

Can
FEDERAL EXPENDITURES
Be Cut?

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

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(Continued)

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Department of Defense, General

DEPARTMENT OF DEFENSE

PERSONAL SERVICES

"The committee has noted with disapproval the constantly increasing number of full-time and part-time chauffeurs employed by the Department of Defense. During the fiscal year 1951 there were employed in the United States 3,875 full-time and 3,726 part-time civilian and military personnel who acted as chauffeurs of passenger-carrying vehicles, exclusive of busses, carry-alls, and administrative jeeps. For 1952 it is estimated by the Department that 4,930 full-time and 4,227 part-time military and civilian personnel would be so employed.

"With this in mind, the committee directs that the number of full-time and part-time military or civilian personnel employed as, or acting as, chauffeurs of passenger-carrying vehicles, exclusive of drivers of ambulances, busses, carry-alls, administrative jeeps, and combat vehicles shall not exceed the number so employed in the fiscal year 1951."

Savings: Amount unspecified.

Source: Report of Committee on Appropriations, Senate, 82d Cong., 1st Sess., Department of Defense Appropriation Bill, 1952, p. 5.

Department of Defense, Military Functions

MILITARY FUNCTIONS

GENERAL

"This amendment deals with the abuse, particularly by the Air Force, of funds which were provided primarily for paying the tuition of scientific and technical personnel at higher institutions of learning (scientific and technical schools, MIT, etc.), where it is deemed to be necessary in order that this caliber of personnel may keep abreast of rapidly developing scientific and technical subjects.

"The Air Force was found to be using these funds to pay not only the salaries but also the tuitions of totally unqualified people in business colleges where they were learning to be file clerks, typists, and stenographers."

* * * *

"This amendment in effect provides that no tuition may be paid out of any funds appropriated in this or prior Defense Establishment appropriation acts for persons in jobs which pay less than the rate for GS (Government service) 5."

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"...In effect the amendment precludes the payment of tuition for file clerks, stenographers and typists who, generally speaking, are either paid below this grade or have reached a proficiency where additional education for this purpose is not required."

Savings: Amount unspecified.

Source: Mr. Byrd, Senator from Virginia, Congressional Record, September 12, 1951, p. 11403.

* * *

"...When defense expenditures are in the neighborhood of \$50 billion, as they soon will be, the savings from moderate gains in efficiency can be measured in billions of dollars."

"...In any case, efficiency in national defense cannot be achieved by overall policy statements. It can only be achieved by more efficient continuing processes. It will require action both in the Congress and in the Administration, starting at the National Security Council which must determine that the programs are tailored to the requirements of our strategic situation. The work of the Congressional Appropriations Committees can be most usefully supplemented by investigating subcommittees, which can

Dept. of Military

examine particular parts of the program closely and thus keep pressure on the whole program. The Office of Defense Mobilization has an important part to play in screening procurement schedules, preventing wasteful procurement practices, and bringing industrial engineering talent to work on the problem of designing specifications for equipment that will meet military needs at least cost. But the greatest responsibility is on the officials of the Department of Defense; without their vigilant efforts to save manpower, materials and money there will be no substantial economies."

Savings: Billions of dollars.

Source: Committee for Economic Development, An Emergency Tax Program for 1951, March, 1951, pp. 13-14.

* * *

"I believe this bill can very well stand a cut of \$4,000,000,000, even \$5,000,000,000--below the present levels shown in the bill."

"...there is nothing sacred about a military figure. I used to serve on a deficiency subcommittee....When we concluded consideration of one military bill in committee a budget officer of one of the services came to the subcommittee and said to me, 'Mr. Chairman, if you don't tell anybody, you can take \$150,000,000 out of the ship and shore estimate in the Navy appropriation, and they will never miss it. There is a lot of guesswork about those figures.' I am not too deeply impressed that there is anything sacred about the military figures."

Savings: \$4,000,000,000 - \$5,000,000,000.

Source: Mr. Dirksen, Senator from Illinois, Congressional Record, September 13, 1951, pp. 11463-11464.

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| Item | Proposal |
|--|--|
| "Military Services | |
| "Post exchanges, etc: Expenses of military personnel in exchanges and some other expenses are charged to appropriations. | Require post exchanges, theaters, and other revenue-producing activities to pay all direct expenses...." |
| Savings: \$5,000,000 annually (as shown in table in source). | |
| Source: Staff of the Joint Committee on the Economic Report, Report of the Joint Committee on the Economic Report, Senate, 82d Cong., 1st Sess., <u>January 1951 Economic Report of the President</u> , p. 88. | |

| Item | Proposal |
|--|---|
| "Military Services" | |
| "Medical Care: (a) Retired military personnel and their dependents now receive medical care. (b) Dependents of members of Armed Forces receive free medical care when available. Since it is hard to discriminate, care is usually available." | (a) Discontinue care for all personnel retired for reasons other than physical disability and discontinue care for dependents of retired personnel. (b) Discontinue care for dependents except when they live on a military reservation." |
| Savings: \$16,000,000 in 1952, \$20,000,000 in subsequent years. (as shown in table in source). | |
| Source: Staff of the Joint Committee on the Economic Report, Report of the Joint Committee on the Economic Report, Senate, 82d Cong., 1st Sess., <u>January 1951 Economic Report of the President</u> , p. 88. | |

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| Item | Proposal |
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| "Military Services" | |
| "Deposits of enlisted personnel: The Armed Forces are required to accept deposits of personal funds of enlisted personnel and pay interest of 4 percent." | Eliminate these banking services, which are no longer necessary with the allotment system which makes savings possible." |
| Savings: \$2,000,000 annually (as shown in table in source). | |
| Source: Staff of the Joint Committee on the Economic Report, Report of the Joint Committee on the Economic Report, Senate, 82d Cong., 1st Sess., <u>January 1951 Economic Report of the President</u> , p. 88. | |

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| Item | Proposal |
|--|--|
| "Military Services | |
| "Commissaries; 'Operational' losses' and operating expenses of sales to individuals are charged to regular appropriations. | Require prices which prevent losses and cover expenses..." |
| Savings: Amount unspecified. | |
| Source: Staff of the Joint Committee on the Economic Report, Report of the Joint Committee on the Economic Report, Senate, 82d Cong., 1st Sess., <u>January 1951 Economic Report of the President</u> , p. 88. | |

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"Except in isolated areas and under special circumstances, commercial-type operations in the military departments, such as coffee roasting, are of questionable value. Skilled military personnel, specialized equipment, and much needed administrative and warehousing space are utilized by these activities, which are not essentially military operations."

"Justification for their existence has been attempted on an economy basis. Cost figures shown to the subcommittee, however, fail to include all overhead and other cost factors, such as amortization, depreciation, etc., which are customarily considered in arriving at commercial costs."

"Other commercial-type operations such as clothing manufacturing, tire-retreading operations, and automobile overhauling shops examined by the subcommittee duplicate existing facilities of small and large civilian business operations, thereby competing for personnel, space, parts, and raw materials."

"Recommendation.--

"The Secretary of Defense should ascertain whether under proper cost accounting standards cost differentials, and service justify retention of commercial-type operations in the Military Establishment."

Savings: Amount unspecified.

Source: Sixth Intermediate Report of the Committee on Expenditures in the Executive Departments, House of Representatives, 82d Cong., 1st Sess., Federal Supply Management,

* * *

"...I understand that this appropriation bill still contains \$13,000,000 for the completely unnecessary expenditure with reference to a cow pasture airport at Grandview, Mo."

* * * * *

"...I know this bill is full of fat that ought to be trimmed out. I doubt very much that there has been trimmed out of this bill \$360,000 for an officer's hotel, or what amounts to an officer's hotel at Naha, on Okinawa. Only yesterday, I received a letter telling of expenditures on a very small military installation, which has just been completed. At that installation, there are \$30,000 worth of storm windows that cannot be used because they do not fit. In the officers' quarters, there are solid brass nickel plated toothbrush holders. At this small military installation, they put in 16 toilet paper holders, costing \$16 apiece. It is time we cut out that kind of fat in these appropriation bills, and save the taxpayers of this country some money."

Savings: \$13,390,256.

Source: Mr. Gross, Representative from Iowa, Congressional Record, October 20, 1951, p. 13957.

* * *

"...The subcommittee is attempting to find out why there is so much duplication and overlapping of functions. For instance, we have visited Navy installations. Then we visited Army. We visited bases where they procure for Air Force installations through the Army. Yet in all the one thing, the guiding thing, that seems to show is that each command is doing exactly what they are told, but in the over-all picture when you go from one installation to the other you see duplication and overlapping of functions."

Savings: Amount unspecified.

Source: Mr. Kennedy, Representative from Massachusetts, in Hearings before the Subcommittee of the Committee on Expenditures in the Executive Departments, House of Representatives, 82d Cong., 1st Sess., Field Conferences on Federal Supply Management, (Military and Related Activities), p. 106.

* * *

"...the Military Establishment, in some instances, is requesting funds for research and development when there seems to be a minimum likelihood of an adequate return. Of course, I realize we have to explore many fields and seek to accomplish a lot of things that never will be accomplished in order that we may make the maximum progress in research and development, but it does seem to me that our people in the agencies and in the bureaus and in the Research and Development Board ought to do their very best."

Savings: Amount unspecified.

Source: Mr. Mahon, Representative from Texas, in Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Defense Appropriations, Part 3, Department of the Navy, p. 963.

* * *

"Senator Maybank. What did the Department of Defense do about all the recruiting offices they have in every town in America duplicating selective service when you have to do it?

"General Renfrow. I would like to see that stopped.

"Senator Maybank. I know that everything is going to Selective Service, but they still have the fancy-dressed sergeants, brave men they are and have good war records, running recruiting campaigns with automobiles running up and down the street and making speeches. I don't know that they are recruiting many people; I believe you have been having to deliver the men.

"General Renfrow. That is right.

"Senator Maybank. And still a tremendous expense goes to the Department of Defense who said they were not going to have to do it.

"General Renfrow. That is right.

"Senator Maybank. They are sending men all over asking them to join the services.

"Senator O'Mahoney. Mr. Chairman, it is only fair to say that last year when we passed the universal military training bill and the extension of selective service, Congress wrote into that law a specific directive to the Department of Defense to carry on and continue an active campaign for volunteers.

"Senator Maybank. I am not suggesting that. The Department of Defense, according to what the general said and what I heard was that they were going to get these people through the campaign and would only need 300,000. That was just a few months ago. Now they already find out they need 600,000. Therefore, their recruitment campaign has fallen short of 300,000 they were going to get. I just meant that something ought to be dovetailed together. If we give him more money to select these people, then we should ask the Department of Defense to look over their figures again on the recruiting campaign. If the recruiting campaigns had not gone along as they hoped, to save money at the other end. We asked them to do it and frankly it was written into the law. That has been called to my attention and that is why I asked the general.

"COORDINATION OF DRAFT AND RECRUITING PROGRAM

"General Renfrow. May I point out, too, in addition to that, this has happened: Recruiting service has not been able to get the men.

"Senator Maybank. They told me that, too. The Marine Corps said they were not going to need your services. Do they need your services?

"General Renfrow. Yes. The entire service agreement at that time was that they would not enlist any man who had a pre-induction physical examination. Now that agreement has been vacated and they are now recruiting that pool of men that we had sent up and examined and found acceptable and they are now recruiting from that pool those they call recruits into all of the services, and are yet not able to get recruits enough to meet their quotas. That is what is happening. We objected to it. We said we had spent the Government's money to send the man up and have him examined and bring him back and get him ready for induction and then have someone come in and say he is another volunteer because he wanted to go to the Air Force and not the Army. It makes it awfully tough on us because we have spent that money and we do not get that man.

"Senator Maybank. I did not mean to take sides with one or the other. All I am saying is that there is a great deal of duplication in the past months because of your efforts and the recruiting services of the Army, Navy, and Marine Corps. I was only hoping that something might be suggested between you and the recruiting services of the three branches of the military that we can save some money on the one hand if we have to save more money here."

Waste: Amount unspecified.

Source: Mr. Maybank, Senator from South Carolina, in Hearings before the Committee on Appropriations, Senate, 82d Cong., 1st Sess., Supplemental Appropriations for 1952, pp. 1252-1253.

* * *

"...the lack of cost-consciousness affects not only Navy and Marine Corps installations but seems to characterize the operations of practically every post we have examined."

* * * * *

"The factor of cost-consciousness is...complex and will engage the full attention of the subcommittee for some time to come. It involves waste--waste in manpower and waste in money--at this critical juncture our Nation can afford neither."

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"...What we are talking about is the routine day-by-day waste that goes on at domestic military installations--waste that would make any prudent businessman shudder. It is waste of materials--waste of men by improper assignment--the waste that comes when men are assigned to jobs where no jobs should exist or where three men are assigned to a job that one could do."

Savings: Amount unspecified.

Source: Thirty-first Report of the Preparedness Subcommittee of the Committee on Armed Services, Senate, 82d Cong., 1st Sess., Report on Conditions of Six Navy and Marine Corps Training Centers, pp. 2, 3..

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"...Each training base visited had a golf course. Camp Pendleton even provides riding stables where servicemen and their dependents have free use of 40 horses. While the subcommittee recognizes the necessity...of...sufficient diversionary outlets, amusement, and relaxation, we believe that they should be kept within the bounds of reasonableness."

Savings: Amount unspecified.

Source: Thirty-first Report of the Preparedness Subcommittee of the Committee on Armed Services, Senate, 82d Cong., 1st Sess., Report on Conditions of Six Navy and Marine Corps Training Centers, p. 7.

* * *

"...Of course, if you get a little more advertising of the type which is going on now recruiting for the National Guard, I do not think it is going to help any.

"For instance, you probably had nothing to do with it, and this does not relate so much to the Air National Guard as it does to the Army, Navy, and Air Force, although the National Guard comes into it somewhat under their National Guard program, but a few more television programs like Broadway Open House,...are going to drive all your recruits off and alienate all the fathers and mothers who ever anticipated having any young people in any of the services. If that is an example of what we are getting for much of the funds we have been asked to appropriate for public relations and advertising for recruiting, I feel it is going to be a sad waste."

Savings: Amount unspecified.

Source: Mr. Scrivner, Representative from Kansas, in Hearings before a Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Defense, Appropriations for 1952, Part 4, Department of the Air Force, p. 686. ,

* * *

"...Well, I understand you have your standards and all, but it is generally known throughout the country and thought...strongly by people who are putting the money up that the services are great wasters of money and they see evidences of it on all sides, and I think something is going to have to be done about it.

"I think the law of necessity is going to require it, because as I say we are getting up into a \$75 to \$80 billion budget with no shooting war on as yet. That is twice the combined income of all the people in 1932. It was a depression year, it is true, but just think of that.

"The military budget alone is twice the total income of all the people just 18 years ago, and this is just a beginning, I realize. There are commitments in these foreign programs, commitments here in this bill. This is just the beginning. I think we ought to have some over-all picture about what these bases named in this report would cost."

* * * *

"...How many of them armed service personnel take their families out there government housing project on Okinawa? That is what I was coming to...We are going to have to reduce our expenditure somewhat over the years on this Army.

"I do not see how we can continue to just let them all carry their families all over the world."

Savings: Amount unspecified.

Source: Mr. Stennis, Senator from Mississippi, in Hearings before the Committee on Armed Services, Senate, 82d Cong., 1st Sess., Military and Naval Construction, August, 1951, pp. 41-42, 100, 184.

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"I say it is very difficult to get anyone who will sit down and tell you what this is going to cost for the next 2 or 3 years. As far as I can judge, and I admit I am more or less guessing on it, 3,500,000 men will cost \$35,000,000,000 a year continuously, just to maintain them and for travel and for the operations of the force and replace clothes and perhaps ordinary arms.

"In addition to that, however, apparently for 3 years we are going to have to spend nearly \$20,000,000,000 a year more on equipment of all kinds, heavy equipment, ships, airplanes, heavy artillery, in order to reach the point which we think is necessary.

"The total is in the neighborhood of \$55,000,000,000 for our Armed Forces alone. We add about \$5,000,000,000 for arms to Europe, and I say that is not, after all, a determining factor. There is about \$25,000,000,000 for domestic purposes, which includes some war purposes, merchant marine, atomic energy, and various other things which are directly related to defense. The total of about \$85,000,000,000 is reached.

"If you add to that \$15,000,000,000, or a little more, \$18,000,000,000 for State and local purposes, that is \$100,000,000,000, and that is one-third of our total national product. It is pretty close to 40 percent of our national income.

"Personally, I do not think that we can stand that without very serious results. I have felt that the 3,500,000 figure is too high, or else that the expense of maintaining 3,500,000 ought to be substantially reduced. I have suggested 3,000,000 men and a total budget of about \$65,000,000,000 instead of \$85,000,000,000 or \$70,000,000,000 instead of \$85,000,000,000 as being closer to the limit. I do not know what it is. In any event, we have certainly reached the limit in this proposed program."

Savings: \$15,000,000,000 - \$20,000,000,000.

Source: Mr. Taft, Senator from Ohio, Congressional Record, May 10, 1951, p. 5293.

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"Mr. Sikes. I recall a number of years ago...when a House Armed Services Subcommittee made some recommendations, and as I recall it achieved an agreement with the Department of Defense that some of the costs of handling items that went into the PX's would be added to the sales price of those items. Is that now in effect?

"Mr. Tracy. Such an agreement was reached in connection with the post exchanges. That, of course, is in effect now."

"Mr. Sikes. It did not apply to commissaries?

"Mr. Tracy. As far as I know, it did not apply to commissaries.

"Mr. Sikes. Would this language language to prohibit the use of appropriations for direct expenses in connection with maintenance, conduct, operation, or management of sales commissaries or commissary stores, unless sales prices were raised sufficiently to reimburse the appropriations for all such costs. The section would also partially repeal the act of July 5, 1884, which states that sales of subsistence shall be made only at cost price, which shall mean the invoice price of the last lot of the article purchased in the preceding month" apply to everything?

"Mr. Tracy. It would apply to commissaries and commissary stores."

"Mr. Riley. Would this provision add to or take away from the budget cost here?

"Mr. Tracy. This provision here would take away from the total of the budget, because of the fact that prices in the commissaries would be increased in such a way as to recover certain amounts.

"Mr. Riley. What would be your estimate as to the savings?

"Mr. Tracy. In the case of the Army and the Air Force it is roughly \$13 $\frac{1}{2}$ million involved. I do not have the Navy cost. I am sorry I do not have that figure."

Savings: \$13,500,000 in Army and Air Force; Navy unspecified.

Source: Mr. Tracy, Legal Adviser to the Comptroller of the Army, in Hearings before a Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Defense Appropriations for 1952, Part 1, p. 152.

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PERSONAL SERVICES

"...The committee in making its recommendations has indicated where savings can be effected and has made suitable reductions. For instance the hearings revealed the inadequacy of manpower controls, and numerous instances will be found where the committee has requested the departments concerned to inaugurate strict manpower controls in order that civilian personnel may be reduced to the irreducible minimum. A breakdown of reductions in the bill because of reductions in requests for civilian employment will disclose a savings in dollars of \$145,130,500. Likewise the committee feels there has been great abuse in the use of overtime and suggests that in many instances the use of such overtime could be completely eliminated by the use of compensatory time--that is by permitting an employee to have time off for overtime worked. It is entirely necessary in some instances that activities--such as at the Pentagon Building--be open for business on Saturday, but employees who work on a Saturday should be given equal time off during the following week.

"The charge that there has been a hoarding of blue-collar workers is not without foundation, and while the committee is unwilling to reduce production activities and maintenance where blue collar workers are employed, it does suggest the closest supervision of such employment with a view to eliminating unnecessary costs."

"The committee has been concerned at the numbers of both military and civilian personnel assigned to public information and publicity work and directs that in apportioning personnel reductions effected throughout the bill that sharp reductions be made in such personnel in the Pentagon and throughout the Services."

Savings: More than \$145,130,500.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Defense Appropriation Bill, 1952, pp. 4-5.

* * *

"...Upon further consideration the committee feels that by proper management in the use of these civilian employees an overall reduction of 1,000 manyears of employment at a dollar reduction of \$3,785,500...can well be made..."

Savings: \$3,785,500.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Defense Appropriation Bill, 1952, pp. 43-44.

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"The Department of Defense has requested \$15,622,903 for public information activities during fiscal 1952 by the Army, Navy and Air Force, including civilian and military personnel employed in these activities in both departmental and field activities. The committee believes this amount to be excessive and has inserted language in the bill reducing the total amount which may be utilized for such purposes to \$10,950,000 to be equally divided among the three services after necessary amounts for the Office of the Secretary of Defense are deducted. The committee further directs the Department of Defense to assign such military personnel as can no longer be employed under this directive to military duties."

Savings: \$4,672,903.

Source: Report of Committee on Appropriations, Senate, 82d Cong., 1st Sess., Department of Defense Appropriation Bill, 1952, p. 4.

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"According to the Hoover Commission and the Byrd Committee, the armed services are the most prodigal of all governmental users of manpower, both military and civilian. The most recent personnel report of the Byrd Committee shows that the Army, for instance, increased the number of civilians on its payrolls from 303,559 in June 1950 to 433,998 in December. The three services are now reported to be filling new civilian jobs at the rate of 4,000 a day...,"

Savings: Amount unspecified.

Source: Alvin A. Burger, Research Director, Council of State Chambers of Commerce, "How and Where the Federal Budget Can be Cut," Federal Spending Facts, Bulletin No. 80, March 5, 1951, p. 3.

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"In my long study of federal fiscal affairs I have watched especially for excessive civilian employment as a key to extravagance and inefficiency. I have observed in this connection that the Military Establishment, which is now employing a million civilians, or about one civilian for each two men in uniform, is the worst offender in extravagant and inefficient use of civilian personnel. The current ratio of civilian manpower to uniformed personnel is increasing 7 despite the fact that Navy yard employment is still at a low ebb.

At the peak of World War II the Military Establishment was employing one civilian to each five men in uniform. Civilian employment in the Military Establishment has been increasing for some time at the rate of 1,000 a day and published estimates indicate that a minimum of a quarter of a million more civilians are to be employed. A civilian payroll of 1½ million employees would account for approximately \$4.5 billion of defense expenditures. Maximum utilization of civilian manpower in the Defense Establishment would reduce this employment projection by at least 150,000, at a saving of 1/2 billion dollars. This should be made a matter of immediate attention by the best experts available."

Savings: \$500,000,000.

Source: Letter from Mr. Harry F. Byrd, Senator from Virginia, to Mr. Harry S. Truman, President of the United States, December 22, 1950.

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"The amendment which I have offered would place a limit of 90 percent on the estimated positions. As I understand, the budget figures, when first submitted, showed that there would be an estimated number of 546,000 graded civilian positions in the Military Establishment...."

"...If we cut down the estimated number in the budget 10 percent, it would take off roughly 54,600, and give a ceiling of 491,000 positions...."

"...in going around the country and making observations in one place and another, I concur in the observation made earlier in the spring on a number of military policy bills, that there is still a substantial waste of civilian manpower."

Savings: 54,600 positions.

Source: Mr. Dirksen, Senator from Illinois, Congressional Record, September 12, 1951, p. 11408.

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"...The amendment is designed to reduce civilian personnel from 3 to 5 percent, with a total saving of approximately \$80,000,000. So far as personnel is concerned, it will make effective the reduction in the number of personnel which we adopted yesterday when we placed 500,000 as the limit instead of 530,000...."

"...it is necessary to reduce the amounts of money as well as to reduce the number of persons; otherwise it will be within the power of the Department of Defense, while they pay less for personnel, to shift the appropriations from personnel to other purposes. Therefore, about \$80,000,000 of this economy is not really a fresh economy; it merely reinforces the action of the Senate of yesterday...."

Savings: Approximately \$80,000,000.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, September 13, 1951, p. 11456.

* * *

"...this amendment is designed to correct...the abuse in the field of issuing orders to temporary duty for members of the armed services...."

"During the last war in the Pacific it was virtually impossible for any officer or enlisted man, who was sent from one station to another, to incur any significant expense. He would be housed either at an officers' or enlisted men's quarters. His meals would also be furnished free. There was no actual expense incurred in the course of the travel. Nevertheless it was the general practice of adjutants to issue temporary duty orders, under which the then prevailing rate of \$6 per day expense would be paid...."

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"...The per diem allowance has now been increased to \$9 a day. I once made an estimate that probably from \$5,000,000 to \$10,000,-000 had been wasted in the Pacific area alone on these per diem allowances, for which expenses were not incurred. It is not certain how much of a saving the present amendment would bring about, but if we were to have hostilities continued in isolated areas of the world, where there are no hotels and where no out-of-pocket expenses are incurred, it would amount to a real saving...."

Savings: Amount unspecified.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, September 13, 1951, p. 11459.

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Item

Proposal

"Military Services

"Reserves: Many members of reserves of armed forces who draw pay for reserve 'training' and (if they attend enough meetings) become eligible for pensions are not really available for active duty because of age, essential occupations, or hardship.

Require discharge from the Reserves of all who become unavailable for duty."

Savings: \$35,000,000 in 1952, \$50,000,000 in subsequent years. (as shown in table in source).

Source: Staff of the Joint Committee on the Economic Report, Report of the Joint Committee on the Economic Report, Senate, 82d Cong., 1st Sess., January 1951 Economic Report of the President, p. 87.

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Item

Proposal

"Military Services

"Hazard and incentive pay: Career Compensation Act of 1949 requires extra pay of \$30 to \$210 a month for flight pay and submarine duty, and of \$50 a month for enlisted men and \$100 a month for officers in observer duty in aircraft, glider duty, parachute jumping, demolition, and explosives duty, submarine escape tank training, and diving duty training. Enlisted men receive 10 percent extra for sea and foreign duty. Doctors receive \$100 extra a month for volunteering. Act allows President to suspend in time of war but not in time of combat.

Abolish such extra payments. Recruiting situation is different now--the man who doesn't volunteer is drafted. No pay can adequately compensate for combat hazards and inequities are less without allowances."

Savings: \$200,000,000 annually (as shown in table in source).

Source: Staff of the Joint Committee on the Economic Report, Report of the Joint Committee on the Economic Report, Senate, 82d Cong., 1st Sess., January 1951 Economic Report of the President, p. 87.

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Item

Proposal

"Military Services

"Leave: Members of the Armed Forces are allowed 30 days' annual leave. They cannot be required to take leave involuntarily and so receive additional 'leave' through time excused from duty and 'proceed' time. Accumulation of 60 days' leave is allowed. Lump-sum payments are made for accumulated leave upon completion of an enlistment period.

Reduce the amount of leave allowed. Reduce the amount which can be accumulated. (Similar changes should be made for civilian employees.) Allow involuntary leave to be required. Charge to leave any period in excess of 48 hours when individual not on duty or hospitalized,..."

Savings: \$27,000,000 annually.(as shown in table in source).

Source: Staff of the Joint Committee on the Economic Report, Report of the Joint Committee on the Economic Report, Senate, 82d Cong., 1st Sess., January 1951 Economic Report of the President, p. 88.

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"There are unnecessary duplications and costs, particularly in the distribution phase of medical supply management. Furthermore, medical supply activities are being presently carried on to a large extent under the administrative direction of doctors commissioned as medical officers of the armed services. During a period when the armed services and civilian communities are greatly in need of the services of doctors, the continuance of such personnel in these duties to the detriment of their professional skills cannot be sanctioned."

Savings: Amount unspecified.

Source: Sixth Intermediate Report of the Committee on Expenditures in the Executive Departments, House of Representatives, 82d Cong., 1st Sess., Federal Supply Management (Military and Related Activities), p. 4.

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"On June 1, 1950, there were 317,567 white-collar clerical workers in the Army, Navy and Air Force. On July 1 last there were 494,363. I understand that figure has been increasing about a thousand a day since that time."

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"In the bill now before the committee, you are asking funds to support 641,765 purely white collar workers. During World War II, at the highest peak of the war in June 1945, we had one civilian employee to 15 uniformed men. If the full number of white collar workers is allowed as requested in this bill you will have 1 to every 5.2 uniformed men.

"My question is, How can we justify appropriating billions of dollars for so many civilian employees that you are asking for in this bill when we know that at the present time there are over 18,000 civilian employees, white collar employees, working in the Pentagon along, with very little to do in proportion to what they should do, and how can you justify piling on more civilian employees?"

Savings: Amount unspecified.

Source: Mr. Jensen, Representative from Iowa, Congressional Record, August 9, 1951, p. 9932.

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"...Let us take a little problem that I shall present to you, for illustration. A man told me today that we could save a lot of money if we went to each and every installation--and there are hundreds and hundreds of them--of the Army, Navy, and Air Force, and determined whether or not they needed a photographer and a photographic laboratory at that installation. He said that about all these photographers do at the average installation is take pictures of the Secretary, or of a Congressman when he comes to the post, and they make up those photographs in great quantities and send them around so that each person is supposed to be flattered, or maybe flabbergasted."

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"...It might be found that here is a man who is not needed and here is expensive equipment that is not needed. Of course, if it is a combat operation type of equipment, if it is aerial photography that is being done for the Air Force, that is one thing. But the point was made that the average installation does not need that sort of photography. And out of small bits large objects are made."

Savings: Amount unspecified.

Source: Mr. Mahon, Representative from Texas, in Hearings before a Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Defense Appropriations for 1952, Part 1, p. 172.

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"...the duty of the Congress,...is to make clear to the Pentagon Building that its unconscionable waste of manpower must stop....With respect both to economy of manpower and economy of expenditure, there is no other way to bring the military to time than for the Congress to start exercising some of its prerogatives by actual legislative restriction. I suggest that a good place to start is on the 3,462,000 figure, and to say to the military, 'You are not going to be allowed at the present time a manpower ceiling beyond 3,100,000 or 3,000,000'....we should provide that ceiling for the present, and should say to the military, 'We will hear you on the question of hiring civilians, including an increased number of women, and of making greater use of manpower which you are now rejecting for paper-pushing jobs, and jobs of a similar type, which at present are tying up thousands upon thousands of able-bodied men in what amounts to a very inefficient operation of military manpower under the present policies of the Pentagon Building.'"

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"...I wish to emphasize as strongly as I can that the Congress has the duty of checking the military in regard to some of its extravagant wants. It is employing a great amount of able-bodied manpower in the less essential jobs. That can be observed in Washington. Any one who visits the Pentagon Building can see for himself how many men there are in the various offices almost falling over each other. As one checks into what they are doing, I do not believe he can escape the conclusion that not only fewer men could be doing what the employees there are doing, but civilians could be doing it just as well, and many able-bodied men could be released for military service of a combat nature."

Savings: 362,000-462,000 military personnel.

Source: Mr. Morse, Senator from Oregon, Congressional Record, February 27, 1951, pp. 1643-1644.

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"On March 1, 1951, there were 418,975 military and civilian personnel stationed at the 16 indoctrination and training centers inspected. This represents 14 percent of the present strength of our Armed Forces.

"Twenty-nine percent of these persons, or 121,828 were engaged in administering and instructing 297,147 students and/or trainees. Thus, the average ratio of administrator/instructor overhead to trainees was 1 to 2.4.

"Of the 121,828 overhead personnel, 85,264 were enlisted men, 10,520 were male officers, 1,711 were female military, and 24,333 were civilians.

"The overhead/trainee ratios varied considerably among the services: Army, 1-2.2; Air Force, 1-1.7; Navy, 1-4.04; Marine Corps, 1-3.3.

"The Army and Air Force exceeded the average; the Navy and Marine Corps are getting by on less than the average number of overhead personnel per trainee.

"On a percentage basis, the Air Force was using less civilian personnel than other services--14.5 percent. The Marine Corps was using the highest percentage of civilians--22.6 percent.

"The Air Force used the lowest percentage of female military personnel; the Marine Corps used the highest percentage.

"It should be emphasized that these figures are not altogether comparable; the operations and activities at the various installations differ, and, at many installations, basic training is only one of many activities."

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"C. Replacement Of 'Chair Corps'

"The officers and enlisted men assigned to 'permanent party' status at the 16 installations and performing some type of overhead function totaled 95,784. This is well over five divisions of men, most of whom are, presumably, physically and mentally fit for full military duty.

"Eliminating from this number those whose duties might conceivably require a fairly high degree of physical proficiency, there remain approximately 40,000 whose jobs, for the most part, could certainly be filled efficiently by limited service personnel, women, or civilians."

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"In other words, sitting at desks, working in kitchens, carrying messages, driving automobiles, operating motion-picture machines, running PX's, and doing similar jobs, are nearly enough men to fill our commitment to Europe."

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"V. Recommendations

"(1) As a general policy the physical standards of acceptability of all branches of the military services be lowered to those prevailing during World War II and that the mental standards of acceptability be reduced to as near the World War II standards as the capability of the services to absorb the lower mental profiles will permit.

"(2) That the limitations on the number of women in the Armed Forces be removed.

"(3) That funds appropriated for the payment of civilian employees at military installations be allotted to installations where civilian workers are available.

"(4) That the Department of the Army eliminate unnecessary staff and command organizations at the training centers. This could be accomplished, in part, by discontinuing the operation and organization of basic training centers as combat divisions, and leaving them with training cadres, pure and simple.

"(5) That permanent party or 'chair corps' personnel be stabilized wherever possible. Sufficient flexibility should be retained for the operation of rotation policies.

"(6) That the stabilized 'chair corps' be manned by limited-service military, female military, and civilian personnel to the fullest possible extent.

"(7) That an exhaustive survey and analysis of training-center overhead be undertaken immediately by experts in the field of economic utilization of manpower, and, that the Department of Defense make periodic reports to the Committee on Armed Services in connection with steps taken toward the more efficient utilization of manpower."

Savings: Amount unspecified.

Source: Twenty-sixth Report of the Preparedness Subcommittee of the Committee on Armed Services, Senate, 82d Cong., 1st Sess., Manpower Utilization at Military Indoctrination Centers, pp. 6, 7, 11.

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"The biggest item in the 1952 budget is the \$40,000,000,000 for expenditures for the Military Establishment. I know, and you know, and the American people know, that a cut of \$2,000,000,000 or only 5 percent, could be made without in any way interfering with the defense program. Reliable estimates show that \$500,000,000 could be saved in the more efficient use of personnel alone."

Savings: \$500,000,000.

Source: Mr. Reed, Representative from New York, Congressional Record, June 21, 1951, p. 7055.

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"...These inspectors in the Air Force, called quality control do very little if anything different from what is done by the Army and Navy inspectors, and yet those classified positions for quality control have a higher civil-service rating..."

"I would like to have it verified first; and if the Air Force is right, these men are either being paid too much, or the others who are doing the same thing are being paid too little.

"There is not any reason why a man should be in one grade, designated quality-control man by the Air Force, and an inspector by the Navy, and be in another grade. I am told that very thing exists in some of the plants throughout the country. It is not an equitable situation. There is something wrong someplace."

Savings: Amount unspecified.

Source: Mr. Scrivner, Representative from Kansas, in Hearings before a Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Defense, Appropriations for 1952, Part 4, Department of the Air Force, p. 149.

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"...Why is all this moving necessary? Why is it not possible in most of these cases to obtain competent help in the immediate areas around where you are moving these people to, whether it is Washington or some other post? In other words, cut down what has become a terrific burden. When you get through with all the services--the Army, the Navy and the Air Force--the packing, transportation, and storage of personnel runs into many, many millions."

Savings: Millions of dollars.

Source: Mr. Scrivner, Representative from Kansas, in Hearings before a Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Defense, Appropriations for 1952, Part 4, Department of the Air Force, p. 605.

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"...There is also, as I mentioned yesterday, not only in the Air Force, but in the Army and the Navy, a waste of skilled medical services. They are pushing paper. It takes too long to train a medical officer, or a dental officer. Of course, with the extra pay and all that, it makes it too expensive, actually, to use men with those skills in that type of work that has nothing to do with that special medical skill. The same thing would be true of flying. It is nice and perhaps beneficial for these men to know something of the managerial end of the aviation branch of the service, but it is not essential. In other words, they can go out and be just as good a squadron or group leader without knowing anything about the comptroller's end of it, because that does not enter into their flying ability or leadership at all. It is a matter of policy."

Savings: Amount unspecified.

Source: Mr. Scrivner, Representative from Kansas, in Hearings before a Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Defense, Appropriations for 1952, Part 4, Department of the Air Force, p. 623.

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TRAVEL

"The committee again wishes to call to the attention of responsible officials the large requests for funds for travel. A great amount of travel is, of course, necessary to the defense program, but many movements of troops from one section of the country to another could be avoided and funds saved..."

Savings: Amount unspecified.

Source: Report of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Defense Appropriation Bill, 1952, pp. 5-6.

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"...I recall one instance where one of the Air Force officers who was called to active duty was sent nearly 1,200 miles for a physical examination, and then back again because his assignment was in the opposite direction."

• • • •

"...Now, that is an unnecessary expenditure of funds. It would seem to me that when you are going to call a man back into service you must have some idea of where you are going to assign him, so why cannot the travel be progressive? There is 2,400 miles of travel, all of which costs money, and you have the per diems and everything else going with it, which could be very well eliminated by having him report to some place that is on his line of travel toward his permanent assignment."

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"...Also If you have 5 percent rejected in the Air Force with all of this travel in your nine areas you are running into quite a considerable sum of money to find out that a man is not physically acceptable. It would seem that some logical program could be worked out where at least the first preliminary screening could be done right near his own home community."

Savings: Amount unspecified.

Source: Mr. Scrivner, Representative from Kansas, in Hearings before a Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Defense, Appropriations for 1952, Part 4, Department of the Air Force, pp. 636-637.

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TRANSPORTATION OF THINGS

"...if the common items were handled by, say by Quartermaster, not duplicated in the service depots, you would have less-than-carload shipments, wouldn't you, and economy from that point of view?"

Savings: Amount unspecified.

Source: Mr. Ward, Bureau of the Budget, in Hearings before the Subcommittee of the Committee on Expenditures in the Executive Departments, House of Representatives, 82d Cong., 1st Sess., Field Conferences on Federal Supply Management, (Military and Related Activities), p. 112.

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RENTS AND UTILITY SERVICES

"...The armed services have built the houses,...the armed services furnish the tenants. Everyone of these people on the

military payroll who lives in those houses, gets rent money. The money for quarters for military personnel last year amounted to about \$500,000,000. We have not acquired one single dollar of equity for that \$500,000,000. I spent a number of months with a man designated by Defense Secretary Johnson studying this problem. We wrote a bill under which we can use the rent money to build houses. The rent money that is allowed in the pay bill would enable us to own every one of those houses in 12 to 16 years. Under the present plan, we are not getting one single dollar of equity for all the rent money that we put out. The landlords will be on those military installations under the law, that they work under, the Wherry law, for 33 years drawing rents...."

Savings: Amount unspecified.

Source: Mr. Johnson, Representative from California, Congressional Record, October 10, 1951, p. 13151.

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PRINTING AND REPRODUCTION

"There are certain items in the bill before us which I think could certainly be omitted with propriety. We have had discussions from time to time of the advertising expense for recruiting of \$3,000,000 which the Army is asking to be made available during the coming year...this item tends to be a totally unnecessary expense, certainly in a period of compulsory military service. I should like to remind the Senate also that on every dollar spent in advertising a 15-percent commission or kick-back goes to the agent who places the advertising. So that concealed within the \$3,000,000 figure is a \$450,000 commission for some agency or some persons.

"In addition I think it should be pointed out that advertisements for sales of war bonds are donated by magazines and newspapers. Inasmuch as many of these receive what amounts to a subsidy in the form of low mailing rates, I should think they could extend their donations of advertising space to include recruitment advertising. So I think that item certainly could be dispensed with."

Savings: \$3,000,000.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, September 13, 1951, p. 11456.