *

[Amendment of Mr. Taber of New York to strike out the \$18,050,000 appropriation for salaries and expenses of the Civil Service Commission and insert an appropriation of \$17,000,000.]

"The amount allowed over-all last year for the Civil Service Commission was \$16,511,913. The basis of the request for an increase was largely additional placements, \$1,500,000....The number of placements they estimate for this current fiscal year is 1,136,000. The number they estimate for the fiscal year 1952 is 1,141,000, or an increase of 5,000, less than half of 1 percent.

"I have been allowing them about \$500,000 increase to take care of that extra 5,000 placements. I think I am being liberal. Frankly, they claim that the turn-over rate in 1952 in Government establishments will be 36 percent, but the committee investigated on how things were going and the present rate of turn-over, according to the committee's report, and I am reading right out of it, is at the rate of 2.3 percent monthly, or 27.6 percent. With that percentage of increase in turn-over, I cannot see any justification for going beyond \$17,000,000 which I have suggested here. Frankly, I would like to go back to \$16,500,000 which was given last year, but to take care of 5,000 extra placements it seems to me absolutely ridiculous to go to \$1,500,000 extra."

Savings: \$1,050,000.

Source: Mr. Taber, Representative from New York, Congressional Record, May 4, 1951, p. 5010.

* * * * *

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

"The committee recommends a total of \$6,575,000 for salaries and expenses of this Commission, which is \$275,000 less than the budget estimate and the amount available for expenditure during the current year. The committee wishes to commend the commission for undertaking a reorganization of its activities, a task which the committee had been urging the commission to undertake during the past 2 years. The increased efficiency attained through reorganization of activities should enable the commission to keep current with a slightly increasing workload with funds equal to those provided during the present fiscal year."

Savings: \$275,000.

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

* * *

"...when I examined this bill [Supplemental Appropriation Bill, 1952] I was somewhat provoked to see that it carried an appropriation of \$1,000,000 for the Federal Communications Commission.... It has been stated...that the Communications Commission needs some money to carry on its monitoring service. However, coupled with that suggestion, it has been mentioned to me that an amendment will be offered providing that this \$1,000,000 for this monitoring service be taken out of the appropriations already made,

"...I do not know how many of my colleagues are familiar with the composition and the behavior of the Federal Communications Commission, but I happen to be one Member of this body who believes he knows something about the set-up--and his opinion is that it is a bad outfit...."

.

"...not an additional dime should be appropriated to the Federal Communications Commission. It has been able to get from the Appropriations Committees of the Senate and the House, for a number of years, money far in excess of what the Commission might legitimately use. It is overstaffed....In their legal department alone they have 97 people, 67 of whom are lawyers, or claim to be lawyers. They could get along with a half dozen...."

"...there is no justification for making this appropriation..."

Savings: \$1,000,000.

Source: Mr. Cox, Representative from Georgia, Congressional Record, August 20, 1951, p. 10571.

* * * * *

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

"...the amendment I am submitting...will reduce the appropriation by \$97,300. It will mean the agency will still have the same amount it had last year. This agency did ask for still more money, but the committee granted the increase indicated in the bill. ...This agency, comparatively small in size, asked for \$3,247,000 for salaries and expenses for 404 people, some of them only part-time employees. That is an over-all average for all employees of \$8,000 per year. This is counting stenographers, clerks, and others at comparatively lower salaries. This would indicate some of them are doing pretty well in the way of salaries. I remind you the request indicates it is for part-time assistance. This part-time assistance is to be paid on the basis of \$75 per day and expenses. The agency is allowed to go out and employ whom it chooses and pay as much as \$75 per day without consideration of civil-service requirements.

"Neither the bill nor the report nor the hearings indicates how much of this fund of more than \$3,000,000 is to be spent on the \$75-a-day employees. Nothing is said about the required qualifications of these employees. The bill says, in substance, you propose to spend more than \$3,000,000 for salaries and expenses of officers, employees, temporary employees that include 'arbitrators, conciliators, and mediators on labor relations.' The hearings indicate the employment of approximately 400 people. There is an additional item of \$50,000 for office expense in the District of Columbia. Incidentally, it may be said this expenditure is in support of labor. Whether that be correct or not, I cannot imagine the rank and file of labor wanting to increase an item that will pay any agency employees an average of more than \$8,000 per year, many of them working only part time. Nor for paying a lot of additional persons I have described more than \$50 per day and expenses for part-time service."

Savings: \$97,300.

Source: Mr. Rees, Representative from Kansas, Congressional Record, April 18, 1951, p. 4204.

FEDERAL POWER COMMISSION

FLOOD-CONTROL SURVEYS

"In allowing \$314,700 for this work the committee has provided an amount equal to funds available for the current year, and \$5,300 less than the budget estimate....During this period of emergency and high taxes it is suggested that the commission curtail some of its studies in connection with power and flood control which do not have specific projects in mind."

Savings: \$5,300.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Independent Offices Appropriation Bill, 1952, p. 8.

* * *

"...this amendment would reduce the flood-control survey activities of the Federal Power Commission to \$200,000. In my opinion, this activity furnishes a perfect example of a type of work that may be very valuable in peacetime, no doubt is, when we can conduct preliminary surveys and studies with something other than borrowed money, but in a time of grave fiscal emergency these activities simply cannot be justified.

"I never realized what the functions of the Federal Power Commission were in this field until I studied into it a little. These surveys which the Federal Power Commission conducts for the Corps of Engineers have nothing to do with construction that is already under way where insufficient planning might cause grave errors in judgment in engineering or in buying supplies; they merely pertain to investigations on which the Corps of Engineers may or may not at some future time decide to undertake construction. Furthermore, the construction by the Corps of Engineers in turn, in my judgment, should be sharply curtailed and confined to essential projects which it would be unwise economy or detrimental to our defense effort to cut."

Savings: \$114,700.

Source: Mr. Keating, Representative from New York, Congressional Record, May 4, 1951, p. 5014.

* * * * *

FEDERAL TRADE COMMISSION

SALARIES AND EXPENSES

"In effecting a reduction of \$135,000 in the supplemental estimate of \$500,000 for anti-merger work, the committee has taken into consideration the fact that it will be extremely difficult to recruit trained legal personnel capable of performing the type of work required which will result in much delay in getting the program under way. The committee believes that efficiency will prevail if a policy of care and discrimination in the hiring of personnel is followed."

Savings: \$135,000.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Independent Offices Appropriation Bill, 1952, p. 8.

* * *

[Amendment offered by Mr. Keating of New York to reduce the \$4,136,400 appropriation for salaries and expenses of the Federal Trade Commission to \$3,891,695.7]

"This amendment simply reduces the item appropriated for the Federal Trade Commission to the amount granted for the fiscal year 1951.

"There are 10 people in the accounting division auditing travel vouchers and the other purchases of the Commission. The travel allowance for the Commission for 1951 was \$144,000; supplies and materials, \$31,000; and equipment, \$16,000. In other words, the total of those items was \$191,000.

"There were 10 full-time employees vouchering the slips handling \$191,000. The salaries paid these 10 people, figuring on the Government average of \$3,600 a year, would amount to \$36,000; in other words, this agency was paying approximately one-fifth of the total amount for handling these vouchers. I submit that any private concern that would conduct its business that way would go out of business overnight with that kind of overhead.

"In addition to these 10 people there are 35 people in the services and supplies section, a portion of whose duty is to buy the supplies, equipment, and furniture. So these 10 people do not even have the responsibility of buying the equipment; they merely do paper work after the material has been purchased.

"Now, turning to the library, there are five people in the library doing, as this distinguished chairman of the subcommittee said, 'watching records'--five people to watch the records.

"Each floor has a messenger. There is a total of six of those for the Commission.

"These are just a few illustrations of the waste of manpower in this agency and are illustrative of the reason why it is not going to curtail their activities in the slightest degree...."

Savings: \$244,705.

Source: Mr. Keating, Representative from New York, Congressional Record, May 4, 1951, pp. 5016, 5017.

* * * * *

GENERAL ACCOUNTING OFFICE

SALARIES

"The functions of the General Accounting Office for the fiscal year 1952 have been affected substantially by the passage in 1950 of the Budget and Accounting Act and the Post Office Financial Control Act. Under the Budget and Accounting Act, the Accounting and Bookkeeping Division has been abolished, and as a result of the Post Office Financial Control Act, the Postal Accounts Division has been transferred to the Post Office Department. These two changes have permitted a substantial reduction in the appropriations required by this agency.

"The committee has included \$29,894,000 for salaries for this office, which is \$431,000 less than the Budget estimate and \$1,190,500 below the 1951 appropriation (adjusted)...the committee is convinced that savings being effected during the current year will produce a considerably larger unexpended balance than is set forth in the 1952 budget, and that such additional saving, projected into the fiscal year 1952, will provide the funds required for such new positions...."

Savings: \$431,000.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Independent Offices Appropriation Bill, 1952, pp. 8-9.

* * *

"Other headaches are inflicted on all agencies by the Comptroller General, entirely outside the Executive Branch and responsible only to Congress. His word as to the validity of any federal expenditures is 'final and conclusive.'"

.

"The wasteful consequence is that the Executive Branch awaits the decisions of an outside auditor who does the final book-keeping for all agencies, who has authority to stop payments, and who has not confined himself to spot-checking for suspicious items, but has insisted on laboring over every entry.

"To do all this, the Comptroller kept 10,000 employees busy in fiscal 1949 rendering 13,000 decisions; examining 61,000 money warrants; auditing 23,000,000 vouchers; examining 1,200,000 contracts; settling 563,000 claims and 389,000 fiscal officers' accounts; reconciling 459,000,000 checks; visiting 1,400 offices on inspections; submitting 22 comprehensive audits and 540 other reports to Congress."

Savings: Amount unspecified.

Source: Earl B. Steele, "Holes in Our Public Purse," Nation's Business, Vol. 39, No. 2, February, 1951, p. 39.

* * * * *

MISCELLANEOUS EXPENSES

"...[Legislative] changes have permitted a substantial reduction in the appropriations required by this agency."

"...The committee has allowed a total of \$1,600,000 for miscellaneous expenses, a reduction of \$67,000 in the estimate and the amount available for this purpose during the current year."

Savings: \$67,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Independent Offices Appropriation Bill, 1952, p. 9.

* * * * *

INDIAN CLAIMS COMMISSION

SALARIES AND EXPENSES

"For salaries and expenses of this Commission the committee has included in the bill \$90,000, which is \$9,000 less than the budget estimate and \$5,000 under funds available for the current fiscal year. During hearings on the bill it was disclosed that the position of chief investigator was vacant and it is understood that there is no plan to fill the position in the near future. In view of this situation it is believed the commission can operate efficiently with an appropriation of \$90,000 during the next fiscal year."

Savings: \$9,000.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Independent Offices Appropriation Bill, 1952, p. 16.

* * * * *

INTERSTATE COMMERCE COMMISSION

GENERAL EXPENSES

[Amendment of Mr. Cotton of New Hampshire to strike out the appropriation of \$9,069,870 for general expenses, Interstate Commerce Commission, and insert an appropriation of \$8,569,870.]

"...this amendment reduces the money apportioned to the Interstate Commerce Commission for use in their so-called motor carriers' highway safety program...."

.

"By their own evidence there are 172,000 carriers under their jurisdiction. They are at the present time inspecting only about 22,000 of these, and only one-sixth of this number each year. This increase by their own evidence would enable them to reach only a few more. It would require an army of Federal operatives to really police the highways. This department duplicates the work of the State police in many States of the Union. In spite of the attractiveness of the term 'safety program,' if there is anything to this theory that we should suspend nonessential activities during this emergency, there

is no sense in giving them that additional money for 1951-52 to increase an activity which will not reach any appreciable number and which duplicates the work of the States."

Savings: \$500,000.

Source: Mr. Cotton, Representative from New Hampshire, Congressional Record, May 4, 1951, p. 5023.

* * * * *

NATIONAL CAPITAL PARK AND PLANNING COMMISSION

LAND ACQUISITION, NATIONAL CAPITAL AND METROPOLITAN AREA

"The bill includes \$155,000 for this purpose which is \$444,500 less than funds available for the current fiscal year and \$995,000 below the budget estimate. In effecting this substantial reduction in the budget estimate the committee has denied all funds proposed for use in connection with the acquisition of property in nearby Maryland and Virginia and has restricted the applicability of funds to the purchase of land for park and playground purposes in the District of Columbia."

"...Section 1B of the Act deals with the acquisition of land in Montgomery and Prince Georges counties, Maryland, and authorizes appropriations totaling \$4,500,000 of which \$1,531,050 has been provided for Montgomery County and \$1,027,250 for Prince Georges County. Since these projects have been authorized for more than twenty years and will require many more years for completion, the committee believes that no hardship will result from deferring the appropriation of additional funds until after the present international difficulties have subsided."

Savings: \$995,000.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Independent Offices Appropriation Bill, 1952, p. 19.

* * * * *

NATIONAL LABOR RELATIONS BOARD

SALARIES AND EXPENSES

Item	Proposal
------	----------

L a b o r

"N L R B elections: Law requires Government to hold elections before unions can bargain for a union shop. Requirement has proved to be red tape since unions win 95 percent of the time. Repeal requirement."

Savings: \$500,000 annually.

Source: Staff of the Joint Committee on the Economic Report, Report of the Joint Committee on the Economic Report, Senate, 82d Cong., 1st Sess., January 1951 Economic Report of the President, p. 89.

* * *

"...this amendment is proposed in order to cut the appropriation for salaries and expenses of the National Labor Relations Board from the figure set forth in the bill of \$8,300,000 to \$8,000,000, resulting in a saving of \$300,000.

"The justification for this is as follows: If you will look at the schedule in back of the bill it appears there that the Labor Board has been cut from its last year's appropriation, but if you will look on page 20 of the report you will find that although there is an apparent cut the fact is the rental of the National Labor Relations Board has been transferred from that Board to the General Services Administration which saves them \$353,000 a year. The net result is that this Board's personnel requirements has increased by nearly \$100,000 rather than the reduction which appears in the schedule..."

Savings: \$300,000.

Source: Mr. Smith, Representative from Virginia, Congressional Record, April 18, 1951, p. 4200.

* * * * *

NATIONAL SCIENCE FOUNDATION

SALARIES AND EXPENSES

"The bill contains \$300,000 for this activity, which is a reduction of \$13,700,000 in the Budget estimate of \$14,000,000. The amount included in the bill provides funds for operation on substantially the same basis as in fiscal year 1951 and will permit partial organization of this new agency and planning for future development. Funds are not provided in the bill for research support at colleges and other educational institutions for which a budget estimate of \$8,155,000 was submitted. Nor are funds provided in the bill for the training of scientific manpower (fellowship program) for which the budget submission contained \$5,060,000. The committee, after much consideration and with some reluctance, has denied funds for these two programs, which make up in excess of 90 percent of the estimate, with the idea that their early aid in the present emergency is not very tangible...."

Savings: \$13,700,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., The Supplemental Appropriation Bill, 1952, p. 28.

* * * * *

RAILROAD RETIREMENT BOARD

GENERAL

"The items for the Railroad Retirement Board...should be held to the actual amount spent in the fiscal year 1950. [Leading to savings of \$54,000,000]."

Savings: \$54,000,000.

Source: National Association of Manufacturers, Cut Non-Defense Spending Now, Economy Policy Division Series, No. 40, New York, February, 1951, p. 16.

* * * * *

PAYMENT TO RAILROAD RETIREMENT ACCOUNT

"The committee recommendation is \$50,465,591 less than the budget estimate and the House allowance, neither of which recognized the credit outstanding for prior years' overpayment, resulting from the overestimating of net tax collections upon which figure the annual specific appropriation has been based, adjusted for prior years' experience."

Savings: \$50,465,591.

Source: Report of the Committee on Appropriations, Senate, 82d Cong., 1st Sess., Labor - Federal Security Appropriation Bill, 1952, June 6, 1951, p. 11.

* * * * *

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

"The submission of an estimate for this activity for the fiscal year 1952 was delayed until passage of the Universal Military Training and Service Act, which was approved on June 19, 1951. The committee considered a budget estimate of \$31,800,000 and has recommended a total of \$30,154,000, a reduction of \$1,646,000 in the estimate. The committee is of the opinion that there is overstaffing in the national and state administrations and it has effected reductions of \$328,000 and \$1,139,000, respectively, in these two programs. The remaining reduction of \$179,000 has been applied to expenses of special boards...."

Savings: \$1,646,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., The Supplemental Appropriation Bill, 1952, p. 28.

* * *

Item	Proposal
"Military Services	
"Selective service records: Records concerning registrants under 1940 Selective Service Act must be retained.	"Require that bulk of records be destroyed, retaining only those with archival value."
Savings: \$500,000 in 1952, \$1,000,000 in subsequent years.	
Source: Staff of the Joint Committee on the Economic Report, Report of the Joint Committee on the Economic Report, Senate, 82d Cong., 1st Sess., <u>January 1951 Economic Report of the President, p. 89.</u>	

* * * * *

VETERANS ADMINISTRATION

GENERAL

"Dr. Johnson, President of Temple University, Philadelphia, drew attention to...a 'startling new example of VA red tape' set forth in a letter written by a fellow educator, President Alvin C. Eurich of the University of the State of New York...to Veterans Administrator Carl R. Gray,...(and concerning) the large number of signatures required to complete a contract with a university for G.I. training.

"I wish to call attention to the fact that, on contracts covering only six of our 33 constituent institutions,' Dr. Eurich said, 'signatures or initials of administrative officers of the University were required in over 2,200 places. On one contract alone, namely V3007V -- at the Institute of Applied Arts and Sciences at Buffalo -- a total of over 1500 signatures or initials of the President of the University, Secretary to the Board of Trustees, and Director of the Institute were required. Of the 1500, over 900 were signatures or initials of the President and over 600 initials of the Director of the Institute.'"

.

"In commenting on Dr. Eurich's letter, Dr. Johnson said:...'Conceive of the time, manpower and bureaucratic ingenuity required to think up 900 separate places for one man to sign or initial a single contract. Yet, while VA thus harrasses the head of honest institutions, millions of dollars have slipped through its fingers in payments to fly-by-night "schools" where veterans got little or no education. Moreover, it was recently revealed that VA is responsible for \$200 million in overpayments to men who had already left school.'"

Savings: Amount unspecified.

Source: Release of the Citizens Committee for the Hoover Report to Chief Editorial Writers, February 26, 1951.

* * *

"5. Other operations of the VA would be consolidated and brought into line with ordinary standards of administrative practice. The Hoover Commission's task force estimated that the VA could do a better job for the veteran with 40 per cent fewer people than it has today...."

Savings: 40 per cent cut in VA personnel.

Source: Commission on the Organization of the Executive Branch of the Government, as reported in Fortune, Vol. XLIII, No. 4, April, 1951, p. 84.

* * *

"...V.A. was taking five times as long to complete payment of a death claim to a veteran's widow as do private companies, and utilizing four times as much manpower per policy in the process. They Hoover Commission...urged streamlining of the whole V.A. insurance machinery in accordance with modern methods,

"The Commission's research on V.A.'s organization was headed by Thomas Searles, of Philadelphia, a veteran of both World War I and World War II. Most of his associates were World War II veterans. They conducted complete management engineering surveys of the V.A. structure and found endless evidence of duplication, delay, overstaffing and waste. They, too, were thinking in the veteran's interest when they made numerous specific recommendations for streamlining V.A. and increasing its efficiency. In my opinion, \$90 millions a year could be saved in V.A. operations without curtailing federal services to the veteran by one whit."

"...the whole V.A. structure was topheavy with executives and snarled by masses of red tape. In one V.A. unit the Hoover Commission found 24 supervisors for 25 employees. It also found V.A. employees struggling with 88 manuals, 665 technical bulletins, and over 400 circulars on procedure. On one occasion, V.A. took a nine-page law and expanded it into 994 of regulations and interpretations. Yet, in its preoccupation with paperwork, V.A. has permitted hundreds of millions of dollars to slip through its fingers in payments to phony 'educational projects' and in overpayments to men who had already left school."

Savings: More than \$90,000,000 a year.

Source: Letter from Robert L. Johnson, National Chairman of the Citizens Committee for the Hoover Report, to John Rankin, Chairman of the Committee on Veterans Affairs, House of Representatives, July 26, 1951.

* * *

"What surely must be the last word in red tape came to light the other day in a report that one Government contract covering veterans' training at an institution in Buffalo had to be signed or initialed no less than 1,500 times. While commenting that this was a 'most unusual' case, a spokesman for the Veterans Administration agreed that an effort would be made to work out a more simplified procedure -- which seems to be about the very minimum that the situation calls for."

Savings: Amount unspecified.

Source: New York Times, March 4, 1951, Sec. 4, p. 8.

* * *

"...The goal: elimination of wasteful practices without decreasing service to veterans. Estimated savings: \$70,000,000 a year. The commission found 24 administrative and supervisory employees for every 25 persons being supervised in one VA unit, also that the VA takes four times as long to pay a widow's death claim as does a private company and uses five times as much manpower per policy."

Savings: \$70,000,000 a year.

Source: B. Savesky, "Let's Save Five Billion Dollars," reprinted from Commerce Magazine, January, 1951, p. 2.

* * *

"As an example of the unbelievable waste in our Government, I want to read to the House a letter that I have from Carl R. Gray, Jr., Administrator of the Veterans' Administration...."

"The significance of this letter lies in the fact that people were loaded onto the payrolls of.../two veterans' hospitals/ hospitals 6 months before even a patient [was] admitted or a physician [was] available to care for them.

"The Government's waste for wages would run into \$375,000 and for other expenses--heat and so forth--about \$125,000, so that a full \$500,000, or one-half million dollars, was wasted by this ridiculously poor management."

Savings: \$500,000.

Source: Mr. Taber, Representative from New York, Congressional Record, May 4, 1951, pp. 5000-5001.

* * *

"That which I take issue with, was the establishment of branch offices, and in particular the one located in Minnesota. This office, which was to supervise the operations of the VA activities of Minnesota, North and South Dakota, Iowa, and Nebraska, actually served no useful purpose and was a hindrance to efficient operations of the filled stations. This fact was aptly demonstrated by the pressure that developed against these branch offices and forced General Bradley's successor, Gen. Carl Gray, to abolish them in 1949. The abolishment was mainly a ruse to take off the heat which had developed against the branch operations, and the offices continued to operate with a new designation of district offices. A number of low-grade employees lost jobs, and some of the supervisory functions were centralized, but on the whole, the operations of the district office located at Fort Snelling in Minnesota, continues to function with its same inefficiency, large staff and expenditure of millions of dollars unnecessarily. The original idea of the branch offices was that they would be a small echelon of the central office of the VA, with supervisory functions only, and would require a staff of some 75 to 100 persons. It was later decided to decentralize insurance to the branches for a more efficient operation, but this efficiency was never accomplished and the insurance program has continued in a state of great confusion with a great waste of overstaffed manpower."