

Savings: \$3,095,430.

Source: Mr. Dirksen, Senator from Illinois, Congressional Record, July 26, 1951, pp. 9172, 9173.

\* \* \*

"I think that you could make a saving of some \$6,000,000. I know that this is peanuts compared to shipping and all of that, but we have to start some place--without impairing this program. The Bureau of Agricultural Economics has a lot of statistics on losses and damage caused by insects, floods, and the various things that the crop-insurance covers.

"In addition to saving this \$6,000,000, it would result in improvement in the value of the program."

Savings: \$6,000,000 annually.

Source: Mr. Stapel, Director, Farmers Mutual Hail Insurance Co., Farmers' Mutual Windstorm Insurance Co., and the Home Mutual Insurance Co., in Hearings before the Subcommittee of the Committee on Appropriations, Senate, 82d Cong., 1st Sess., Agricultural Appropriations for 1952, p. 867.

\* \* \* \* \*

#### COMMODITY CREDIT CORPORATION

##### GENERAL

"...The committee [on Appropriations, House of Representatives] recommends \$15,000,000 for the administrative expenses of this organization [Commodity Credit Corporation] for 1952, which is \$5,200,000 below the estimates for 1952 and \$4,100,000 less than total funds for 1951, including the \$2,750,000 included in the Third Supplemental Appropriation Act, 1951. This reduction is believed justified in view of the current outlook for agriculture and the probable change from surpluses to shortages in many of the commodities normally handled by the corporation...."

Savings: \$5,200,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Agriculture Appropriation Bill, 1952, p. 21.

\* \* \*

"...there is much less need for price support, by means of loans and purchases, because of the present high demand for farm products. The problem now is not that of a surplus farm crop. The problem is to get an adequate supply of food and provisions for the people of our country and of our potential allies. Therefore, there is much less work for the Commodity Credit Corporation to do. In the face of this situation the committee is proposing for administrative expenditures a \$1,500,000 increase over the House figure \$16,500,000."

"...I am asking by my amendment for a total appropriation of \$15,500,000, \$850,000 less than was voted last year and I submit that the amount I propose is more than justified in view of the changed agricultural situation. There will not be nearly so much work for the Commodity Credit Corporation to do this coming year as there was last year. The price support program on potatoes, for example, has been removed...Prices of cotton and corn are both above support levels and wheat is very close to it...."

Savings: \$1,000,000.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, July 26, 1951, p. 9180.

\* \* \*

"...I realize that this proposed amendment to strike \$750,000 from this item Administrative expenses of the Commodity Credit Corporation may seem to some relatively unimportant, yet I think it is a matter of definite importance. I have offered this amendment for the purpose of focusing attention upon this particular operation in our Government and to enable us to save some money in a clearly nondefense item."

• • • • •

"I try to follow the reports of the Commodity Credit Corporation as frequently as they are issued. The last one I think made available to the Congress was for the month of January. One very significant fact made clear from that report on milk, butter, cheese, dried eggs, is that for the total of 7 months of the current fiscal year ending January 31, the total loss in these four commodities was \$112,670,971.37. If it is running at that rate on only four commodities, then I submit the time has come now when we are entitled to know what the basic facts are with reference to the operation of this program of purchasing storable and edible food commodities, laying them to one side, making them unavailable to the people of this country or anywhere else, and eventually selling them at substantial losses."

• • • • •

"Now, finally, within a week or 10 days it has been reported that the Department is now engaged in buying up more butter. Consequently, I submit to the chairman of the subcommittee and to the members of this committee that a reduction of \$750,000, leaving them something in the neighborhood of \$2,000,000 is within the realm of fair dealing with this particular agency, and they ought to come up before this bill passes through the legislative processes with some facts we can all understand so that Congress can take intelligent action which can be defended. It should not be forced to appropriate money in the dark."

Savings: \$750,000.

Source: Mr. Heselton, Representative from Massachusetts,  
Congressional Record, April 9, 1951, pp. 3662-3663.

\* \* \*

"...Since the section of the agriculture appropriation bill containing the Commodity Credit Corporation administrative expense limitation has not been reached, I want to submit for the consideration of my colleagues certain basic and fundamental facts with reference to this item."

. . . . .

"I am completely convinced that the amount recommended by the committee, \$15,000,000, can and should be reduced substantially without any actual possibility of injury to the necessary operations of this agency."

. . . . .

"In the data I inserted in the Record for May 9 at page 5224 I pointed out that between June 30, 1950, and March 31, 1951, this agency's holdings in butter, cheese, dried milk, and dried eggs had dropped from 677,401,610 pounds to 171,701,878 pounds. I also submitted figures for 16 other commodities showing very heavy decreases in inventories, which is true of the trend of all such holdings. It bears out clearly the truth of the statement made by the chairman of the subcommittee when he brought out the inherent weaknesses in the justifications presented by this agency."

Savings: Amount unspecified.

Source: Mr. Heselton, Representative from Massachusetts,  
Congressional Record, May 10, 1951, p. A2817.

\* \* \* \* \*

PRICE SUPPORT, SUPPLY, AND PURCHASE PROGRAMS

"...Eliminate the \$238,000,000 recommended by the President for price supports through the Commodity Credit Corporation. This particular reduction will require legislative amendment and I am hopeful that Congress will respond to the need for real economy and adopt this amendment."

Savings: \$238,000,000.

Source: Statement by Mr. Robert C. Hendrickson, Senator from New Jersey, March 31, 1951, p. 3.

\* \* \*

"...it is shocking to learn of the determined resistance of certain Federal agencies to anything resembling ordinary prudence, to say nothing of rigid economy.

"A glaring example is contained in the Department of Agriculture's proposals for the continued purchase of wholesome food commodities.

"It intends to use \$323,975,000 in the period between July 1, 1950, and June 30, 1952, to buy unknown quantities of butter, cheese, dried milk, and eggs.

"It estimates the payment of \$38,402,657 just to store these four commodities during that period.

"It expects to take losses on sales of these commodities in the amount of \$81,093,000.

"This \$443,470,657 would pay for the construction of the new large aircraft carrier in the bill passed by the House today, for 30 modern Navy fighter planes, and 85 modern Navy attack planes and still have enough to construct a heavy cruiser and two new-type destroyers to accompany the carrier.

"I hope and believe that the Appropriations Committee will bring this kind of insane and inexcusable waste to an abrupt end."

Savings: \$443,470,657.

Source: Mr. Heselton, Representative from Massachusetts, Congressional Record, January 17, 1951, p. A235.

\* \* \*

"According to the figures released by the Commodity Credit Corporation, the loss on the disposition of only 14 food commodities for the first 5 months of this fiscal year - through November 1950 - amounted to \$91,614,097.84."

. . . . .

"For the same 5 months, the Commodity Credit Corporation paid for the carrying charges on these same 14 items of food \$20,662,-461.97...."

"The total of the money lost in this period on disposition of these 14 commodities and the carrying charges is \$112,276,559.81. That is an average waste of the taxpayers' money of \$22,455,312 a month or more than 100 light tanks, estimated to cost \$200,341 each."

Savings: \$112,276,559.81.

Source: Mr. Heselton, Representative from Massachusetts,  
Congressional Record, January 29, 1951, pp. A142-A143.

\* \* \*

"...I have the figures of the Commodity Credit Corporation for the fiscal year ending June 30, 1950. It shows on both shelled peanuts and farmers' stock a total loss of \$41,725,066.30. I also have the figures on these commodities for the first 6 months of fiscal 1951, and they show a total loss of \$4,922,349.51.

"This comparatively satisfactory figure is to be considered in the light of the fact that there was a gain on the sale of farmers' stock of \$1,374,888.40. It certainly should be important that the gross loss on shelled peanuts during this period was \$6,124,025.93."

. . . . .

"...I insist that if it is only a million dollars it is about time that this Congress took a look at this whole program. If it can be justified, there will be almost unanimous support for it."

Savings: Amount unspecified.

Source: Mr. Heselton, Representative from Massachusetts,  
Congressional Record, March 7, 1951, pp. 2172, 2173.

\* \* \*



"...Mr. Wooley, representing the Secretary of Agriculture, in response to an inquiry said that on January 29 there were 28,740,000 pounds of farmers' stock peanuts in inventory.

"He explained that prior thereto the CCC had a great deal more than that amount, but because of the nature of the product they do not carry it on hand for any length of time."

"...the Department advised that the farmers' stock of peanuts purchased during the year...amounted to 65,891,000 pounds, and then another type of peanuts, the No. 2 program, is 155,463,000 pounds, making a total of 221,354,000 pounds, which is a pretty good share of the entire crop produced during the year.

"It is said that the value of the product in 1949 is approximately \$200,000,000, and the Government's contribution amounts to \$40,000,000; which to me is a pretty good share of the cost involved, and the money being spent for this particular product. The question is whether this product is of so much importance that you should spend \$40,000,000 from the Treasury to support a \$200,000,000 crop...for one year and probably between 20 and 40 million dollars next year...."

. . . . .

"...I can hardly understand why a peanut crop under Government control and limited to only small areas in certain States should be entitled to subsidies in this amount."

Savings: \$40,000,000.

Source: Mr. Rees; Representative from Kansas, Congressional Record, March 17, 1951, pp. 2164, 2165.

\* \* \*

"...recently there was released to the press by the Department of Agriculture a notice to the effect that 50,000,000 pounds of Cheddar cheese had been sold to the British Government."

. . . . .

"This 50,000,000 pounds of Cheddar cheese cost the Federal Government an average of about 31 cents per pound, or approximately \$15,500,000. On October 20, 1950, the 50,000,000 pounds referred to above was sold to the United Kingdom Ministry of Food for 15 cents a pound, or about one-half of its cost, representing a loss of about \$7,500,000.

"It is of interest to note that during the same period in which this cheese was purchased by the Federal Government, and subsequently was exported out of this country to Great Britain, at a substantial

loss -- apparently for the purpose of making the price of Cheddar cheese higher to the American housewife -- we imported Cheddar cheese from the British Empire in quantities amounting to over 13,000,000 pounds, with 2,470,000 pounds coming from Canada and 10,370,000 pounds coming from New Zealand, at prices ranging from 21 to 37 cents a pound."

. . . . .

"...a letter from Mr. F. J. Lawton, Director of the Bureau of the Budget, dated October 11, 1950,...points out that the Commodity Credit Corporation, the agency which handles these transactions, has since its inception cost the American Taxpayers \$3,251,843,466.22. This amount does not include \$1,952,544,994 which has been expended by the Department of Agriculture under section 32 of the Agricultural Adjustment Act; although that amount has been spent as a subsidy to agriculture, those operations are conducted under separate legislative authority."

Savings: \$3,251,843,466.22.

Source: Mr. Williams, Senator from Delaware, Congressional Record, February 21, 1951, pp. 1499-1500.

\* \* \*

"...on September 1, 1950, I made a statement...criticizing the irresponsible manner in which several thousands of dollars were wasted through the leasing of certain buildings at Camp Crowder, Mo.

"Since my remarks at that time I have had occasion to become interested in certain other financial transactions in Missouri, and this Camp Crowder financial deal again came to my attention along with some additional information which I considered important enough to reopen the case and call it to the attention of the Senate. I shall briefly recite the facts as I found them.

"September 12, 1949: The Mid-West Storage & Realty Co. of Kansas City, Mo., was chartered with authorized capital stock of \$50,000 of which \$25,000 was paid in on October 18, 1949.

"September 15, 1949: Three days later, the above company leased from the War Assets Administration--lease No. RP-24-1349-113 buildings at Camp Crowder--later increased to 153--at an annual rental of \$11,270.

"September 19, 1949: The Mid-West Storage & Realty Co. leased this same property to the Commodity Credit Corporation-- lease No. T44-2-CCC-399--for the storage of grain. W. B. Walton, Director of CCC, signed this lease on behalf of CCC.

"The lease carried a notation that the CCC was obligated to store a minimum of 2,000,000 bushels of grain at these facilities, thus guaranteeing certain income to the lessors, which was most unusual for this type of grain storage agreement. It is noteworthy that while it was customary for CCC to require a financial statement showing the responsibility of parties concerned, in this instance no such statement appears in the records.

"For the 20-month period ending May 18, 1951, during the time the CCC utilized these facilities, they paid the Mid-West Storage & Realty Co. \$382,201.11.

"October 18, 1949: One month after the company was incorporated and leases had been signed with both War Assets and the CCC, the five stockholders of the Mid-West Storage & Realty Co. issued checks to the company for \$5,000 each, representing the \$25,000 paid-in capital stock. This means that at the time the leases were signed with the two Government agencies the net worth of the company was exactly zero."

Waste: Amount unspecified.

Source: Mr. Williams, Senator from Delaware, Congressional Record, September 13, 1951, pp. 11482,



***Department of Commerce***

DEPARTMENT OF COMMERCE

PERSONAL SERVICES

"Amendment offered by Mr. Jensen to the Department of Commerce appropriation bill:"

"No part of any appropriation or authorization contained in this act shall be used to pay compensation of any incumbent appointed to any civil office or position which may become vacant after August 1, 1951, through the fiscal year 1952: PROVIDED, That this inhibition shall not apply -

"(a) to not to exceed 25 percent of all vacancies;

"(b) to positions filled from within the agency;

"(c) to offices or positions required by law to be filled by appointment of the President by and with the advice and consent of the Senate;"

. . . . .

"(g) to the Civil Aeronautics Administration;

"(h) to employees in grades CPC 1 and 2.

"PROVIDED FURTHER, That when any department or agency covered in this act has reduced their employment rolls to 80 percent of the total number on their rolls as of August 1, 1951, this limitation may cease to apply."

. . . . .

"The Civil Aeronautics Administration has not increased its personnel in the past number of years, and they have taken on many added responsibilities. So, we exempted the Civil Aeronautics Administration because we tried to encourage those agencies which have done a good job in holding down their employees and hence, their expenditures. Other than that this amendment is identical with the five previous amendments which I offered and which this House has adopted."

Savings: Amount unspecified.

Source: Mr. Jensen, Representative from Iowa, Congressional Record, July 26, 1951, pp. 9147, 9148.

\* \* \* \* \*

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

"...this amendment /to reduce the appropriation for salaries and expenses, Office of the Secretary/ has to do with another relatively small cut in terms of what in normal times we would think of as a large Federal appropriation. In the light of this bill perhaps it is relatively small. It would result however in a saving of more than a half a million dollars, which is not to be sneezed at."

"...the Office of Technical Service, the Office of Transportation,...the Office of International Trade,...the Industrial Evaluation Board,...are excellent examples of agencies which are riding on the coattails of defense. Each of these offices claims it has additional burdens as a result of the defense effort...."

. . . . .

"...Under the guise of aiding the defense effort these various agencies are asking additional appropriations...."

Savings: \$532,175 /as shown in the amendment/.

Source: Mr. Bridges, Senator from New Hampshire, Congressional Record, October 8, 1951, p. 13024.

\* \* \* \* \*

BUREAU OF THE CENSUS

SALARIES AND EXPENSES

"There is repeated reference in the justification to maintaining a 'nucleus' of staff, which tacitly admits that the unit is overstaffed most of the time. So long as there are 11 units in Current Statistics alone, there will be overstaffing. Clearly, Agriculture, Government, Foreign Trade and Population are separate operations. But the agricultural unit's work is seasonal. Business and Industrial Statistics units are coordinate activities. Compilations are annual, quarterly, monthly, and intermittent. The three units, Agriculture, Business, and Industrial, account for more than \$1,500,000 or one-fourth of the current statistics program. They can

and should be coordinated and the combined Current Business Statistics budget reduced by several hundred thousand dollars."

Savings: Several hundred thousand dollars.

Source: Mr. Clevenger, Representative from Ohio, in Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Commerce Appropriations for 1952, p. 90.

\* \* \*

"...this amendment seeks to save approximately \$600,000 in the salaries and expenses Bureau of the Census. In 1920 the census figures showed \$23,300,000; in 1930 it was \$27,324,000; in 1940 it was \$42,971,000, and in 1950 it was \$86,195,000."

. . . . .

"The hearings indicate that there has been considerable testimony to the effect that they were making progress down there in the department in more efficient operation, and so on, and each year they promised more and more economy, but each year the cost goes up and up and up. So, here is an opportunity to save about \$600,000."

Savings: About \$600,000.

Source: Mr. Colmer, Representative from Mississippi, Congressional Record, July 25, 1951, p. 9045.

\* \* \* \* \*

#### CIVIL AERONAUTICS ADMINISTRATION

##### GENERAL

"The total recommended by the committee for Civil Aeronautics Administration is \$159,623,000. This is a reduction of \$40,060,000 from the amount of the budget estimates.

"The committee reiterates once again...that the government should be reimbursed by the commercial airlines for many of the services...rendered...The federal government cannot continue



indefinitely building and operating more and more facilities for use by the commercial airlines without receiving any reimbursement therefor."

Savings: \$40,060,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., State, Justice, Commerce, and the Judiciary Appropriations Bill, Fiscal Year 1952, p. 14.

\* \* \*

"Mr. STEFAN. I should like to say that...I made a study of the justifications for the CAA based on a possible program of economy which this committee /Subcommittee of the Committee on Appropriations, House of Representatives/ has been endeavoring to carry out for a period of years. After studying the justifications and the appropriations that were made heretofore for CAA, I feel that I should tell the committee that the organization of the CAA could hardly be more efficiently designed, had it been intentional, to make it invulnerable to efforts at economy of the House Appropriations Committee.

"Similar functions are organized in many small units so that it will appear hardly worth while to deal in detail with such small figures. In the CAA, therefore, economy must be had in small budget cuts.

"To illustrate that,...I have a breakdown, which I shall ask permission to put in the record, which I think will be of some use to the committee.

"Mr. ROONEY. We should be glad to have you do so.

"(The matter referred to is as follows:)

| Name of Unit                              | Estimate, 1952 | Personnel |
|---|----------------|-----------|
| Aviation safety                           | \$11,257,000   | 1,756     |
| Operation of Federal airways <sup>1</sup> | 79,760,000     | 12,202    |
| 1. Airport development                    | 762,000        | 155       |
| 2. Aviation development                   | 318,000        | 46        |
| 3. General counsel                        | 511,000        | 87        |
| 4. Aviation information                   | 301,000        | 53        |
| 5. Operation of aircraft                  | 2,810,000      | 235       |
| 6. Executive direction                    | 656,000        | 83        |
| 7. Administrative services                | 6,123,000      | 1,426     |
| 8. Interfunctional                        | 1,609,000      | 53        |

<sup>1</sup>These are what the agency was created for.



"Mr. STEFAN. I feel from my study that there is a definite duplication of personnel in the items on the table... numbered 2 and 5; 3, 4, 5, and 7; 3, 6, and 7."

. . . . .

"I claim that there is a definite duplication of personnel in the above items 2 and 5; 1, 3, 4, 5, and 7; 3, 6, and 7. It is probable, and a detailed study would probably show, that appropriations for the eight items taken as a whole should be reduced 50 percent."

. . . . .

"...my study indicates that the outstanding cause of excess expenditures in the CAA is the satellite spending units surrounding the central administrative task..."

. . . . .

"The work of 'Airport development' should be drastically reduced for 1952 and 1953. No progress can actually be made in ports because of the material and manpower situation. Furthermore, there are few if any more cities which should try to support an airport. The administrative waste of repeated reallocation of funds in order to try to spend \$500 million for new airports is a small part of the waste. Hundreds of millions will be ultimately wasted in actual construction of inactive facilities."

Savings: Hundreds of millions.

Source: Mr. Stefan, Representative from Nebraska, in Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Commerce Appropriations for 1952, pp. 197, 198.

\* \* \*

"In this item for salaries and expenses for the Civil Aeronautics Administration there is a total of over \$26,000,000 for other objects, including travel, transportation of things, supplies and materials, equipment and so forth. A considerable portion of the reduction made by the committee can be applied to those other objects rather than to the operation of the Federal airways.

"Why should the cut be applied practically in its entirety to operation of the Federal airways? Why cannot reductions be made in

other activities such as: general counsel, operation of aircraft, executive direction, staff and administrative services, and so forth, for which several millions of dollars are budgeted? I might point out to the distinguished gentleman that under the appropriation title salaries and expenses CAA, there were over 600 vacancies as of June 30, just past.

"Of course, if we were to give them all the money they requested I have no doubt that they would find ways and means of spending it. One method would be to continue the wholesale upgrading of personnel. I was amazed to discover just the other day that during the last three years they have increased the number of GS 14's and 15's, the generals who are paid from \$8,800 to \$11,000, from a total of 73 to 205. Between 1948 and 1951 they have almost trebled the number of positions in the top-salary bracket. If we choose, we can encourage them to continue until they do not have any privates but so far as I am concerned that's no way to run a railroad or an airways system either. I can't see why CAA needs over twice as many 14's and 15's as the FBI and seven times as many as the Immigration and Naturalization Service."

Savings: Amount unspecified.

Source: Mr. Rooney, Representative from New York, Congressional Record, July 24, 1951, p. 8986.

\* \* \* \* \*

#### ESTABLISHMENT OF AIR-NAVIGATION FACILITIES

"Now, then, the question is: Has the CAA done anything at all about approaching the commercial airlines and the private flyers and the communities that should participate in some of this expense?"

. . . . .

"The CAA participates in the construction of administration buildings where they rent space to the airlines. There is a tremendous amount invested by the Government in airfields. There is the lighting and many other things. Why should not the communities and the commercial airlines, who benefit from this primarily, participate in some of the expense? True, in times of emergency, the CAA has this set-up so that the armed services can operate the airways for national defense, but in times of peace there should be some participation on the part of the communities and the commercial airlines because heretofore they paid it all."

Savings: Amount unspecified.

Source: Mr. Stefan, Representative from Nebraska, in Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Commerce Appropriations for 1952, p. 298.

\* \* \* \* \*

#### TECHNICAL DEVELOPMENT AND EVALUATION

"...The budget estimate of \$600,000...for expenses relating to the development of improved transport aircraft is denied. It was testified that this testing would contribute very little to national defense, but would be primarily for the benefit of the commercial airlines. This type of aircraft development should be carried on and financed by the plane manufacturers and the commercial airlines rather than the federal government."

Savings: \$600,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., State, Justice, Commerce, and Judiciary Appropriations Bill, Fiscal Year 1952, pp. 15-16.

\* \* \* \* \*

#### FEDERAL-AID AIRPORT PROGRAM, FEDERAL AIRPORT ACT

"...Reduce the Federal Aid Airport program by \$25,000,000... This would affect only the non-military phases of these programs."

Savings: \$25,000,000.

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

\* \* \*

"...Early in 1950 the Territory of Alaska, under the provisions of the Federal Airport Act, sought to obtain Federal matching funds from the CAA for the improvement of an airport at Palmer, Alaska. The law contemplated that both Territorial and Federal funds would be available for this project...."

. . . . .

"...As the result of collusion between Territorial and CAA officials there was an attempt to shift the entire cost of the new improvements on the Palmer Airport to the Federal Government. Had the Territorial and Regional CAA officials who handled this case acted with the candor and forthrightness which is to be expected of public officials in their dealings with each other, neither would have permitted the subterfuge and deceit which occurred in this case."

Savings: Amount unspecified.

Source: Interim Report of the Subcommittee on Investigations of the Committee on Expenditures in the Executive Departments, Senate, 82d Cong., 1st Sess., Palmer, Alaska, Airport Project, p. 18.

\* \* \*

"Federal Aid Airport Program provides grants-in-aid to local sponsors for projects at local airports to serve the needs of civil aviation and non-tactical military air operations. In view of the emergency situation it would seem advisable to curtail this program and limit expenditures to at least the 1950 level which was \$36 million, thus saving manpower and material for the defense effort. [and effecting budgetary savings of \$48,000,000]."

Savings: \$48,000,000.

Source: National Association of Manufacturers, Cut Non-Defense Spending Now, Economic Policy Division Series, No. 40, New York, February, 1951, p. 9.

\* \* \*

"The committee requested that an investigation be conducted to determine the basis for certain allegations of inefficiency, meddling, and waste on the part of the airport branch of the Civil Aeronautics Administration, which allegations had been made by a certain employee of the Civil Aeronautics Administration. They were made in a letter to Representative Preston last year and claimed that:

. . . . .

"1. Information furnished to the committee during hearings on the 1950 appropriation bill, that there were 16 lawyers assigned to the airport program of CAA, was incorrect, there having been seven attorneys in the one region alone.

"2. The airport branch of CAA has wasted money by building airports and administration buildings where not needed and not used after completion. Examples given were buildings at Bastrop, New Iberia, and Opelousas, La. It was also mentioned that the turf strip at Jeanerette, La., could not be used after completion because of lack of drainage.

"3. CAA officials at Baton Rouge, La., used Government cars for pleasure trips, taking their families and claiming allowances for per diem."

Waste: Amount unspecified.

Source: Mr. Rooney, Representative from New York, quoting Report of the Investigative Staff in Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Commerce Appropriations for 1952, pp. 120-121.

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#### DEVELOPMENT OF CIVIL LANDING AREAS

##### "AIRPORT AT OPELOUSAS

"Let us see what the investigators, headed by a Federal Bureau of Investigation agent, found out with regard to Opelousas Airport."

"This airport, which has concrete runways 4,500 feet long, could accommodate almost any commercial plane. It was constructed during 1946-47 and turned over to St. Landry's Parish for operation December 1, 1947. The airport cost \$807,897.04. The Federal share of the cost was \$746,147.04. Construction was as a project under the 'development of civil landing areas' program (Public Law 216, 78th Cong., 1st sess.). Subsequently, as an FAA (Federal aids to aviation) project, the administration building was constructed, access roads surfaced, etc., at a cost of \$30,331.02, half of which was paid with Federal funds. The building alone cost \$28,000."

\* \* \* \* \*



"It was completed October 22, 1948. The parish installed a telephone and an airport manager. The building has never been used for its intended purpose. At one time a flying school used the field and presumably made some use of the telephone; opening a business in the building. At the present time there are ten planes permanently based at the field. Almost all are privately owned pleasure planes which could get along as well on a small gravel strip as on a 4,500-foot-runway--none of them need an administration building. There is nothing to administer on this slightly used field."

Waste: Amount unspecified.

Source: Mr. Rooney, Representative from New York, quoting Investigative Staff in Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Commerce Appropriations for 1952, pp. 123-124.

\* \* \* \* \*

#### MARITIME ACTIVITIES

##### GENERAL

"Let me speak for one moment on the maritime question. We have some language in here that applies only to what price the taxpayers are going to be called upon in case of an all-out shooting war to pay for ships that the taxpayers have heretofore bought and paid for 100 per cent with your money--your money, now, make no mistake about that--and which the Government sold, as far as replacement value is concerned as of today, at 15 cents on the dollar."

. . . . .

"...there were 754 of these cargo ships sunk during World War II. Here is one, the 'Alcoa Leader.' It was built in 1919. It was sunk on June 30, 1944. That would make the ship about 25 years old when it was sunk. It had been depreciated at the rate of 5 percent for every year for 20 years. So it had been paid for a long time before it was ever sunk. The operator paid \$210,000 for it, and the amount paid by the taxpayers was \$435,307 when it was sunk. This is for a 25-year old ship that was depreciated.

"That is not all. During the time that the Government used the ship the Government paid him \$1,048,000 charter hire."

. . . . .

"Here is another ship, the 'Techira.' That ship was built in 1920, it was sunk on July 12, 1942. The acquisition cost to the owner was \$45,600. When it was sunk the taxpayers of the United States paid \$256,200 for a ship that was 22 years old, and for which the owner paid only \$45,000. That is not all. The Government operated it for only 2 months and paid them an additional \$47,800. That is the sum total of the cost for a 21- or 22-year old ship.

"Here is another ship, the 'Hon Omu.' That ship was built in 1919. It was sunk on July 5, 1942. That makes the ship 23 years old. The acquisition cost to the owner, according to the Maritime Administration was \$127,000. The Maritime Administration says that when it was sunk the owner received--how much? \$768,000. Let us see how much the Government paid in addition to that for charter hire and fees during that time. The Government only chartered it for about 4 months and they paid \$129,615 extra beside that \$768,000."

Savings: Amount unspecified.

Source: Mr. Thomas, Representative from Texas, Congressional Record, May 3, 1951, pp. 4920, 4921.

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"...We are simply pyramiding our expenditures. First, we give money and materials to the Marshall plan countries for building new ships; and then we subsidize the sale of existing merchant vessels at far below cost; then we have to subsidize a whole new merchant-marine construction program. Where are we ever going to stop?..."

Savings: Amount unspecified.

Source: Mr. Wherry, Senator from Nebraska, Congressional Record, August 21, 1951, p. 10668.

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"...I call...attention particularly to one specific sale...after the outbreak of the Korean War, advocating a continuation of the sale of ships, particularly 10 ships, to the Great Lakes shipping industry, at a price of about \$100,000 apiece -- ships which cost us nearly \$7,000,000 or \$8,000,000 apiece to construct, ships which had never been used at all, new ships. We sold them, or we practically gave them away, following the outbreak of the Korean War. Today we are reconstructing identical ships, at the cost to the taxpayers. There is no justification for that having happened following the outbreak of the Korean War."

Waste: Millions of dollars.

Source: Mr. Williams, Senator from Delaware, Congressional Record, August 21, 1951, p. 10667.

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#### OPERATING-DIFFERENTIAL SUBSIDIES

"...The committee was advised that the outlook was most encouraging and that profits should be sufficient to enable funds required for this purpose to be reduced by \$15,000,000. The committee has therefore included in the bill \$20,000,000 for operating differential subsidies instead of \$35,000,000 as proposed by the budget for Maritime Activities, Department of Commerce."

Savings: \$15,000,000.

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

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#### STATE MARINE SCHOOLS

"...The bill contains \$683,000 for this purpose which is...\$112,000 less than the budget estimate....The reduction of \$112,000 in the budget estimate is due to the denial of a proposed increase of \$102,000 in funds requested for the maintenance

and repair of vessels loaned to the states, and to a further reduction of \$10,000, consisting of a cut of \$2,500 for out-of-state students at each of the state schools located in California, Maine, Massachusetts and New York."

Savings: \$112,000.

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

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#### REPAIR OF RESERVE FLEET VESSELS

"...The bill contains \$5,525,000 for this purpose which is \$975,000 less than the budget estimate. The committee has based its reduction in this item primarily on the substantial number of vessels to be taken out of the reserve fleet during the next fiscal year thus relieving the Maritime Administration from care and upkeep of such vessels...."

Savings: \$975,000.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Independent Offices Appropriation Bill, 1952, p. 27.

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#### BUREAU OF PUBLIC ROADS

##### GENERAL

"Why should the taxpayers of the United States of America build them /roads/? I know we are building them /roads/ in Central and South America. We have a peculiar idea in America as to what we can do and what we should do in the world. There is more reason

for Alaska than some other places like the one road I saw being built in Trinidad over the mountain, about 8 miles of road over a high mountain to a beach.

"The United States taxpayers built it because our sailors took the beach of an exclusive club with some 20 members.

"Then we built a highway over the mountain.

"We in the Appropriations Committee do not get all the facts at times."

Savings: Amount unspecified.

Source: Mr. Ferguson, Senator from Michigan, in Hearings before the Subcommittee of the Committee on Appropriations, Senate, 82d Cong., 1st Sess., Departments of State, Justice, Commerce, and the Judiciary Appropriations for 1952, Part I, p. 735.

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#### FEDERAL-AID POSTWAR HIGHWAYS

"...Reduce...the Federal Aid Highway program by \$150,000,000. This would affect only the non-military phases of these programs."

Savings: \$150,000,000.

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

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#### INTER-AMERICAN HIGHWAY

"You have no right to tax all the people of America to go into a foreign country and build highways [Inter American Highway] as we are doing it here."

. . . . .



"I am perfectly willing to make loans, to make arrangements to do this job, but I cannot see how we can tax the people of America when we all have communities -- we have them in our State -- where we need highways.

"Just like when I was in Seoul, we were buying streetcars for the people of Seoul and giving them to the municipal railway there because they were crowded. Well, my own city hasn't sufficient transportation, the great metropolis of Detroit, and the Federal Government cannot go and buy streetcars for those communities.

"That is what is wrong."

Savings: Amount unspecified.

Source: Mr. Ferguson, Senator from Michigan, in Hearings before the Subcommittee of the Committee on Appropriations, Senate, 82d Cong., 1st Sess., Departments of State, Justice, Commerce, and the Judiciary Appropriations for 1952, Part I, p. 747.

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#### NATIONAL BUREAU OF STANDARDS

##### RESEARCH AND TESTING

"I will mention some very round numbers for which I would not like to be held to precise detail, but we test about \$1,000,000 worth of paints a year for the Government. We reject about 30 percent of it. The Government, however, buys something of the order of \$100,000,000 worth of paint a year and the great bulk of that is not tested. I contend that if we are rejecting about 30 percent of \$1,000,000 worth of paint a year, that is a fair Gallup poll way of finding out that is about how it runs and therefore I would be willing to take the position and try to support it that the Government is losing on about \$30,000,000 worth of paint every year by not having an adequate testing program on that commodity...."

Savings: \$30,000,000 annually.

Source: Dr. Condon, Director, National Bureau of Standards, in Hearings before the Subcommittee of the Committee on Appropriations, Senate, 82d Cong., 1st Sess., Departments of State, Justice, Commerce, and the Judiciary Appropriations for 1952, Part I, p. 654.

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INLAND WATERWAYS CORPORATION

GENERAL

"Senator CORDON. What about turning this operation /Inland Waterways Corporation/ over to private enterprise? What is wrong with that?

"Secretary SAWYER. I cannot get a decent offer...."

"Senator CORDON. Do I understand that you run boats and also operate a railroad and that the railroad makes a profit and the boats suffer a loss?

"Secretary SAWYER. That is right.

"Senator CORDON. Yet other people operating boats make a profit and meet your rates?

"Secretary SAWYER. I am not too sure how much of a profit they make or in what way the rate structure is comparable. I would rather have that discussed by Captain Ingersoll, who is the active head of the company. I will be glad to get you a statement with reference to the offers we have had if you would like to have that.

"Senator MAYBANK. Do the other barge lines make a profit?"

. . . . .

"Mr. INGERSOLL. The three principal barge lines with whom we compete out of 125 on the rivers at the last report were stated in the IOC proceedings to be making an average of about 17 per cent on their invested capital."

"Secretary SAWYER...if the Congress tells me that I should stop operating this, that I shall not spend any money on new equipment, and let private carriers handle it, frankly, I would be very much pleased. It is not a very pleasant operation. We do not have enough capital. We have poor equipment and we are trying to give this service, which is not profitable...."

Savings: Amount unspecified.

Source: Mr. Cordon, Senator from Oregon, in Hearings before the Subcommittee of the Committee on Appropriations, Senate, 82d Cong., 1st Sess., Independent Offices Appropriations, 1952, pp. 156, 157, 159.