"In 1940 the total cost of operating the postal service was $807,000,000, on an annual basis. Ten years later, in 1950, it cost to operate the postal service $2,224,319,182. Since 1945 the merited salary increases for postal employees alone have amounted to $803,000,000. Transportation cost of mail by air, rail, and boat has increased by several hundred millions of dollars; rental of buildings occupied by post offices and stations has greatly increased; cost of motor vehicles has almost doubled, and certainly this applies to new equipment and supplies. Now, the tremendous increase in operating the postal service has been brought about largely by laws enacted by the Congress. Now, what is the real trouble with the postal service? I think the record will bear me out that it is a simple question of the Congress refusing to raise postal rates in accordance with the tremendous increased operating cost, plus the almost unbelievable increase in the number of pieces of mail handled, which is now approaching 50,000,000,000 pieces of mail annually. As an example, let us discuss the 1-cent penny postal card. It costs the Post Office Department nearly 3 cents to print and handle this piece of mail. It was established in the hearings that the Post Office Department in 1950 sold 1,000,000,000 of the 1-cent penny postal cards. It was also established that better than 94 percent of these postal cards were used by large advertising agencies, department stores, and mail-order houses. The public utilities discovered that they could take advantage of this subsidy, so another 4 percent is used by the public utilities, church and fraternal organizations, and less than 2 percent are actually used by individuals for the purpose of correspondence. In effect, the net loss in the sale and handling of the 1-cent penny postal card for 1950 amounted to $70,000,000. In 1950 the net loss in handling second-class mail amounted to $192,000,000. In the same year the loss in handling third-class mail amounted to $136,000,000, and on fourth-class mail $77,000,000."

"I contend that the only answer is to increase postal rates and to eliminate as nearly as possible the hundreds of millions of dollars in subsidies being granted to special groups."

Savings: Hundreds of millions of dollars.

Source: Mr. Passman, Representative from Louisiana, Congressional Record, March 20, 1951, pp. 2773, 2774.
PRIVATE Mailing (Post) Cards

"This amendment would save the penny post cards for the one who really is entitled to them, namely, the average person who wishes to spend a small amount for a postal card and mail it to a friend.

"The testimony shows that about 95 percent of the penny post cards are used for commercial advertising purposes. In other words, someone who is conducting a business goes to a post office and buys as many as 100,000 or in some cases as many as 1,000,000 or even 5,000,000 penny postal cards at one time, and has advertising printed on them, to advertise the product he manufactures or sells, and then drops the postal cards, bearing his advertisement into the mails in bulk.

"It is interesting to note that in connection with advertising by means of the penny postal cards, the Government pays two-thirds of the cost, because it costs a little more than 2-2/3 cents to produce the postal card and deliver it, and the Government charges 1 cent for the card as well as for its delivery.

"This amendment would leave the penny postal card available for private, individual use; but for bulk mailing of penny postal cards and when they are used for advertising purposes, which constitutes 95 percent of the use of penny postal cards, the rate would be 2 cents."

Savings: Amount unspecified.

Source: Mr. Long, Senator from Louisiana, Congressional Record, September 7, 1951, p. 11249.

* * * * *

FREE MAIL, MISCELLANEOUS, DOMESTIC

GENERAL

"As a rural mail carrier, I know the answer. If we postal workers were not obliged to deliver free of charge the mail of all the departments of the government and of our Congressmen and Senators, we would clear money and even lower rates. Since I started to work for the Post Office Department three years ago, I have marvelled at the efficiency of its operations and been dumbfounded at
the vast quantities of free mail it handles. I am only a small
cog in the postal department, but I see, while delivering the
mail to some 350 families, that one-fourth of the first-class mail
I carry travels free. The people who pay for this delivery would
be astonished to watch how the members of both houses of Congress
abuse their franking privileges, especially before election. Sev-
eral times a year most legislators send out thousands upon thousands
of brown envelopes containing copies of speeches they have made on
the floor. Their sole object is to convince their constituents that
they are doing a good job, and it is their constituents who pay for
this publicity."

Savings: Amount unspecified.

Source: Josh M. Drake, Jr., "The Postman Knows the Answer,"

* * *

"The Post Office Department, for instance, must handle
an annual flow of 2,000,000,000 pieces of franked mail which, at
three cents each, would cost private senders $60,000,000.

Savings: Amount unspecified.

Source: Earl B. Steele, "Holes in Our Public Purse," Nation's
Department of State
SALARIES AND EXPENSES

GENERAL

"...the committee...recognizes the need for standardizing the perquisites of both categories of personnel particularly with respect to salaries and leave provisions.

"It is suggested the Department give consideration to longer periods of service by the personnel at their respective posts prior to transfer to other posts. In this connection every effort must be made to combine transfer and home leave travel in order to reduce the expenses of accomplishing the two purposes."

Savings: Amount unspecified.


* * *

"I am urging a further cut of nearly $5,000,000 in the appropriations for the State Department, and I should like to give the reasons for it.

"In 1942 there were 6,476 employees in the State Department. Last year there were 22,978...I should like to point out, if I may, that here we have a department which is probably more swollen in its personnel than any other department in the public service."

... ...

"I think it will be found that if 3 men are needed to do a certain job, the State Department will employ from 12 to 15. They spend a large part of their time communicating with one another. The man at the bottom will write memoranda which will be passed up through the subchiefs to the chiefs. Then there will be memoranda passed down. So when we multiply the staff we increase the amount of internal work which is needed almost in geometrical proportion, until finally the chief work of the State Department consists in its members talking to one another."

Savings: $5,000,000.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, August 23, 1951, p. 1075.
If my amendment to that committee amendment is agreed to, the ordinary expenses of the Department of State will be reduced from approximately $74,500,000 to $70,000,000, or a saving of $4,500,000.

I do not think all of us fully realize the degree to which the personnel of the State Department has expanded in the past 10 years. The budget submitted to us by the State Department, which since then has been reduced, called for a total of 27,907 positions, or an increase since 1942 of between four and five times.

I know there will be discussion in regard to the informational and educational activities of the State Department. Those activities constitute a new function which has developed. A certain portion of the increase in the number of employees in the State Department is caused by the expansion of that activity, which formerly was not carried on.

However, the staff used for the ordinary functions of the State Department shows an increase from 6,142 persons in 1942, to 13,773 persons in 1951, or more than double the former number.

The State Department staff has been so greatly increased that the employees of that Department now spend a large amount of their time circulating among each other and talking to each other. They are musclebound and there is too much adipose tissue, and, if there is one thing that afflicts them, it is administrative elephantiasis. Certainly, if we reduce the number of employees of the State Department to a reasonable number, we shall reduce the inefficiency of the employees of that Department, for then they will not have to spend so much time talking to one another, and they will have greater efficiency in connection with conducting foreign relations.

We can make a great contribution to the efficiency and economy of the Government by lopping off 6 percent more of the employees of the State Department. Here is a chance for us to save $4,500,000; and as a result of making that reduction, we shall be able to return a substantial number of the employees of the State Department to more useful occupations, closer to the soil, so to speak; and in that way we can increase the efficiency of the United States Government.

Savings: $4,500,000.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, August 24, 1951, pp. 10817, 10818.
OFFICE OF CONSULAR AFFAIRS

"Senator McKellar....I think you gentlemen owe it to your President as well as to your Government and to our people to follow the President's advice and cut these non-war expenses."

... ... ...

"Chairman McKellar....We want to give you Division of Protective Services, State Department, everything that is necessary to run this Government. But here we find so many divisions doing exactly the same thing.

"We heard about the United Nations yesterday. They have an office in New York and they spent about $1,300,000 on it. We have an office here doing exactly the same work or nearly the same work except that Mr. Hickerson says he does it all.

"Senator Green. As I understand it, the office here tells the office in New York what to do.

"Chairman McKellar. I want to be fair and just in this case. He did say that in rare instances they consulted the President of the United States on our foreign policy. He said that he established foreign policy but that in rare instances they consulted the President of the United States.

"Now I want to ask you to take these items back that you are connected with and see if you cannot cut them. We must try to cut somewhere in order to carry on our work."

Savings: Amount unspecified.

Source: Mr. McKellar, Senator from Tennessee, 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 1, p. 1137.
PRESENTATION ALLOWANCES

GENERAL

"...this is a move to decrease the appropriation for the so-called representation allowances from $675,000 to $500,000, or a saving of $175,000...it means, as I understand, entertainment to be offered by the State Department to visitors, and that such entertainment is to be primarily liquid in character."

"...I do not think that it is necessary for us to float foreign relations in a sea of cocktails or champagne..."

"...In short, there is still room for simple living. I hope we can save $175,000 by the adoption of my amendment."

Savings: $175,000.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, August 24, 1951, p. 10864.

PAYMENT TO FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

GENERAL

"The budget estimate of $4,627,000 to be paid into the Foreign Service retirement and disability trust fund, established to provide annuities for Foreign Service officers, is presently disallowed. Since the fund had an existing balance of $16,923,100 as of June 30, 1950, and the annual cost of annuities is approximately $1,200,000, the deferral of the Federal contribution for 1952 will not jeopardize the solvency of this fund in the new fiscal year."

Savings: $4,627,000.

ACQUISITION OF BUILDINGS ABROAD

GENERAL

"...this is a proposal to reduce by $2,000,000 the amount to be spent by the Government for the acquisition and construction of office buildings and residences of our diplomatic service abroad. There was a time when our diplomatic representatives abroad were very badly housed. I think that time has largely disappeared.

"In the justification which the Department of State advanced in support of its request we find that in the past 5 years there has been expended for office quarters and residence quarters abroad a total of $106,000,000. Then there is a further program embracing approximately $86,000,000 which they wish to have carried out, making a total expenditure of $192,000,000.

"If we go over the items...for the $9,000,000 originally requested we find a very large number of residences at a unit cost which never falls below $20,000, commonly $25,000 per residence. In some cases the unit cost rises as high as $50,000 per residence. We also find a provision for the construction of a large number of office buildings. I am in no sense a defeatist about the state of the world, but I do not think it would be a very good plan to increase our capital investments abroad in the form of large amounts in buildings at this time."

Savings: $2,000,000.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, August 24, 1951, p. 10826.

* * *

"I notice for the item 'France, Paris,' it says..."

"Miscellaneous completion items, furniture and furnishings, alterations and repairs, Government-owned property /For use of ECA/.

"Do you not think it is very unwise in a period of a great war when we have such an enormous debt already and are faced with a larger one, that it is very unwise to be refurnishing buildings in Paris or anywhere else? I have been in Paris and have found good buildings there. I should think you could get along fairly well without these expenditures."

Savings: Amount unspecified.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

GENERAL

"This appropriation provides funds to pay the United States' share of the expenses of the international organizations in which it participates pursuant to treaties, conventions, or specific acts of Congress...."

"Every effort must be made to...reduce the high percentage of contributions which this country is called upon to make to all these organizations; to withdraw from organizations where there is duplication of functions or where benefits received are insufficient to warrant their continued operation; and to make certain that existing organizations are run efficiently and economically."

Savings: Amount unspecified.


"I believe this particular item in the bill should be reduced further, from $29,300,000 to $27,000,000. The committee in past years has sought to reduce the percentage of United States participation in contributions to international organizations. To that end it has brought pressure to bear upon the State Department, but the results have been most disappointing...."

"The theory of computing these contributions on the basis of alleged ability to pay is extremely questionable. On page 651 of the hearings the witness, Mr. Hall, said that one of the factors considered in fixing the contribution is that we have the highest national income per capita of any country in the world."

"We also have the largest deficit. We also have the largest per capita national debt."
"We are allowed only one vote in these various organizations and it is a doubtful privilege we have of putting up most of the operating money.

"I regard it as unfair that our taxpayers here were assessed 38.47 percent of the total assessment for support of the United Nations educational, scientific, and cultural organizations for the calendar year 1949, as compared with approximately 13 percent assessed against the United Kingdom, and approximately 7 percent assessed against France; further that we were assessed 37.82 percent of total assessments for the calendar year 1950, as compared with these far smaller assessments to these other countries..."  

Savings: $2,300,000.  
Source: Mr. Davis, Representative from Georgia, Congressional Record, July 25, 1951, pp. 9024, 9025.

* * *

"...with respect to the multilateral aid, it appears from the record that the United States is contributing more than its share to United Nations organizations. In one or two instances the share assumed is considerably larger than the limit that was imposed in the State Department appropriation bill this morning. It would also appear that there is danger of overlapping between the multilateral work and the bilateral work in the same fields in the same countries."

Savings: Amount unspecified. 
Source: Mr. Wigglesworth, Representative from Massachusetts, Congressional Record, October 11, 1951, p. 13273.

* * *

"Amendment offered by Mr. Williams of Mississippi: add the following new sentence:

"'None of the funds appropriated in this act shall be used to pay an assessment to any international organization which exceeds one-third of the total annual cost thereof.'\"

"...The purpose of the amendment is to place a ceiling on the United States proportionate share of funds to maintain these international organizations. I think it is fair--I think it is proper--
that the United States should be called upon to pay its proportionate share; by the same token, I believe that it is unfair and improper that we should be called upon to pay a disproportionate share, particularly in view of the fact that we are fighting 95 percent of the United Nations' war in Korea today."

"...Common sense and fairness, in my opinion, dictates that this amendment, limiting our contributions to 33-1/3 percent of the total, be adopted."

Savings: Amount unspecified.

Source: Mr. Williams, Representative from Mississippi, Congressional Record, July 26, 1951, pp. 9145, 9146.

* * * * *

MISSIONS TO INTERNATIONAL ORGANIZATIONS

GENERAL

"Chairman McKellar, Mr. Hall, is it not a fact that this Commission [Economic Commission for Europe] does or is supposed to do exactly what the Economic Cooperation Administration does?

"Mr. Hall. No, sir. The work is related to that of the Economic Cooperation Administration.

"Chairman McKellar. It is, so to speak, just an adjunct of the Economic Cooperation Administration. Is that not true, and is it not perfectly useless to have these men going over to Europe at this time? Europe is in splendid condition. Why should we keep these men looking into economic conditions and reporting on them? You can see the reports every day in the newspapers... It seems to me that from your justification here there is no question in the world but that you are just simply putting these men in places that are already filled by the Economic Cooperation Administration."

Savings: Amount unspecified.

Amendment offered by Mr. Stefan to strike out an appropriation of $2,700,000 and insert an appropriation of $2,600,000 for International Contingencies.

"I offer this amendment because this was a sort of educated guess on the part of the committee when they made minor cuts. My further investigation indicates they have $950,000 on hand, unspent and unobligated...just because we have a large national income does not mean that we can join other nations in allowing them to set our percentage of expenditures in international conferences and meetings.

"I have in my hand a list of approximately two or three hundred such conferences that are considered. It is taking a tremendous amount of will power on the part of employees of the State Department to turn down some of the requests for these meetings. I think that only by holding down appropriations can we uphold the hands of those in the Department of State when they are lobbied and pressed to call meetings which are unnecessary and of which we pay a tremendous part of the expense."

Savings: $100,000.

Source: Mr. Stefan, Representative from Nebraska, Congressional Record, July 25, 1951, p. 9030.

...The committee has recently received information to the effect that of the amount available in 1951 for 'Construction,' $2,143,087 was unexpended as of June 30, 1951, and will thus be available in 1952. The reduction of $2,200,000 which the committee has made in this
request will not interfere with the progress of construction of Falcon Dam which accounts for over 90 percent of the construction funds."

Savings: $2,200,000.


* * * * *

INTERNATIONAL INFORMATION AND EDUCATIONAL ACTIVITIES

GENERAL

"The request under the Exchange of Persons program contained an item of $24,875 for luncheons for 375 'leaders and specialists' visiting the United States during the fiscal year 1952. This sum was to cover the cost of 2,475 lunches for residents, including State Department personnel, as well as the 375 foreign visitors. The amount requested was based on an average cost of $8.73 per person. The Department can and must, as far as this committee is concerned, dispense with such luxuries...."

Savings: Amount unspecified.


* * * *

"The hearings disclosed that various and sundry employees of the USIE made a total of 364 speeches and talks in 29 States during the period July 1, 1949, to January 30, 1951. It is difficult to see how this program's purpose of getting the truth to people behind the Iron Curtain and throughout the rest of the world is benefited by wholesale speech-making to our own people...."

Savings: Amount unspecified.

"...the committee learned from personal observation that the Department of State is currently placing much advertising in foreign editions of American newspapers and periodicals printed in the English language. Such advertising is not at all necessary for the accomplishment of the program's objective, to wit: The piercing of the Iron Curtain. The bill, therefore, limits the purchase of such advertising to foreign-language publications."

Savings: Amount unspecified.


"...this House has an obligation to the taxpayers to search out every case of wasteful spending by the Government and to end that kind of spending. I direct the Members' attention to an item of $1,312,100 for program evaluation service in the budget presented to the Appropriations Committee by the Voice of America. I wish to proceed on the premise that I am a strong advocate of advertising but from my business experience I cannot condone such an extravagant program. Businesses throughout this country would go broke if they spent onetenth as much evaluating the effect of their promotion and advertising as they do in direct expenditures. Imagine the American Tobacco Co. adopting such a policy...."

Savings: $1,312,100.

Source: Mr. Ayres, Representative from Ohio, Congressional Record, July 23, 1951, p. 8890.

"...the budget for the State Department's informational activities includes an item of $630,717 for publishing the Russian-language magazine Amerika, which is distributed in Moscow to the Russian people. A few years ago the plan for this magazine was sold to Congress on the basis that the publication would be sold to the Russian people and would be on a self-sustaining basis as far as American taxpayers are concerned. Under an agreement reached with the Russian Government 50,000 copies of each issue of Amerika were to be distributed.
"Today, according to testimony before the Appropriations Committee only 22,642 copies are being distributed in Russia because of obstacles put in the way of its sale by the Russian Government. Yet the State Department is continuing to print and ship 50,000 copies, even though it is a foregone conclusion that more than half of them will never reach the Russian people. In other words, the American taxpayers are paying $630,717 to reach only 22,642 Russians.

"I shall not comment on the State Department's failure to make the Russians live up to their agreement—but the State Department's stupidity in continuing to print 50,000 copies of the magazine Amerika, when only 22,642 are distributed, is worthy of calling it to the attention of the House. If the State Department could adjust its operations to reality, it would be able to make a substantial cut in its annual cost of operation."

Savings: Amount unspecified.

Source: Mr. Budge, Representative from Idaho, Congressional Record, July 24, 1954, p. 8977.

* * *

Amendment by Mr. Clevenger to strike out appropriation of $85,000,000 for International Information and Educational Activities and insert an appropriation of $70,000,000.

"This $85,000,000 is $13,000,000 more than we are allowing the whole State Department for salaries and expenses which sum is $72,000,000. We should not allow this army of employees to be recruited to a strength of 12,000 and permanently saddled on our sadly harassed people..."

* * *

"International information and educational activities conducted by the Department of State have been in progress for several years. The presumed purpose of the activities is to acquaint the people of other lands with American life and ideals and to develop in the hearts of other peoples friendship for the United States.

"It is doubtful, as a matter of fact, whether the United States is as well thought of in other lands as before these activities were undertaken on the present extensive scale."

Savings: $15,000,000.

Source: Mr. Clevenger, Representative from Ohio, Congressional Record, July 26, 1951, p. 9114.
...greater demands are being made for increased expenditures with taxation until it hurts, in order to obtain funds for our expanding defense program; our principal superiority over aggressive nations lies in the productive capacity of our free enterprise system, which cannot function, or expand in either a weakened, or insolvent fiscal condition. We call upon you to protect our free enterprise by refusing, disallowing, and reducing any, and all, appropriations that would set the State Department going full speed ahead into the book-publishing business."

Savings: Amount unspecified.


* * *

"Five years of uninterrupted failures should suffice as a trial period. We now know conclusively that a continuance of the present campaign will lead us nowhere, it will only help squander more hundreds of millions of taxpayers' money. Therefore, my suggestion would be that we proceed as follows:

"1. A commission consisting of members of both Houses of the Congress, together with genuine Russian experts not in the United States Government service to be appointed to liquidate the present work of the United States Information Service and the Voice of America. The final date should be set as of December 31, 1951.

"2. The liquidation of the libraries throughout the world be completed within a month after the resolution to do so has been adopted. The same should hold for concerts, art exhibits, and similar wasteful undertakings.

"3. The discontinuance of the publication of Amerika and similar magazines be made effective within 3 months after the decision has been made.

"4. The entire work of the ideological-psychological campaign be turned over to private citizens, to such organizations as the National Committee for a Free Europe, the Friends of Fighters for Russian Freedom, the American Committee for the Liberation of the Peoples of Russia, and similar organizations for the liberation of the peoples of the satellite countries, including China.

"Whatever appropriations are made available for the coming fiscal year should be allocated for liquidation and for the support of the citizens' groups to get under way and take over the campaign..."
Savings: Hundreds of millions of dollars.

Source: Mr. Marcus, President, Institute of Foreign Trade, 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 2, p. 2091.

* * *

Amendment to the international information and educational activity program.

"...with that thought in mind I want to call to the attention of the Senate that the $63,000,000 recommended for this program will allow necessary things to be done but will serve, I hope, to prevent frivolous and ill-conceived projects to go forward. In addition, the amount allowed will force a reduction in the excessively high administrative and policy planning overhead of this agency."

* * *

"I say, excessively high, advisedly, because in 1951 out of a total of seventy-million-and-some-odd dollars this agency spent over $12,000,000 for administrative and policy-planning purposes, or almost 20 percent. Their 1952 budget request of $115,000,000 contains over $19,000,000 for this purpose..."

"The argument, of course, can be made that some policy planning is necessary, but the committee has direct evidence that policy is established and promulgated by the regular bureaus and sections of the Department of State, and that such policy groups as this agency has are duplications and therefore cause a waste of funds."

Savings: Amount unspecified.

Source: Mr. McCarran, Senator from Nevada, Congressional Record, August 24, 1951, pp. 10858-10859.

* * *

"The staff inquiry concerning the office level of the organization leads to the conclusion that it contributes little to the output of the operating level and probably should be eliminated."
"The inquiry conducted by the staff leads to the conclusion that the Office level of the organization constitutes, for the most part, excessive layering, and should be eliminated."

... ... ...

"The committee feels that some saving may be effected by printing a more moderate pamphlet in connection with the Voice of America program. The present elaborate bulletin containing pictures of Voice of America personalities and the like is unnecessary."

Savings: Amount unspecified.


* * *

"...If you do not coordinate these services you are throwing money away. If you do not put the ECA into the State Department and let the Chiefs of Mission run their business without interference by a man who has diplomatic status plus money in his hand, you will destroy the Foreign Service. Those things are related, one to the other. It is something that is distressing the Foreign Service missions all over the world. We have missions of all kinds over the world that are run by Chiefs of Mission. Now, here is a great duplication of information service. The foreigners are laughing at us, playing one American agency against another. We sit here appropriating hundreds of millions of dollars and hoping to get some voice of truth through to the world, so they may know that we are trying to help them bring peace on earth. You cannot do it this way."

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 State Appropriation for 1952, p. 830.

* * * * *
SALARIES AND EXPENSES, GOVERNMENT IN OCCUPIED AREAS OF GERMANY AND AUSTRIA

GENERAL

"The bill includes $25,750,000 for the continuation of activities of the United States in connection with the occupation of Germany and Austria. The amount recommended represents a reduction of $3,176,000 in the Budget estimates and is $5,334,888 below the amount appropriated (allocated for Austria) for fiscal year 1951...."

"It should be pointed out that, with respect to Germany, the dollar appropriations will be supplemented during fiscal year 1952 in the approximate equivalent of $185,000,000 in deutschemarks, to be derived in the form of occupation costs and GARIOA counterpart fund balances. Additional deutschemark funds will be created as a result of ECA operations, most of which, however, will be employed to further rebuild the German economy.

"The recommended appropriation of $4,000,000 for Austria will be supplemented during fiscal year 1952 by the equivalent of $1,534,000 in schillings, derived in the form of ECA counterpart funds and revenues from Public Affairs activities. No occupation costs are received from Austria.

"In effecting the total reduction of $3,176,000 the committee is not specifying its application, with the exception that estimates of appropriations for domestic activities are to be reduced not less than 10 percent. Further, funds for the alien replacement program for Germany are deleted pending formulation by the Department of State of an over-all alien replacement program. Analysis of the justifications and a reading of hearings would suggest that the need for personnel and other expenses will be less than anticipated, especially in Germany where considerable progress is being made in the program to replace the present occupation with so-called contractual relationships. It also would seem to the committee that requirements in connection with terminal-leave payments and lapses have been incorrectly stated in the light of past experience and demand for employees in the United States."

Savings: $3,176,000.

Treasury Department
The Treasury Department is obligated to furnish numerous inter-agency reports that require a large volume of staff work but which do not contribute to its mission.

This survey of the working elements revealed instances where departmental and bureau personnel were engaged in developing voluminous reports requested by other agencies of the executive branch. Many of the requests were ill-conceived and unnecessary. However, because of its unique position, the Department is often the sole source of certain Government fiscal data, and departmental officials have been exceptionally tolerant in complying with these requests.

A great many of these projects arise from plans made in one or more of the departments and agencies. Some of them never become a reality. Thus, a good percentage of the work expended in this manner is wasted.

Similar circumstances prevail in the use of recurring reports. They are often devised and established but rarely discontinued. Even the employees most concerned concede that the handling of nonessential reports is a major cause of overstaffing.

Although the Department receives requests for this kind of assistance from most of the major departments and agencies, the principal offenders during the period of this survey were the Civil Service Commission and the General Services Administration.

...A large part of the time spent in accounting in all bureaus is devoted to the compilation of extensive and detailed reports, supposedly for the use of top management. Some of these reports are advantageously used, but others are placed in files and never utilized. For example, some bureaus and divisions maintain detailed reports to show the current unexpended balance of each of their appropriation accounts. By this means, an official can tell, on a moment's notice, the amount of funds that he can spend for salaries, travel, furniture, or supplies. Instead of conferring with employees whose job it is to supply this information, some of the officials insist upon the maintenance of a duplicate set of reports for their own exclusive use within the confines of their immediate offices. Duplicate and nonessential work is required to produce these superfluous reports.

More important, however, is the meager use made of these reports. More often than not the reports are filed away as historical records even though they contain valuable data which could be used as a means of attaining operational economies.
Savings: Amount unspecified.


* * * * *

PERSONAL SERVICES

"Forty percent of the 44,261 purchase orders issued in the Treasury Department during fiscal year 1950 were for less than $20 each. Yet the average cost of processing the Treasury's purchase orders was $7.06 per order. In one Treasury agency, the Bureau of the Mint, the average cost was $13.98, and in the U.S. Coast Guard, it was $23.94."

Waste: Amount unspecified.


* * * *

"...The amendment is consistent with the Senate action on each of the appropriation bills it has previously had before it, except for action previously taken on this bill. It proposes to impose upon the Treasury Department the rule of a 10 percent reduction amounting to more than $2,274,367 in budget estimates for personal services, exclusive of law-enforcement and related activities."

* * * *

"This amendment would apply to the following appropriation items in this bill: the Office of the Secretary of the Treasury, salary and expenses of the Bureau of Accounts, salaries and expenses of the Division of Disbursement, the Bureau of the Public Debt, salaries and expenses of the Office of the Treasurer, and the Bureau of the Public Debt, and the Bureau of the Public Mint."

* * * *
"Recently, we read in the press that the Bureau of the Mint now has machines by which money can be minted at much less expense than under the old method. Certainly that Bureau could take a 10-percent reduction as well as any of the other agencies."

"...it would also have the effect of imposing upon each of those appropriation items a limitation for personal services equivalent to 90 percent of the budget request for personal services... The total is 12,093, so a 10-percent reduction would involve approximately 1,209 employees."


Source: Mr. Ferguson, Senator from Michigan, Congressional Record, July 27, 1951, pp. 9222, 9223.

* * * * *

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

"...one of the crying needs today is to eliminate unnecessary employees from the Federal payroll. In 1929 the total number of Federal employees was 559,000. By 1940 the number of civilian employees had almost doubled, being 1,014,000. In December 1950 the number had increased to 2,027,787. The people of this country facing the staggering new taxes which are threatened are looking now to Congress to make every effort to eliminate unnecessary Federal employees; and this being the first appropriation bill to come before this Congress, in my opinion, now is the time to begin to whittle and to reduce these unnecessary Federal employees.

"We have under consideration at the moment the Treasury Department. The Treasury Department has had its share, as have other governmental departments, of the increase in Federal employment since 1940. In 1940 in the Treasury Department there were 56,143 employees, but in 1950 that number had increased to 89,298."
"The reduction which I am proposing by this amendment of $248,000 would mean a reduction of approximately 35 to 40 people, and whereas the request is made for 551 employees in the office of the Secretary, the adoption of this amendment would leave them with 511 to 516. This includes the chauffeurs and personnel in the Office of Administrative Services, including those who write the purchase orders. The cost of the Office of Administrative Services is $1,185,000, which is the largest single item in this paragraph.

"In my opinion such a reduction could be made without impairing the efficiency of the office at all."

Savings: $248,000.

Source: Mr. Davis, Representative from Georgia, Congressional Record, March 20, 1951, pp. 2780, 2781.

* * * * *

FISCAL SERVICE

GENERAL

"For example, the House Committee on Post Office and Civil Service made recommendations for reorganizing the Fiscal Service of the Treasury Department so that it could operate with 1,575 fewer employees. Instead of putting these recommendations into effect, the Treasury's top brass consumed countless man-hours in composing a 23,000-word apologia in defense of the status quo. These valuable man-hours could have been spent to better advantage in trying to carry out the Committee's proposals. A substantial appropriation cut by Congress might now prove effective in forcing the economies which the Committee's study failed to achieve."

Savings: Amount unspecified.


* * *
"The Bureau of Accounts, the Bureau of the Public Debt, and the Treasurer of the United States make up the Fiscal Service under the Fiscal Assistant Secretary. They are more closely related and controlled than any of the other bureaus in the Treasury Department. However, their accounting activities are carried on as if they were entirely separate and apart. The keeping of double-entry accounts by each bureau to cover the transfer of funds from one bureau to or through another seems to be superfluous."

Savings: Amount unspecified.


---

**BUREAU OF ACCOUNTS**

"The Division of Bookkeeping and Warrants keeps too many detailed accounts. All of their accounts, except those used for central control and general ledgers, should be eliminated."

"A large portion of the time of the employees of the Reports Division is spent in unnecessary tabulations and the analyses and presentation of reports. All reports, except those required by law or necessary to the administration of the fiscal accounting system of the Government, should be discontinued."

Savings: Amount unspecified.


---

**Salaries and Expenses, Division of Disbursements.**

"...the effect of this amendment is to reduce the amount of the appropriation for the Division of Disbursement by $450,000. The amended figure, that is, $11,050,000, was the amount of the appropriation for this division last year. The figure of $11,500,000 roughly represents the $11,050,000 in last year's bill plus $450,000 which
was transferred to the appropriation this year from funds previously allocated to the Bureau of Engraving.

"However, against this legitimate increase by transfer there are some legitimate offsets, and I should like to attempt to itemize those offsets for the benefit of the Committee of the Whole here this afternoon.

"First there is $108,000 that now goes out of the Division of Disbursement and goes over to the General Services Administration for the purpose of the rental of the space that is now occupied, so there is one large item that can be offset.

"Also in this amount there is $108,000 more this year than there was last year for the purchase of new equipment. I would be the last to say that the additional new equipment should not be bought. I think it should. The Hoover Commission and the subcommittee which held hearings on this bill had some very pertinent remarks to make about some of the equipment that is being used now in the Division of Disbursement. But certainly that additional expenditure for new equipment ought to be reflected in a decrease in the amount that should go for personnel. If we have modern equipment to do the work we should not need more people to do the same job.

"This request shows much more than the $108,000 for new equipment asked for, in addition to and on top of that for additional personnel."

"So I think it is reasonable to expect this agency to absorb the additional amount required for doing some of the work of the Bureau of Engraving. I have cited some of the offsets against this item. The division ought to be able to do the same job, or perhaps even a bigger job, with the new equipment being given them under this bill, with the same amount of money that they had last year. I think it is reasonable to expect them to make that reasonable contribution to the defense effort at this critical time."

Savings: $45,000.

Source: Mr. Davis, Representative from Wisconsin, Congressional Record, March 20, 1951, pp. 2783, 2784.

* * *

"The position of the Division of Disbursement in the Bureau of Accounts is untenable. Its functions are like those of a cashier for the Treasurer; it reports directly to the Fiscal Assistant Secretary, yet it is organizationally a part of the bureau of Accounts."
The accountability for money in the disbursing officers' accounts remains with the Treasurer even though funds and duplicate accountability are transferred to the control and under the surety bond of the disbursing officers. This arrangement makes it necessary to keep duplicate accounts on the transfer and disbursing activities between the Office of the Treasurer and the Division of Disbursement.

Savings: Amount unspecified.


* * * * *

BUREAU OF THE PUBLIC DEBT

Administering the Public Debt.

"The committee is denying the entire request for a supplemental appropriation of two million dollars for fiscal year 1952 for the promotion of the sale of defense bonds. There are several cogent reasons for taking this action.

"In presenting this request the Department has been both unrealistic and untimely...."

"When asked specifically how the Bureau could possibly know what additional funds would be needed until after the 1952 appropriation bill for the Treasury Department was passed by Congress, the responses were so vague and confusing that the issue never was clarified to the satisfaction of the committee.

"In denying this request, the committee wishes to emphasize the fact that its action was determined to a very great extent by the unconvincing and somewhat casual manner in which the request was presented..."

"An impartial reading of the testimony will disclose that the Savings Bonds Division presented no concrete evidence relating the cost of past and proposed bond drives to funds appropriated and requested. While the witnesses made several references to the importance of selling defense bonds and the necessity of inaugurating more bond drives to stimulate sales, very little was said about the specific objectives that the Division hopes to attain. Consequently the committee was not given sufficient information with which it could properly evaluate the budget request."
Savings: $2,000,000.


* * *

"The committee was not convinced that there was any justification for increasing the funds for the Bureau's activity for the 'Issuance, servicing, and retirement of savings bonds' by anywhere near the amount of $3,251,654 which was requested in the budget estimate. Evidence was submitted to the committee...that the volume of work estimated for this activity...was not as great as anticipated, and that savings of $179,000...could be realized during 1951.

"As a consequence the committee does not believe that this Bureau would be justified in employing much if any additional personnel in 1952."

Savings: $179,000.


* * *

"...this amendment reduces the committee provision from $50,000,000, to $49,000,000.

"It is interesting to note that in 1951 this particular Department had a budget of $50,250,000. The budget request for fiscal year 1952 was $52,900,000. The committee cut the budget $2,900,000, which...is a cut of 5.4 percent.

"My amendment, which is an amendment to cut it another $1,000,000, leaves the cut, if the amendment is agreed to, at 7.4 percent."

... . . . . .

"I would like to direct my remarks particularly to the sales operating budget of the Bureau of Public Debt. In the request by the department it sought $4,800,000 for the sales operating budget or the promotion of the sale of savings bonds. If you will read the hearings at page 300, you will find that the Bureau is going into a tremendous