

9 persons, providing these same services on an independent basis. Each of these bureaus protects and attempts to justify these separate facilities on the grounds that (1) they must be aligned to meet highly specialized requirements and (2) they must maintain direct control over them. There appears to be little basis for either contention for there is no evidence to indicate that the quality of service would suddenly diminish under a consolidated plan or that their requirements are so specialized as to require separate techniques in the procurement process...."

Savings: Amount unspecified.

Source: Preliminary Report of the Committee on Post Office and Civil Service, House of Representatives, 81st Cong., 2d Sess., Investigation of Employee Utilization in the Executive Departments and Agencies, Part I, p. 14.

* * * * *

OFFICE OF EDUCATION

PROMOTION AND FURTHER DEVELOPMENT OF VOCATIONAL EDUCATION

"Another amendment which I propose to introduce deals with striking out approximately \$1,800,000 for so-called distributive education, which was eliminated by the House but restored by the Senate committee."

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"I should like to point out,...that distributive education is of somewhat dubious value, despite all the arguments that have been made in its behalf. Vocational education in agriculture, industrial arts, and home economics, probably stands on rather firm ground. However, to teach a high-school student how to sell groceries or clothes would hardly seem to me to be a wise expenditure of Federal funds at the present time. We would spend \$1,800,000 of Federal funds, which, when added to State and local contributions, would make a total of \$3,600,000."

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"...I believe that on the whole the great demand for this appropriation of \$1,800,000 comes from the teachers of retail services. They have organized a lobby in virtually every State, and have organized a letter-writing campaign and a telegram-sending campaign in regard to the need for distributive education, because their jobs are in danger. That is where the pressure comes from,

"We find that we build up vested interests which in turn demand their maintenance and expansion.

"I think these teachers can be restored to even more productive occupations...."

Savings: About \$1,800,000.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, June 8, 1951, p. 6470.

* * * * *

MAINTENANCE AND OPERATION OF SCHOOLS

"...the facts about the maintenance and operation costs of schools in federally affected areas, as I understand them, are as follows: Forty-one and a half million dollars would pay 100 percent of all the additional costs of maintenance and operations of schools in federally affected areas. The appropriation proposed by the Senate committee, of \$40,000,000, would provide 97 percent of the added expense. The \$28,000,000 as proposed by the House would provide approximately 68 percent. The amendment which I am offering, for \$31,000,000, would provide 75 percent. It is \$3,000,000 higher than the House figure, but \$9,000,000 below the Senate committee figure.

"In view of the fact that it is difficult to compute what the added cost of operating schools in the federally affected areas would be, because there is a natural tendency to overestimate the costs; it does not seem to me to be wise for the Federal Government to meet the entire added cost, as computed. Part of the added cost could well be met by the localities through ultimate greater tax revenue, part of which is not an additional cost at all, but only a paper cost. We could save \$9,000,000 by meeting 75 percent of the estimated cost, instead of 97 percent, as provided for in the committee's proposal. I ask unanimous consent that the amendment be agreed to."

Savings: \$10,500,000.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, June 8, 1951, p. 6470.

* * * * *

PUBLIC HEALTH SERVICE

ASSISTANCE TO STATES, GENERAL

"...By means of this amendment [to the appropriation for General Assistance to States] we shall reduce the amount proposed to be appropriated for technical assistance and the collection and compilation of mortality, morbidity, and vital statistics, from \$15,960,000 to \$15,000,000, or a saving of \$960,000."

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"...this amendment calls for a reduction in the amount proposed to be devoted for obtaining vital statistics and other matters. I certainly wish to pay tribute to the importance of vital statistics in the past, in making comparisons of death rates and sickness rates. However, like every other good thing, this can be carried too far during a period when we need retrenchment. A reduction of 6 percent in the amount provided for this purpose does not seem to me to be excessive."

Savings: \$960,000.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, June 8, 1951, pp. 6470, 6471.

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ENGINEERING, SANITATION, AND INDUSTRIAL HYGIENE

"Mr. Busbey. ...regarding this sanitation of interstate land, water, and air carriers my question is this: Why shouldn't that expense be charged to the carriers? Why shouldn't they pay it?"

"Mr. Hollis. Well, there is really no reason why they should not except if we tried to develop a practical method of assessing the cost, particularly when you are using the same inspector to cover ships, airplanes and trains--I had wondered if we would not get ourselves involved in administrative entanglement that would be most difficult to administer. We have the same problem in trying to meet the demands of other Federal agencies. It is quite hard for us to work out the mechanics of some of these programs with which we are confronted."

"Mr. Busbey. I don't think the involvement would be near as great as the involvement in forcing the businesses of our country to collect the tax for the Internal Revenue Bureau which is commonly known as the 'withholding tax.' Frankly, I see no reason why that program has evolved as it is carried on. I think the cost of it should be charged to the individual enterprises and I think the carriers certainly could stand what little expense it would be to them if you were to prorate this charge."

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., Department of Labor-Federal Security Agency Appropriations for 1952, Part 2 (Public Health Service), pp. 588-589.

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CONSTRUCTION OF RESEARCH FACILITIES

"The reduction of \$900,000 below the estimate is in two parts. One item of \$800,000 pertains to liquidation cash requested in connection with construction of auxiliary service area structures. In past years \$800,000 was made available for purchase of an electro-static generator. Because of certain changes in technical developments those funds have not yet been obligated; they are being held in budget reserve. The committee is advised that it appears unlikely that contracts for that equipment will be placed in time for delivery in fiscal year 1952 and thus cash requirements for 1952 will be \$800,000 less than projected. The other \$100,000 has been applied against the request for supplies, furnishings, and equipment. Exercise of prudent and economical planning for furnishings in offices and quarters should make it possible to take care of all essential needs within the reduced allowance."

Savings: \$900,000.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Labor, Federal Security Agency, and Related Independent Offices Appropriation Bill, 1952, p. 16.

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AID TO MEDICAL EDUCATION AND LOCAL HEALTH SERVICES

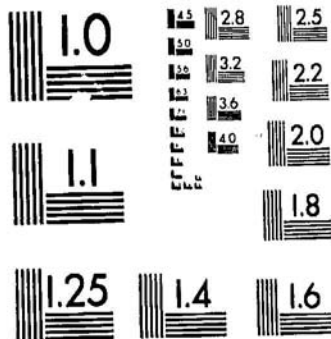
"...Requests totaling \$25,500,000 were submitted for the Agency, which is concerned with certain provisions of title III relating to community facilities and services. The law defines those terms to include a host of things; for the agency, they involve water purification; interceptor sewers and sewage treatment; hospitals and health centers; refuse collection and disposal; recreational facilities; and day-care centers. The committee recommends a total of \$1,200,000 at this time for Federal Security, of which \$1,000,000 is for facilities and services and \$200,000 is for necessary administrative expenses.

"The committee was confronted with a wholly inadequate justification of the proposals presented. Public Law 139 was only recently approved, and thus far the program is in its most formative stages. The first requirement of the law which a local area must meet to be eligible for assistance is to be declared a critical defense housing area. No such declarations have been made, although officials advanced the guess that from 30 to 50 areas might be so declared within the next few weeks. The next step following inclusion on the critical list is that a thorough survey of the area must be made to determine its specific needs as regards housing and facilities or services and, more important from a budgetary standpoint, its ability to finance such needs entirely without Federal aid or with only limited assistance. The clear intent of the law, as expressed in both the act and the committee reports, is that Federal assistance is to be provided only as a last resort in critical situations. Thus such surveys will require some months for the numerous projects which Agency officials expect will apply for aid; the committee will expect that the intent of the law be observed to the fullest. The law authorizes assistance in the form of both loans and grants, but procedures have not been worked out as to conditions under which loans, as opposed to grants, will be made. Under the circumstances, no intelligent basis exists at this time for recommending appropriations to the extent suggested."

Savings: \$24,300,000.

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

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SOCIAL SECURITY ADMINISTRATION

BUREAU OF PUBLIC ASSISTANCE

Grants to States for Public Assistance.

"...The committee recommends \$1,150,000,000, a reduction of \$100,000,000 under the House allowance, \$150,000,000 under the budget estimate, and \$130,000,000 under the 1951 appropriation.

"It is conservatively estimated that there will be unobligated \$80,000,000 of the current year's appropriation. There is no information available to the committee that the new fiscal year will see a fall in the employment rolls nor a lack of job opportunities. It is believed that the committee's recommendation will fully provide for the Federal Government's obligation in this program.

"The growing public dissatisfaction with the granting of relief payments to individuals for whom family care is available was called to the attention of the committee. State legislatures have indicated an awareness of the problem and the committee will expect to observe an awareness on the part of officials of the Bureau of Public Assistance to the end that relief payments are not profligately expended. It is believed that a sterner attitude might result in considerable economy in this program, without denying a single case of bona fide need."

Savings: \$150,000,000.

Source: Report of the Committee on Appropriations, Senate, 82d Cong., 1st Sess., Labor-Federal Security Appropriation Bill, 1952, p. 8.

* * *

Salaries and Expenses.

[Amendment of Mr. Keating of New York to strike out the \$1,600,000 appropriation for salaries and expenses for the Bureau of Public Assistance and insert an appropriation of \$1,463,400.]

"I cannot understand why there should be need for additional employees. The alleged justification for this item appears on page 18 of the report, where it says it is to take care of within-grade salary advancements, projection of positions approved for a portion of the current year to a full-year basis, and additional expenses to handle increased work arising out of certain amendments.

"It is not stated in the report that it is intended to increase the number of employees. However, it seems to me that in this particular activity it is definitely one of those cases where, instead of increasing the appropriation to take care of promotions, and that sort of thing, such needs should be absorbed and taken care of by a reduction in the number of personnel. As a matter of fact, I think I have probably been unduly conservative in merely trying to reduce this figure to the figure of last year. Certainly we should go that far."

.

"...It is estimated that the reduction which is sought by this amendment might eliminate 27 employees from the payroll, but that elimination would still leave on the payroll 22 more employees than they had in 1950."

Savings: \$136,600.

Source: Mr. Keating, Representative from New York, Congressional Record, April 18, 1951, p. 4194.

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CHILDREN'S BUREAU

Salaries and Expenses.

"The estimate for this item [Children's Bureau] is \$1,592,000, against which the committee recommends \$1,450,000. The committee is not convinced that the bureau needs the additional personnel sought and furthermore, that some retrenchment below the current appropriation can be made without sacrificing any essential activity. A very substantial part of the reduction is directed at personnel costs."

Savings: \$142,000.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Labor, Federal Security Agency, and Related Independent Offices Appropriation Bill, 1952, p. 18.

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Grants to States for Maternal and Child Welfare.

"...The record shows that there has been an average carry-over [of funds appropriated for grants to states for maternal and child welfare] since 1947 of over \$3,000,000 annually. Thus in 1951 the states have available a total of \$33,328,700 although the appropriation for 1951 was only \$30,250,000. The committee is not aware of any useful purpose served by these carry-overs and has therefore eliminated \$3,000,000 from the 1952 request."

Savings: \$3,000,000.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Labor, Federal Security Agency, and Related Independent Offices Appropriation Bill, 1952, p. 19.

* * *

"In 1951 there was appropriated for this purpose [grants to the states for maternal and child welfare] \$30,250,000. The 1952 estimates submitted by the Budget Bureau were \$33,000,000. The House cut the amount to \$30,000,000, or roughly the same as was appropriated last year. There is also a carry-over from last year of approximately \$3,000,000. So if we add the carry-over of \$3,000,000 to the appropriation of \$30,000,000 for this year, we reach a total of \$33,000,000, or the amount which the Bureau of the Budget estimated for 1952.

"As I understand it,...the carry-over of \$3,000,000 arises from the fact that a number of the States have not fully utilized the grants the Federal Government has made to them. Therefore, I propose that we utilize the unexpended balance, in order to help reach the total of \$33,000,000 which was recommended. Twenty States of the 48 have had carry-overs; they have not spent all the grants the Federal Government has made to them. Twenty-eight States have spent all the grants which have been made to them. The funds are not transferable, so they cannot be transferred from the 20 States which have carry-overs to the 28 States which do not have carry-overs. Thus, in the 28 States there would actually be a reduction in the amounts requested by the Bureau of the Budget, but they would still get about the same amounts as they got last year."

"...I know this is a somewhat unpopular proposal to make, for it is unquestionably a fine program. I campaigned for it myself in the 1920's. But I should like to point out that this bill contains funds for other fine programs which we not only failed to increase over the amounts appropriated last year but actually cut below last year's level. For instance, I think we all agree that the tuberculosis program is a fine one. Yet we cut that appropriation a half million dollars below that of last year. We cut the communicable diseases program nearly a third of a million dollars. We cut the National Heart Institute by nearly a half million dollars and we also cut the National Cancer Institute below what we appropriated last year."

"...we will not wreck the program, and we can treat it the same as the others by reducing the Senate committee figure of \$33,000,000 down to \$30,000,000, which is about the same level as last year. And, in so doing, we can save \$3,000,000."

Savings: \$3,000,000.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, June 13, 1951, p. 6619.

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OFFICE OF THE ADMINISTRATOR

SALARIES, OFFICE OF THE ADMINISTRATOR

"The two additional positions requested for the program coordination and development group [in the office of the Administrator] have not been allowed. For the past two years the committee has denied increases for this on the basis that it saw no justification for enlarging the staff and there is essentially nothing new in the picture at this point. The cut [of \$150,000] is also directed at the items for general administration and direction, publications and reports, the merit system staff, and administrative services. These groups can stand a cut without impairing essential staff and services at these levels provided the most effective use is made of the staff and all nonessentials are dispensed with. Furthermore, the makeup of the budget as between the several Washington activities does not appear completely realistic. As an example the committee understands that at this level a number of units have been formed under an Assistant Administrator for Defense Activities. The agency took it upon itself to create these

units at the top level. The Federal Security Agency is not a defense agency....Why an Assistant Administrator for Defense Activities with a number of defense-titled units appended to him is needed in an agency like Federal Security is not apparent to the committee."

Savings: \$150,000.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Labor, Federal Security Agency, and Related Independent Offices Appropriation Bill, 1952, p. 19.

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"...The committee recommends a total of \$2,563,000, an increase of \$110,000 over the House allowance, a decrease of \$269,000 under the budget estimate, and \$160,700 under the 1951 appropriation. Funds are derived from direct appropriation--for which \$2,150,000 is recommended--and by transfer from the old-age and survivors insurance trust fund--for which is recommended \$413,000, the budget estimate.

"The amount recommended will provide a staff of 584, a reduction of 57 under the budget estimate, and 42 under the current year's authorized staff. The principal reductions are in the office of publications and reports and in the departmental merit system staff.

"Funds are provided for a staff of 15 in the office of publications and reports, a reduction of 18. The committee has the firm conviction that an entirely adequate service can be furnished with the staff provided in this recommendation.

"The recommendation provides for four employees in the Washington staff of the merit system activity whose ostensible purpose is to advise the States with respect to their merit systems. At the inception of the social security program the States needed advice and guidance in establishing merit systems, one of the prerequisites for approval of State plans to qualify for grants. The program has been running for more than 15 years and each State has its own merit system organization established. Whatever help is needed from the Federal level can be adequately furnished by the 20 field personnel representatives located in the regional offices and the 4 remaining in the Washington administrative office."

Savings: \$269,000.

Source: Report of the Committee on Appropriations, Senate, 82d Cong., 1st Sess., Labor-Federal Security Appropriation Bill, 1952, p. 9.

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"...this...amendment...cuts \$229,000 from the funds appropriated to the Office of the Administrator....This cut I believe to be justified in view of the findings of the subcommittee which I had the privilege to head last year, whose duty it was to make a study of the utilization of personnel in the executive agencies.

"There are very many reasons why this amount should be cut. Perhaps it should be cut more than my figure would cut it. In the Office of the Administrator we found the ratio of personnel employees to total employment to be 1 personnel employee to 20 employees in the Agency. In other words, it took 1 man to handle the personnel problems of 20 people in the Agency. It is my understanding that in private business the ratio of personnel employees to over-all employment runs far above 1 to 150. There is no reason why Government personnel offices should not at least approach that ratio.

"I may say also that we uncovered a report of the Federal Security Agency, embodied in the appendix of our report, which was startling. It shows that Mr. Ewing and Mr. Altmeyer spent thousands of Government dollars in visiting England and other countries where socialized medicine is practiced. Mr. Altmeyer even went to New Zealand. They came back and made a very elaborate report. If you will read that report you will find that it is most pointedly in favor of a program of socialized medicine here, and is nothing more or less than Socialist propaganda.

"I do not believe there is any doubt but that here is one place where we can save for the taxpayers. I may say further it is my understanding that out of the appropriations to the Office of the Administrator are taken these so-called slush funds with which these \$50-a-day consultants are hired."

Savings: \$229,000.

Source: Mr. Williams, Representative from Mississippi,
Congressional Record, April 18, 1951, p. 4195.

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SURPLUS PROPERTY DISPOSAL

"...The committee recommends \$75,000, a decrease of \$25,000 below the House allowance, \$258,000 below the budget estimate, and \$258,300 under the 1951 appropriation. The committee was deluged with importunities to allow the budget estimate but felt that the purpose for which this activity was created had been largely filled."

Savings: \$258,000.

Source: Report of the Committee on Appropriations, Senate, 82d Cong., 1st Sess., Labor-Federal Security Appropriation Bill, 1952, p. 10.

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"...my amendment, if adopted, will reduce the amount of our appropriation [for surplus property disposal] for the next fiscal year from \$300,000 to \$100,000. This is an activity that was created shortly after World War II for disposal of the surplus property of the armed services....I am not here to criticize, but the job has been done. The work is over. They have a skeleton force that needs employment. I am not even trying to get these men discharged. But they are doing but little, if anything, where they are presently employed and if my amendment is adopted all they will have to do is to get transferred to some other branch of the Government having important work to be done, possibly at an increase in salary, and go their way. Nobody will suffer. They can then make a useful contribution, possibly in the war effort.... Many of us believe we are right on the brink of world war III. Is it not about time that we got rid of the organization that was set up to dispose of the surplus property from World War II? This amendment ought to be adopted and really and truly the entire amount ought to be dispensed with. However, we can permit this agency to continue until July 1, 1951, on this present appropriation and then allow them \$100,000 under my amendment, and then permit the agency to be discontinued on and after July 1, 1952."

Savings: \$200,000.

Source: Mr. Norrell, Representative from Arkansas, Congressional Record, April 18, 1951, p. 4197.

General Services Administration

GENERAL SERVICES ADMINISTRATION

GENERAL

"...the General Services Administration...was the result of a reorganization plan along the lines of the Hoover recommendation.... not so long ago we consolidated the Public Works Administration, the Bureau of Community Facilities, the Public Buildings Administration, the Bureau of Public Roads, the Bureau of Federal Supply, the Office of Contract Settlement, National Archives, and the War Assets Administration into this one general agency. After they had consolidated these agencies it was discovered that the combined employees of the old agencies aggregated 29,562, while the employees of the new agency aggregated 29,702--an increase of 140 as a result of this consolidation.

"...at the beginning of the present war emergency governmental agencies under the administration of the General Services were occupying in the District of Columbia over 43,000,000 square feet of floor space, and outside of the District of Columbia almost 59,000,000 square feet of floor space, or a total of approximately 102,000,000 square feet. And that...does not include all the floor space occupied, for instance, in those buildings where more than half the building is occupied by a United States post office, or the floor space in buildings on governmental reservations, so that if you count it all, and remembering the population of the United States is approximately 150,000,000 people, our governmental machine is occupying in floor space practically 1 square foot for every living man, woman, and child in this country. Furthermore, that space is not so well utilized. We know that floor space in private industry is highly necessary. We know that floor space in private industry is utilized to its full capacity, because they work in shifts through long hours, but as long as we continue...the 40-hour Government week during this emergency you have this vast amount of floor space utilized only a portion of the time."

Savings: Amount unspecified.

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

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"...this is a proposal to save \$7,750,000 in the General Services Administration appropriation...."

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"...GSA is strictly an overhead agency, performing overhead services for the Government. If we are to cut overhead, therefore, this is the place to do it. Reducing this appropriation to \$100,000,000 would be a cut of only about 12% which certainly should not hurt essential services."

Savings: \$7,750,000.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, June 20, 1951, p. 6958.

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OPERATING EXPENSES

GENERAL

"...The committee has effected a reduction of \$720,000 in connection with executive direction and staff operations. It is of the opinion that there is considerable overstaffing in this activity. Also the committee wishes to point out that funds available for this activity are supplemented by additional amounts transferred to it from other appropriations and agencies when additional services not a part of its routine duties are required of it. A statement submitted to the committee by GSA in justification of appropriation for the fiscal year 1952 shows that in excess of 1,400 additional positions are estimated to be available to it because of funds to be received from other appropriations and agencies."

Savings: \$720,000.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Independent Offices Appropriation Bill, 1952, p. 10.

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"...I ask you what logic there is, and I can see none, to attempt to reduce the number of people in the agencies, then to come forward in this bill /Supplemental Appropriation Bill, 1952/ and allow them \$21,000,000 for additional space, between now and the end of the year, for the additional people they expect to hire.... I think I shall offer an amendment myself to take out the item of \$2,500,000 on page 10..../Operating Expenses, General Services Administration/ because there is no justification for those items at the present time. First of all, they are to provide additional space for agencies in which we are trying to reduce the personnel, and, second, there is no reason why they should be here today. They could just as well come in here in September or even in January."

Savings: \$2,500,000.

Source: Mr. Phillips, Representative from California, Congressional Record, August 20, 1951, p. 10577.

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EXPENSES, GENERAL SUPPLY FUND

GENERAL

"...this item relates to the General Services Administration expenses, general supply fund. It is the overhead item for operation of the general supply fund through which the General Services Administration makes purchases for use of the various Government agencies...."

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"The Budget request was for \$18,426,000. The House allowed \$15,000,000. That is the amount proposed to be allowed by this amendment to the committee amendment, although the Senate committee recommended, by its amendment, the amount of \$16,426,000....our amendment....proposes a reduction of \$1,426,000 in the appropriation."

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"...aside from storage facilities this item relates to the handling of stores sales which may amount to \$88,000,000 in volume. For handling expenses or overhead the bill in its present form would allow \$8,700,000, or a handling charge of 9.9 percent of those sales.

"There are also direct deliveries of supplies amounting to \$61,600,000. The bill would allow 1.25 percent of the dollar volume of direct deliveries as a handling expense.

"The total sales amount to \$149,600,000 and the bill as it is before us would allow \$9,500,000 to the General Services Administration as expenses in connection with the total sales--in other words, the business of making the purchases and distributions. That allowance for expenses amounts to 6.35 percent of the total sales.

"Also included in the requests are funds for rent and space maintenance amounting to \$2,805,200 and for new warehousing facilities amounting to \$4,061,200. Both of those items could bear reduction and any reductions would make more money available for handling expenses. But even including them, we arrive at the real point of the reduction desired.

"The proposed overhead cost for handling this program is 8.3 percent on store sales and 1.25 percent on direct deliveries, for an average of 5.41 percent, as compared with 6.35 percent which is in the bill."

"...those are pure handling costs, because rents, utilities, and the usual costs of doing business are taken care of otherwise. Here is a place where Government must prove its ability to do a businesslike job economically, and we propose by appropriating no more than the \$15,000,000 for this operation, that the agency should be required to cut down its handling costs."

Savings: \$1,426,000.

Source: Mr. Ferguson, Senator from Michigan, Congressional Record, June 19, 1951, p. 6884.

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DISPERSAL OF GOVERNMENT FACILITIES

GENERAL

"...I submit that this is simply an entering wedge, although a very small one. The proposal, should it be started now, would cost ultimately not less than \$500,000,000....To show how impotent the program is and how little it would serve to solve the problems which confront us, let me point out some facts...The pending bill provides for the dispersal of 20,000 persons, 10,000 in

Virginia and 10,000 in Maryland. This legislation will require spending many millions in Virginia, but I feel my duty to oppose unnecessary spending in Virginia as elsewhere. It further provides for 25,000 to be decentralized, or to be sent to other places, which is far more consistent than trying to move them from Washington to areas in Virginia and Maryland. It means that a total of 45,000 persons would be removed from the District of Columbia. Furthermore, the bill provides for the demolition of temporary buildings which were constructed during World War II. By such demolition we would lose space for 31,000 persons. We would thus make a net gain in office space of only 14,000. Let me say further to my colleagues that as soon as we take people out of Washington more people will be moved into Washington. The records prove that to be the fact. Last June, . . . we had a population in the Washington area of 213,000. Now we have a population of 240,000. In other words, 10 months later we have an increase in the Washington area of 2,700 persons per month, or 150 for every working day. The bill provides for an authorization of \$107,000,000. It says nothing with respect to the decentralization program, although it authorizes a decentralization program. The cost of such a program is not included in the \$107,000,000. The 25,000 employees who would be taken out of Washington under decentralization would require the same amount of office space that it is proposed to give to the employees who would be sent to Virginia, which the Senator from Florida estimates would cost \$70,000,000. Therefore, the cost of the decentralization would actually amount to \$200,000,000."

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"I wish to say a word about the theory that we can take 20,000 Federal employees out of Washington and thereby protect Washington from bombing. I simply cannot agree with such a theory. Washington is the Capital of the United States. As such it will always be a target for bombing. That is something which cannot be avoided. The President will be here. He has asked for \$800,000 to build himself a bomb shelter. The Congress will be here. The Cabinet will be here. The Pentagon Building will be here, together with the Chiefs of Staff. To say that we can take 20,000 civilian employees away from Washington and thus make it unattractive as a bombing target, thereby making it possible for the Government to continue to operate if the city should be bombed, seems to me to be entirely unrealistic...."

Savings: \$200,000,000 now, and \$500,000,000 in the long run.

Source: Mr. Byrd, Senator from Virginia, Congressional Record, April 23, 1951, pp. 4311, 4312.

Housing and Home Finance Agency

OFFICE OF THE ADMINISTRATOR

GENERAL

"...Of the \$15,000,000 considered by the committee for use by the Housing and Home Finance Agency, there has been allowed \$7,500,000 for Defense Community Facilities and Services / such sum being provided primarily for the provision of water and sewer facilities. As in the case of funds recommended for defense housing, the committee has effected a reduction of \$7,500,000 because there is no definite program submitted. The funds granted herein are ample to meet any emergency that may arise until the Congress has had further opportunity to review the program."

Savings: \$7,500,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Second Supplemental Appropriation Bill, 1952, p. 15.

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"In effecting a reduction of \$5,000,000 in the budget estimate of \$10,000,000 for this purpose /Revolving Fund for Development of Isolated Defense Sites/ the committee has acted on information provided by the Housing Agency that policies and procedures must be developed prior to the expenditure of funds for sites...."

Savings: \$5,000,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Second Supplemental Appropriation Bill, 1952, p. 15.

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SALARIES AND EXPENSES

"The bill contains \$3,446,200 for this purpose which is \$883,800 less than the budget estimate and \$653,800 below funds available for the current year. The committee feels that savings can be effected in administrative expenses (for which 879 positions are estimated) without seriously retarding any program for which the Administrator is responsible. This is particularly true of the Housing Research program which has been reduced to an amount more nearly in line with what the country can afford at this time...."

Savings: \$883,800.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Independent Offices Appropriation Bill, 1952, p. 12.

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ADVANCE PLANNING OF NON-FEDERAL PUBLIC WORKS

"...During hearings on the bill the committee requested representatives of the agency in charge of this activity to discontinue in large part the making of any further advances of funds for new planning under this program, it being of the opinion that such activities with one or two exceptions, should be deferred until the international situation has improved.

"The Act was originally passed to meet local needs under a normal peacetime economy. It was not planned as a defense measure, and there is pending before the Congress legislation to authorize a different type of Federal aid in connection with defense public works.

"Accordingly, the committee has included language rescinding \$13,100,000 of the contract authorization previously provided. This would limit the total advances in the program from inception to about \$27,000,000 as compared with \$100,000,000 authorized in Public Law 352...."

Savings: \$13,100,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Independent Offices Appropriation Bill, 1952, p. 13.

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NATIONAL DEFENSE HOUSING

"The committee considered an estimate of \$50,000,000 for defense housing, the amount authorized by Title III of the Defense Housing and Community Facilities and Services Act of 1951, for public housing construction in situations where private industry cannot meet the requirements. In effecting a reduction of \$25,000,000 in the

estimate consideration has been given to the fact that a program has not been formulated. In granting \$25,000,000 for public housing, ample funds are provided to meet any emergency that may arise until the Congress has an opportunity in the near future to again review the program...."

Savings: \$25,000,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Second Supplemental Appropriation Bill, 1952, pp. 14-15.

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FEDERAL NATIONAL MORTGAGE ASSOCIATION

"The committee is advised that the average portfolio maintained by FNMA will show a decrease in 1952, because of current restrictions on the construction of new housing, with a resultant decline in the mortgage servicing workload. In view of this decline in workload and because of economies effected by the consolidation and transfer of this activity, the committee has required a saving of \$540,000 in the estimate of \$3,600,000 proposed by the budget."

Savings: \$540,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Independent Offices Appropriation Bill, 1952, p. 13.

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"...The policy of the Federal National Mortgage Association in selling mortgages out of its portfolio is estimated to yield \$530 million of net receipts to the Treasury in fiscal 1952. This is certainly appropriate policy in the present situation. But it could be pushed farther, since it will still leave FNMA holding \$750 million of insured mortgages at the end of the period."

Savings: Millions of dollars.

Source: Committee for Economic Development, An Emergency Tax Program for 1951, March, 1951, p. 12.

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"...We can certainly cut down...on acquisitions of mortgages by the Federal National Mortgage Association. If it sold out some of its holdings, over \$1 billion, there could be a flow of money into the Treasury instead of a net outgo."

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

Source: Roswell Magill, "Our Fiscal Resources for the Emergency," Commercial and Financial Chronicle, Vol. 172, No. 4942, September 14, 1950, p. 1020.

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FEDERAL HOUSING ADMINISTRATION

GENERAL

"...In connection with the Federal Housing Administration you will find that the sum of over one and a half million dollars, comparatively small perhaps, was spent in contracts with the Bureau of Standards and various institutions in many research projects. We find in that program sixty-odd projects, such as Long-Range Effect of Weather on Full-Sized Wood Frame Construction, Studies of Household Sewage Disposal, Timber Research, Ventilation Measurements, Determination of Snow Loads on Building Construction, Termite Experience in the Gulf States, Crawl Space Investigation, Fire Resistance on Wood Frame Dwellings, and so on, for 60 projects winding up with a final one, Survey of Housing Research. Our subcommittee reduced housing research by about \$350,000. I insist it should be all cut out during the present emergency."

Savings: Amount unspecified.

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

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PUBLIC HOUSING ADMINISTRATION

GENERAL

[Amendment of Mr. Dirksen to cut the authorization of the commencement of construction of 50,000 dwelling units by the Public Housing Administration to 5,000 dwelling units and appropriate \$5,000,000 instead of \$11,400,000.]

"...if the situation is as bad as we are told it is, and if the inflationary pressures are as bad as we are told they are, Congress has no business authorizing public housing units so long as it is possible for private enterprise to do the job...."

Savings: \$6,400,000.

Source: Mr. Dirksen, Senator from Illinois, Congressional Record, June 19, 1951, p. 6898.

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UNITED STATES HOUSING ACT PROGRAM

Annual Contributions

"The bill contains an appropriation of \$10,000,000 for annual contributions, which is \$5,000,000 less than the budget estimate and \$2,500,000 in excess of the 1951 appropriation.... A reduction in the 1952 construction program, delays in completion and occupancy of new properties, and the fact that tenants in defense areas who are war workers and should be able to pay the prevailing rent in such areas, justifies the reduction recommended in this item."

Savings: \$5,000,000.

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

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"...The Congress has authorized a public-housing program."

"...50,000 units are authorized by the act as amended in 1949; however, it seems to me that in this particular fiscal year we

ought to defer the commencement of any projects that are not necessary or that interfere in any way with the defense effort...."

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"We do not completely eliminate them by this amendment, although complete elimination...would be desirable and would not have hurt anybody anywhere. We still leave 5,000 of these public-housing units in case there might be some spot somewhere that it would be practical and desirable to build them and where the construction might be justifiable during this peak year or what we hope to be the peak year in our war effort."

Savings: Reduction of the limit of the number of housing units to be constructed from 50,000 to 5,000.

Source: Mr. Gossett, Representative from Texas, Congressional Record, May 4, 1951, p. 5020.

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ADMINISTRATIVE EXPENSES

"...in view of the House action, and in order to make the appropriations for administrative expenses consistent, the committee wishes to reduce the administrative expenses /Public Housing Administration/ from \$9,540,000 to \$5,000,000. We think that is consistent with the action of the House."

Savings: \$4,540,000.

Source: Mr. Thomas, Representative from Texas, Congressional Record, May 4, 1951, p. 5023.

Department of Agriculture

DEPARTMENT OF AGRICULTURE

GENERAL

"...Investigations...bring out many examples of excessive layers of supervision, duplication of effort and overstaffing in the field activities, and point out the complete lack of uniformity in field organization and jurisdictional boundaries among the various programs. For example, each of several branches of PMA [Production and Marketing Administration] have three or four different and unrelated regional arrangements for the major programs under their jurisdiction. Generally, each bureau and agency of the Department has its own field pattern at the county, State, area and regional level, each operating entirely independently of the other, and each with its own office space, clerical help, administrative services, and lines of responsibility to Washington. According to information received, there are a number of cities where a single branch within a bureau has two or more separate offices, and within a single city there may be separate field offices of several dozen branches or bureaus, each operating independently and sometimes without knowledge of the existence of the others."

Savings: Amount unspecified.

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

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"...For over two years the Commission made a detailed survey of the management of all major agencies of government, including USDA. It then made recommendations to Congress which, if fully adopted, would save \$5.5 billions a year in the cost of federal operations while improving federal services to all citizens."

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"...The [Hoover] Commission then presented these findings to the Congress:

"Over 20 big agencies report directly to the Secretary of Agriculture causing 'unnecessary diffusion of authority.'

"The Department is 'a loose confederation of independent bureaus and agencies.'

"Some services of USDA are duplicated by other government Departments.

"Farm credit agencies are badly scrambled and 'their organization is contrary to sound banking principles.'

"Numerous field staffs at state and county levels cause 'duplication and often conflicting policies' which 'multiply the difficulties of the farmer in his relation to the Department.'"

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"...Any farmer can see duplication and waste by USDA in his own locality...."

"In a typical dairy county in Maryland, 88 agents of USDA serve less than 3400 farmers. This figures to one agent for every 38 farmers. Similar findings showed that this situation prevails from Coast to Coast.

"It is not at all uncommon to find anywhere from six to 11 USDA field offices in a single agricultural county."

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"The bulk of the appropriations of the Soil Conservation Service are administered by another agency, the Production and Marketing Administration. Conservation payments are often made without respect to a complete plan for the farm, or any schedule for completion. In some cases agents of two different bureaus have tried to install conservation programs on the same farm.

"The Cooperative Extension Service is being bypassed by other agricultural bureaus and services. This works against coordination of effort and adds to overlapping and confusion."

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"The 'checkerboard' jurisdictional pattern of federal handling of public lands is costly and cumbersome. Cattlemen must sometimes apply to federal agencies in three different states to get permission to move their herds over public lands in a single state."

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"All told, the Hoover Commission experts figured that \$80 millions a year could be cut from the cost of USDA's overhead costs alone while actually increasing its efficiency. That's a sum well worth saving in itself. More important is the fact that, in these times of crisis, not only the farmer but the whole nation loses when too many people are doing the same job."

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"The Hoover Commission did NOT recommend any cut whatever in federal service to the farmer. It DID recommend that:

- "1. The Department of Agriculture be reorganized on modern lines and that its score of agencies be grouped into eight major services: (1) Staff (2) Research

(3) Extension (4) Agricultural Resources Conservation (5) Commodity Adjustment (6) Regulatory (7) Agricultural Credit and (8) Rural Electrification.

"2. The organization of the Department be thoroughly overhauled at State and County levels."

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"4. All agency operations be administered by offices based on the states as units.

"5. New federal agricultural research stations should be established only where existing federal-state facilities cannot be developed to fill the need.

"6. Conservation payments to farmers should be restricted to those which will bring about complete and balanced conservation programs on the farm.

"7. Regulatory functions relating to food products should be transferred to USDA while those relating to other products should be placed under a reorganized Drug Bureau in a public health agency.

"8. Major land agencies, particularly the Bureau of Land Management of the Interior Department, should be consolidated in the Department of Agriculture; water development activities (except local farm supply) should be transferred to Interior.

"9. Adjustment programs with respect to commodities and commodity groups should be operated on a standby, rather than a permanent basis."

Savings: \$80,000,000.

Source: Release of the Citizens Committee for the Hoover Report, Here's How We Can Get Better Farm Services At Lower Cost, July 1, 1951, pp. 3, 4, 5, 6.

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"...in previous appropriation bills upon which the Senate has passed we adopted the policy of restricting the enormous number of Government automobiles. We did it by a sort of Jensen amendment, to provide that no addition to the total number of automobiles should be made, and that the total number should be reduced by replacing only half of the automobiles which wear out in the current year, thus effecting a painless reduction."

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