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FEDERAL SECURITY AGENCY

"...Specifically, a realistic budget would ignore every new program; for instance, such items, which are included in the budget now submitted to us, as...socialized medicine..."

Savings: Amount unspecified.

Source: Mr. Bridges, Senator from New Hampshire, Congressional Record, January 23, 1951, p. 593.

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"This is not the time, therefore, for increases in non-defense expenditures as the President correctly said just a few days ago when he called for a reduction of such expenditures.

"Now we find his domestic civilian budget up from \$8,400,000,000 to \$9,800,000,000, compared with \$3,600,000,000 in 1946 for similar purposes. Instead of a reduction therefore we have an increase which imperils the nation's essential unity behind the defense program and could well be the straw that broke the camel's back.

"Moreover, the proposals for socialized medicine...are just the beginning; if they should be adopted they would mean an increase very soon of \$10,000,000,000, which is an utterly unsupportable burden on the people.

"The injection of...the socialized medicine scheme, which would destroy the standards of medicine in the country, as well as other measures is a serious venture into politics which we cannot afford when our national existence is in peril."

Savings: Amount unspecified.

Source: Mr. Thomas E. Dewey, Governor of New York, as quoted in New York Times, January 17, 1951, p. 13.

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"I read from the testimony given on the bill /S. 445, to amend the Public Health Service Act to authorize assistance to States and their subdivisions in the development and maintenance of local public health units, and for other purposes/ on May 10 and 11, 1949, when the bill was pending in the Eighty-first Congress. There were no hearings on it in the Eighty-second Congress. This testimony will be found on page 45 of the hearings. The senior Senator from Illinois (Mr. Douglas) was addressing a question to Dr. Scheele, as follows:

"So with \$80,000,000 of Federal money, you would have \$160,000,000 of State and local money, or a total of \$240,000,000."

"That referred to \$160,000,000 out of State and local treasuries, which, as we know, have no money except as they siphon it out of the pockets of the taxpayers. The Federal Government has no money except as it borrows or it obtains it from the taxpayers. So the bill will, when it is finally translated into action in the corners of the country, cost John Q. Taxpayer \$240,000,000 a year,"

. . . . .

"Something was said to the effect that the enactment of this bill would not greatly expand personnel....I wonder what the money is to be used for? Obviously there are going to be some facilities. Obviously there is going to be the need of light, heat, and power. Obviously we are going to have to locate the personnel somewhere. Obviously there are going to be paper clips, rubber bands, some waste paper, paper tabs, and that sort of thing. But in essence, very much of the money will be devoted to personal services and to traveling expenses from one area to another, and this will be done at a time when the emergency agencies of the Federal Government are increasing in number by leaps and bounds."

Savings: \$240,000,000.

Source: Mr. Dirksen, Senator from Illinois, Congressional Record, March 15, 1951, pp. 2551, 2553.

\* \* \*

"...the third reason why I am opposed to the bill /Emergency Professional Health Training Act of 1951/ is that this program, like every other program of which I have had any knowledge, will grow. Such programs have an interesting way of snow-balling. In this instance, while there is an estimate for 6,000 doctors a year, it will be observed that the figure will be built up, and there will be demands for additional funds for schools, additional funds for construction, and additional funds for equipment, as we go along.

"Increased enrollment, according to the folder from which I have been quoting, was supposed to cost an extra \$18,000,000 over and above the \$40,000,000 estimated for the normal requirements under the program. There was an estimate of \$330,000,000 for buildings, and then it became larger. The propaganda folder which was issued says that to take care of this increased enrollment of 22 percent another \$244,000,000 will be required. All of that...is on the basis of preinflation figures...."

"The next reason for my opposition...is that there is present capacity for qualified students...."

Savings: Amount unspecified.

Source: Mr. Dirksen, Senator from Illinois, Congressional Record, October 3, 1951, pp. 12797, 12798.

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Item	Proposal
"FSA grants: Grants for hospitals, vocational education, venereal disease, health assistance, etc., now are on a formula basis. Thus emergency needs require additional appropriation.	Amend grant laws to allow flexibility in allotments to give proper emphasis to critical defense areas and for special defense purpose."

Savings: \$25,000,000 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. 93.

\* \* \*

"Let me remind you that President Truman, in his state of the Union speech, made this statement, and I quote:

"The Government must practice rigid economy in its nondefense activities. Many of the things we would normally do must be curtailed or postponed."

"I charge that President Truman violated that pledge when he included in his budget such dangerous and extravagant proposals as...the vicious scheme to socialize the practice of medicine..."

Savings: Amount unspecified.

Source: Address by Mr. Martin, Senator from Pennsylvania, as inserted in the Congressional Record, February 27, 1951 pp. A1035-A1036.

\* \* \*

"...very briefly I should like to make a general statement as to why I am opposed to this bill /Emergency Professional Health Training Act of 1951/. Although I joined in the introduction of the bill, it seems to me that the conditions have entirely changed since the bill was drawn three years ago. The bill would add approximately \$50,000,000 or \$60,000,000 a year to the budget of the Government for the next 5 years."

"...I believe we have reached a point in the mobilization program where we cannot afford to undertake any new program unless its emergency character can be shown beyond any question of doubt."

. . . . .

"It is claimed that the program outlined in the bill is an emergency program....I do not see that it is. We are providing for a study for 2 years, to determine what the medical education should be, and whether the Federal Government should take this step into a permanent subsidy of medical education.

"The only emergency I can see is that more doctors are needed for the armed services. Any persons who start their education now will not be doctors for 6 years, so for the immediate emergency program this bill could be of no avail."

. . . . .

"There are...provisions in this bill which should be noted. There is a provision for scholarships for doctors, nurses, and dentists. There is not the slightest emergency requirement for scholarships for doctors....There are more applications for entrance to medical schools than the schools can handle....There is no need for a scholarship program for dentists at the present time."

"...There is an entirely separate nurse bill now pending in the House of Representatives. There is also a provision to encourage the emergency education of nurses in a bill which we recently passed.

"So far as construction is concerned, I cannot see any more emergency in that regard than in the case of any other construction. In fact, there is every good reason why at the present time, with the tremendous demand of the military for every kind of construction, we should not encourage the construction of other kinds."

Savings: \$50,000,000 or \$60,000,000 in 5 years.

Source: Mr. Taft, Senator from Ohio, Congressional Record, October 3, 1951, pp. 12811, 12812.

\* \* \*

"...If that military program is necessary and if we have to spend from \$80,000,000,000 to \$90,000,000,000 a year on the military program for the next two years, then it seems to me we must abandon many of the major programs we have contemplated...."

. . . . .

"In the pending amendment...the proposal is that, instead of giving the medical schools \$500 for each regular student and \$1,000 for each additional student, they shall be given \$200 for every existing student, plus \$2,000 for each additional student, or a total of \$2,200 for every student over and above the average number they have had in the past."

"...I think some incentive in that direction is proper, but to pay them \$2,200 seems to me completely ridiculous. The cost of educating a student is about \$2,500. The tuition throughout the country runs from \$500 to \$700. If the medical schools get a \$700 tuition and a \$2,200 payment from the Government, they are going to make a profit of \$400 or \$500 on every one of the additional students. It is an incentive and a prize offered to these institutions to undertake to accept more students than they can handle properly, and to reduce the general standard of medical education--and the Federal Government would pay them to do that. It seems to me it is a great mistake."

Savings: Amount unspecified.

Source: Mr. Taft, Senator from Ohio, Congressional Record, October 4, 1951, pp. 12843-12844.



## ***Housing and Community Development***

HOUSING AND COMMUNITY DEVELOPMENT

GENERAL

"...With respect to housing and community facilities (including mortgage purchases): adequate war effort precludes nonessential housing construction. This program already has been curtailed. It should be eliminated with the exception of essential defense housing. No new money would be provided, but returns from previous loans should meet the cost of housing for the war effort and finance State and local shelter grants. Repayments in these programs during fiscal year 1946, when the war ended, exceeded expenditures."

Savings: \$107,000,000 (as derived from table on next page).

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

\* \* \*

"Housing subsidies, the Chamber of Commerce of the United States finds, could be chopped by \$300,000,000, leaving only \$48,000,000 to compete for scarce defense materials..."

Savings: \$300,000,000.

Source: Chamber of Commerce of the United States, as reported in Nation's Business, Vol. 39, No. 6, June, 1951, p. 88.

\* \* \*

"Take that element in the Federal government known as 'Housing and Community Development.' In all the growth of this country from the time that it was first conceived as a republic, up to the start of World War II, and afterwards during 1945 and 1946 the people individually or collectively built their own houses and developed their own communities. Aid from government was small or absent. In the 1950 budget our government provides for \$1,329,000,000 of public money to be spent for housing and community development. I am not going to argue whether all or what part of this should be stopped at a time when we are spending more than we can take in. I only point out that before the war the amount in the Federal budget carried under the heading 'Aids to Private Housing' was \$14,000,000 whereas today the amount under exactly the same heading is \$1,027,000,000..."

. . . . .

Reductions in strictly domestic civilian expenditures - By programs within major functions  
(In millions of dollars)

Functions and categories	Fiscal years				
	1946 actual	1950 actual	1951 estimate	Truman request 1952	Byrd pro- posal 1952
<b>B. Housing and Community Development</b>					
11. Defense and civil defense housing (FCDA & RFC) \$ 34		--	\$ 15	\$430	(500) <sup>a</sup>
Aids to private housing:					
Housing and Home Finance Agency:					
12. Federal National Mortgage Association	--	\$579	189	-530	\$-530
13. Federal Housing Administration	-13	-30	-6	-5	-5
14. Home Owners' Loan Corporation	-275	-242	-80	--	--
15. Other	--	5	7	-11	-11
16. Veterans' Administration: direct loans	--	--	73	-5	-5
17. Farm housing (Agriculture Department)	--	12	28	23	--
18. Reconstruction Finance Corporation	-45	-25	-40	-20	-20
Other housing and community development programs:					
Housing and Home Finance Agency:					
19. Public housing programs	43	-37	158	-138	-138
20. Loans to educational institutions	--	--	1	36	--
21. Slum clearance and urban development	--	--	10	65	--
22. Advance planning loans and other	--	4	32	15	--
23. Reconstruction Finance Corporation	3	-6	14	24	--
24. Other (including Interior)	73	1	8	14	--
<b>Total housing and community development</b>	<b>-180</b>	<b>261</b>	<b>409</b>	<b>-102</b>	<b>-209</b>

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a. No new money to be provided. Expenditures to be exclusively out of receipts from previous housing operations.

Source: Mr. Byrd, Senator from Virginia, Congressional Record, February 5, 1951, p. 957.



"No one can tell me that in time of urgent need such as we now are facing, that these sums cannot be very substantially reduced, if there is a will to do it."

Savings: Amount unspecified.

Source: Gen. Brehon Somerville, "Korea & Taxes," Commercial and Financial Chronicle, Vol. 172, No. 4942, September 14, 1950, p. 1018.

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#### PUBLIC HOUSING PROGRAMS

##### GENERAL

"...the Lustron Corp., formerly one of the Nation's leading manufacturers of prefabricated houses, is located near Columbus, Ohio. This great plant has been shut down for over a year."

"Through loans made by the RFC, the Lustron Corp. owes the Federal Government some \$37,500,000. Lustron officials have come up with a proposal to reactivate the plant, reschedule payments of this loan, and repay the moneys over a period of 6 to 7 years.

"...certain high Government officials are planning to scuttle Lustron and give it to the Navy to convert into an assembly plant for airplane frames.

"Now, I am not concerned with the issue of whether or not Lustron should have had the loan granted them in the first place. The fact still remains that here is one of the most modern plants equipped to produce critical housing ever constructed, equipped with \$15,500,000 worth of valuable and modern machinery, standing idle,"

. . . . .

"...the Federal Government is at present paying \$39 per square foot for housing, outside continental United States? Lustron will erect their houses in Alaska and other out-of-country bases of the United States for \$25 per square foot. A mere saving of some \$14,000 a unit."

. . . . .

"Reactivation of the Lustron plant will enable the taxpayers of the Nation to recover the \$37,500,000 already loaned to the corporation. Not to mention a saving to the Government of from \$6,000 to \$14,000 per unit for each house constructed. Lustron could save the Federal Government annually better than \$500,000,000."

Savings: \$37,500,000 in unpaid loans and \$500,000,000 annually.

Source: Mr. Hays, Representative from Ohio, Congressional Record, February 5, 1951, pp. 1039, 1040.

\* \* \*

"He is asking for the construction of 75,000 public housing units which, very evidently, could not be built for under \$600,000,000."

. . . . .

"...the President, instead of promoting these socialistic and destructive measures and demands, should cooperate with the efforts that are being made to get rid of enormous expenditures...."

Savings: \$600,000,000.

Source: Mr. Taber, Representative from New York, Congressional Record, January 23, 1951, p. A338.

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"This bill [Defense Housing Act of 1951] is not necessary. It is dangerously inflationary....There is no limitation upon the authorization of the amounts required by the Federal Government for the building of any buildings or houses or facilities under the provisions of this act. The only limitation on the program is the amount of money which might be appropriated later on in the name of defense when the planning has already been done and perhaps commitments have been made and the contracts already executed, when they come before us as an obligation on the part of the Federal Government to make available the money."

"Already they have budgeted \$150,000,000, in the budget which was sent down here, for this bill. Even before the authority was granted they have budgeted \$150,000,000 for this bill."

. . . . .

"I call attention to the fact that this bill would activate the Federal Government to build these houses when private enterprise could not or would not build them."

Savings: \$150,000,000.

Source: Mr. Wolcott, Representative from Michigan, Congressional Record, March 14, 1951, pp. 2498, 2499.

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#### URBAN DEVELOPMENT AND REDEVELOPMENT

##### HOUSING AND HOME FINANCE AGENCY

"...There is little evidence of...economy in the budget message....it is disappointing to see the old Truman spending programs reappear under the guise of national defense..."

. . . . .

"...we find that the budget for slum clearance is to be increased as a defense measure..."

Savings: Amount unspecified.

Source: Mr. D'Ewart, Representative from Montana, Congressional Record, January 19, 1951, p. A281.

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#### DEFENSE HOUSING, COMMUNITY FACILITIES AND SERVICES

##### FUNDS APPROPRIATED TO THE PRESIDENT

"...when the National Defense Housing and Community Facilities and Services bill first came to the attention of the committee it contained an item of \$25,000,000 which could be kept in a common fund, and to be used for administrative expenses, for the operation, maintenance, improvement, and disposition of properties. There would be a tremendous disparity...between a \$25,000,000 fund for administrative expenses, as against a total capital expenditure of \$110,000,000. The committee in its wisdom saw fit to make the amount to be expended on community facilities about \$60,000,000 and

to finance housing under this title, \$50,000,000. The total would be \$110,000,000. There would be no good reason...to leave as much as \$25,000,000 in that common fund.

"It has been my experience over a long period of time that when money is left in a residual fund which is subject to administrative expense and to withdrawals for a variety of purposes, one of two things usually happens, not always, but I have seen it happen. The first, of course, is a material addition to personnel over and above an agency's normal needs. Secondly, it can become the source of waste. I would rather not see such temptations provided in substantial form in a piece of legislation. I think, therefore, there is much to commend the amendment, reducing the fund from \$25,000,000 to \$5,000,000, so that the remainder of the fund will then be carried into the miscellaneous receipts of the Treasury and be available for all proper purposes."

Savings: \$20,000,000.

Source: Mr. Dirksen, Senator from Illinois, Congressional Record, April 9, 1951, p. 3575.

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"...the other body in its deliberate wisdom provided for \$60,000,000 as might be necessary to carry out the provisions and purposes relating to community facilities and services in critical defense housing areas.

"The Committee on Banking and Currency of the House, without being requested by anyone, and without any testimony justifying it, arbitrarily raised the \$60,000,000 to \$100,000,000...."

. . . . .

"...likewise...the other body had provided for \$50,000,000 with which to build houses in critical areas. The Committee on Banking and Currency likewise, without any justification upon the basis of any testimony, arbitrarily increased that \$75,000,000. So we are given an opportunity here in the interest of economic stability and in keeping with the recommendations made upon the floor of the House repeatedly and also in keeping with the recommendation of the Joint Committee on the Economic Report to save a total of \$65,000,000.... This was a 2 year program. We have adopted amendments here restricting the program to 1 year. So theoretically all they need is half of \$60,000,000 for facilities and half of \$50,000,000 for housing...."

Savings: \$65,000,000.

Source: Mr. Wolcott, Representative from Michigan, Congressional Record, August 15, 1951, p. 10289.



## ***Education and General Research***

EDUCATION AND GENERAL RESEARCH

GENERAL

"...With respect to education and general research: this item includes an increase for scientific research directed to the war effort which is not evident in the rounded figures. Other items remain virtually unchanged from the present except a reduction in funds for the census."

Savings: \$349,000,000 (as derived from table on next page).

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

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PROMOTION OF EDUCATION

FEDERAL SECURITY AGENCY

"The President has again asked for \$300 million for federal aid to education. He has asked for a 'contingency fund' (its purpose completely undefined) of \$175 million. He has asked for many millions for new federal steam and water power plants and transmission lines. He has renewed his request for construction of the St. Lawrence Seaway. Savings on all these might well top \$600 million."

Savings: \$300,000,000 in aid to education.

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

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"...[Sen. Byrd] also would take the \$300,000,000 for Federal aid to education out of the budget....

"To subsidize education regardless of cost," he said, "would be one of the greatest disasters." About \$300,000,000 would be 'just the beginning, a drop in the bucket,' he added."

Reductions in strictly domestic civilian expenditures - By programs within major functions  
(In millions of dollars)

Functions and categories	Fiscal years				
	1946 actual	1950 actual	1951 estimate	Truman request 1952	Byrd pro- posal 1952
<b>C. Education and General Research</b>					
Promotion of education: Office of Education:					
25. General aid for operating elementary and secondary schools	-	-	-	\$290	-
26. Vocational education	\$27	\$27	\$27	27	\$30
27. Education of children on Federal property and emergency areas	-	-	39	106	40
28. Other programs	-	14	8	8	5
29. Educational aid to special groups	13	5	7	8	8
30. Library and museum services	6	9	11	12	6
General purpose research:					
31. National Science Foundation	34 <sup>a</sup>	-	-	3	40 <sup>a</sup>
32. National Bureau of Standards	-	9	12	11	(a)
33. Seventeenth decennial census (Commerce)	8	42	32	10	5
34. Other (including Census Bureau)	-	8	7	8	-
Total education and general research	88	114	143	483	134

a. 1946 budget included large expenditures within the "education and general research" category for wartime scientific research and development, and these therefore are accounted for in the 1952 proposals for expenditure in this category."

Source: Mr. Byrd, Senator from Virginia, Congressional Record, February 5, 1951, p. 957.

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Savings: \$300,000,000.

Source: Mr. Harry F. Byrd, Senator from Virginia, as reported in The New York Times, May 2, 1951, p. 35.

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"...There is little evidence of...economy in the budget message....it is disappointing to see the old Truman spending programs reappear under the guise of national defense. Among those... are:

"Federal aid to education, \$300,000,000."

Savings: \$300,000,000.

Source: Mr. D'Ewart, Representative from Montana, Congressional Record, January 19, 1951, p. A281.

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"It is recognized that proposals to provide increased training for medical personnel, to improve local health services, and to provide general aids to States for school operation and maintenance are designed to promote defense expansion by improving human resources and human productivity. So far as Federal participation is concerned, however, these proposals probably will have to be delayed but only for a minimum of time and subject to frequent and careful reexamination. The Government has undertaken so large an armament program, and the prosperity generated thereby has in turn so greatly aided the budgets of various State and local governments, that the traditional local methods of financing education and medical aid and public health should again be more fully relied upon. In a period of inflation and long-run strain upon the Federal exchequer, the role of the Federal Government with respect to State governments might well be reversed, leaving the practice of Federal aid to States in abeyance. The long period of preparedness ahead is the time for maximum State and local assumption wherever possible of local governmental burdens, including local defense programs."

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., January 1951 Economic Report of the President, p. 14.

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Item	Proposal
<b>"Education</b>	
"Vocational education: A permanent appropriation of 7.5 million requires use of money for training salesmen, etc, rather than for needed defense workers.	Repeal permanent appropriation, putting under annual review. Repeal allotments by categories of training."
Savings: \$2,000,000,000 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. 92.	

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"Let me remind you that President Truman, in his state of the Union speech, made this statement, and I quote:

"The Government must practice rigid economy in its non-defense activities. Many of the things we would normally do must be curtailed or postponed."

"I charge that President Truman violated that pledge when he included in his budget such dangerous and extravagant proposals as...the outrageous proposal to place education under Federal regulation..."

Savings: Amount unspecified.

Source: Address by Mr. Martin, Senator from Pennsylvania, as inserted in Congressional Record, February 27, 1951, pp. A1035-A1036.

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"...a resolution adopted at the annual convention of the Wisconsin Seed Dealers Association on February 5...."



"Whereas President Truman previously promised the utmost in economy in ordinary Government spending; and

Whereas the budget includes many of the pet political spending programs hitherto advocated by President Truman, such as Federal aid to education...

Now, therefore, be it

RESOLVED, That the Wisconsin Seed Dealers Association hereby express their opposition to President Truman's unrealistic budget and demand congressional action to slash out of it all proposed spending not directly necessary to national defense and preparedness;....!"

Savings: Amount unspecified.

Source: Resolution of the Wisconsin Seed Dealers Association, Congressional Record, February 28, 1951, p. 1692.

## ***Agriculture and Agricultural Resources***

AGRICULTURE AND AGRICULTURAL RESOURCES

GENERAL

"...Specifically, a realistic budget would ignore every new program; for instance, such items, which are included in the budget now submitted to us, as additional subsidies to agriculture..."

Savings: Amount unspecified.

Source: Mr. Bridges, Senator from New Hampshire, Congressional Record, January 23, 1951, p. 589.

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"With respect to agriculture and agricultural resources (including Commodity Credit Corporation): reductions in this item are principally in Commodity Credit Corporation price supports and nonessential rural electrification construction. Price support receipts this year are exceeding expenditures. If food subsidies have to be imposed, such as they were in World War II, price support receipts should meet the cost as they did at that time. The reduced figure contemplates expenditures for rural electrification construction essential to the war effort."

Savings: \$604,000,000 (as derived from table on next page).

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

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"...agricultural aids and subsidies should be reduced by at least \$1 billion..."

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

Source: Chamber of Commerce of the United States, Economic Research Department, "Tightening Uncle Sam's Belt," Economic Intelligence, No. 31, February, 1951, p. 2.

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Reductions in strictly domestic-civilian expenditures--By programs within major functions  
(In millions of dollars)

Functions and categories	Fiscal years				
	1946 actual	1950 actual	1951 estimate	Truman request 1952	Byrd pro- posal 1952
<b>D. Agriculture and Agricultural Resources</b>					
Stabilization of farm prices and income:					
35. Commodity Credit Corporation, price support supply and purchase programs (net)	\$1,329	\$1,606	\$ 296	\$ 238	\$ -
36. Removal of surplus commodities	25	96	92	75	50
37. International wheat agreement	-	76	117	115	115
38. Sugar Act	54	60	61	70	70
39. Federal crop insurance and other	-285	7	8	6	-
40. Financing farm ownership and operation	30	146	157	141	15
41. Financing rural electrification and telephones	85	294	312	269	100
Agricultural land and water resources:					
42. Conservation and use (including administrative expense accounts)	311	275	309	304	300
43. Soil conservation service and flood control	39	61	65	63	25
44. Research and other agricultural services	137	163	161	148	150
45. Food subsidies (CCC and RFC)	1,634	-	-	-	-
Total agriculture and agricultural resources	\$ 701	\$ 2,784	\$ 986	\$ 1,429	\$ 825

Source: Mr. Byrd, Senator from Virginia, Congressional Record, February 5, 1951, p. 957.

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"...we also have to cut where it is closer to our heart. Few programs mean more to me than soil conservation, but now, direct payments to farmers should be reduced drastically. This is true of most of our agricultural programs. By deflating administrative expenses and reducing the scope of the projects, we could save half a billion."

Savings: \$500,000,000.

Source: Paul H. Douglas, "We Can Cut the Budget!", Coronet, Vol. 30, No. 5, September 1951, p. 42.

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"We recommend that civilian programs (particularly farm programs, veterans' benefits and loan agency programs) be re-examined, although we do not anticipate a reduction of more than one or two billion dollars."

Savings: Amount unspecified.

Source: Albert G. Hart and E. Cary Brown, Financing Defense, New York: The Twentieth Century Fund, 1951, p. 159.

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# "Agriculture and Agricultural Resources

	Budget Estimate	(Millions of Dollars) NAM Recommendation	Difference
	1,429	943	-486
Present Program		<u>Specific Savings</u>	
Commodity Credit Corp. Price Support Programs, supply & purchase programs		126	
Removal of Surplus Agricultural Commodities		75	
Financing Farm Ownership & Operation		70	
Research and other agricultural services		15	
Financing rural electrification and rural telephones		100	
Agriculture land & water resources, conservation and use		<u>100</u>	
		486	

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"...incentive subsidies to stimulate defense production-- should be considered, 'only after all other means of stimulating output consistent with the operation of the free market have been found inadequate to maintain the needed volume of goods, services, or facilities.'"

Savings: \$486,000,000.

Source: National Association of Manufacturers, Cut Non-Defense Spending Now, Economic Policy Division Series, No. 40, February, 1951, p. 12.

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"...Agriculture has always been a large part of the government's total expenditures. Before the war Agriculture and Agricultural Resources were budgeted at about \$1,200,000,000. In 1950 the Agriculture Department says it needs over \$2,600,000,000. Most of this increase is in the form of loan investment programs to aid agriculture, which, for my money, never needed less help."

"...if the government wanted to cut these domestic civilian expenditures down to the war time level, or even below it could do it."

Savings: Amount unspecified.

Source: Gen. Brehon Somervill, "Korea & Taxes," Commercial and Financial Chronicle, Vol. 172, No. 4942, September 14, 1950, p. 1018.

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#### STABILIZATION OF FARM PRICES AND FARM INCOME

##### GENERAL

"The biggest of all savings, though admittedly the hardest for Congress to accomplish, is in the farm sector. The budget contemplates that only \$238 million will be spent net for farm price

support, but this should be the time to eliminate the whole machinery entirely. If this is done the C.C.C. could sell off an inventory of assorted commodities that now amounts to \$2.5 billion to the benefit of the Treasury and with favorable effects on the general price level...."

Savings: \$2,738,000,000.

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

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"...There is little evidence of...economy in the budget message....it is disappointing to see the old Truman spending programs reappear under the guise of national defense. Among those... are:

"Brannan plan farm subsidies."

Savings: Amount unspecified.

Source: Mr. D'Ewart, Representative from Montana, Congressional Record, January 19, 1951, p. A281.

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"I would abandon that stupid Brannan plan that not even any respectable farm group wants, which would also bust the government."

Savings: Amount unspecified.

Source: Mr. Thomas E. Dewey, Governor of New York, as quoted in New York Times, February 12, 1951, p. 8.

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Item

Proposal

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"Agriculture

"Price supports: Mandatory price supports at fixed percentages of parity are now required on cotton, wheat, corn, tobacco, rice and peanuts. This makes costly acreage restrictions with compliance payments necessary to prevent overproduction at artificially high prices. It also leads to necessity of constructing storage facilities for overproduced crops. In order to prevent complete imbalances in production, it may force price supports for other commodities. Because high-price commodities cannot compete in foreign trade, it leads to subsidies for export of wheat under the International Wheat Agreement or increases the cost of foreign aid.

Abandon mandatory supports at high levels. This would allow reduction of some other supports and would permit encouragement of types of production needed."

Savings: \$24,000,000 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. 91.

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Item

Proposal

"Agriculture

"Removal of surplus agricultural commodities: Permanent indefinite appropriations of 30 percent of customs duties (Act of Aug. 24, 1935). Amount is unrelated to needs and increases during the prosperity with greater imports.

Repeal permanent appropriation. General authority for price support and surplus disposal would remain in CCC."

Savings: \$37,000,000 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. 92.

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"...the Department of Agriculture's report on its food purchase and sale program for January was published last Friday.

"This 37-day delay in making the report is undoubtedly one of the prime reasons for the fact that this program is beyond salvage.

"In January alone this Department ran up its losses by \$28,719,240.92 on butter, dried milk, cheese, and dried eggs. The total losses on these four commodities for 7 months ending January 31, including the cost of storage, was \$112,670,971.37. This is dismal news for the overburdened taxpayer now sacrificing to pay to the Federal Government hard-earned or saved money so that it can continue such extravagant and useless activities. It is equally bad news for everyone who has been trying to find enough money to buy these or other foods.

"But that is not the end. On January 31 the Department had on hand 419,326,976 pounds of those four commodities. The losses incurred were in the disposition of 375,005,811 pounds. Consequently

we can expect at least an additional loss of \$115,000,000. And there is no indication that the Department has any intention of stopping this indefensible program of buying, hoarding, and then selling at further losses.

"This offers part of the reasons why the entire program of purchasing food commodities which cannot be stored indefinitely should be reexamined immediately. The Department should not be permitted to continue it unless clear and convincing reasons can be given for such continuation. Its operations at a time like this may well bring about an aroused demand for the elimination of the entire program."

Savings: Amount unspecified.

Source: Mr. Hesselton, Representative from Massachusetts,  
Congressional Record, March 12, 1951, p. A1347.

\* \* \*

"I might tell the gentleman that I have looked at the parity record and in my opinion the Government of the United States is paying up to \$2,000,000,000 more a year than it ought to in this whole parity-price picture. So far as the city consumer is concerned, he is being pushed to the point where he may have to be opposed to the whole parity program if he wants to save his skin in connection with the cost of living...."

Savings: \$2,000,000,000 annually.

Source: Mr. Javits, Representative from New York, Congressional Record, March 7, 1951, p. 2153.

\* \* \*



"...Expenditures of public funds to hold up agricultural prices (budgeted at over \$1 billion for 1951) are unnecessary, as our condition changes from surpluses to shortages..."

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

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

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#### FINANCING RURAL ELECTRIFICATION AND RURAL TELEPHONES

##### DEPARTMENT OF AGRICULTURE

"The biggest of all savings, though admittedly the hardest for Congress to accomplish, is in the farm sector....Congress could save at least \$100 million by cutting down on the Rural Electrification Administration...."

Savings: \$100,000,000.

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

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#### CONSERVATION AND DEVELOPMENT OF AGRICULTURAL LAND AND WATER RESOURCES

##### GENERAL

"From the consumer's point of view and the taxpayer's point of view, this peanut program would be a good place to cut the budget.

I do not see why we could not save \$40,000,000 right here in time of war when vegetable and mineral oils are in such extreme demand that the fellow who has any ability whatever and who can get out and hustle is able to sell all he can produce."

Savings: \$40,000,000.

Source: Mr. Fulton, Representative from Pennsylvania, Congressional Record, March 7, 1951, p. 2166.

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#### DEPARTMENT OF AGRICULTURE

"The Hoover Commission itself offered the following recommendation:

"We recommend that Conservation payments to a farmer should be restricted to those which will bring about the adoption of complete and balanced conservation programs on his farm. They should not be used as income supplements in disguise. When the conservation plan on any farm has been completed, such payments to the owner should stop."

"In view of the doubts that have been raised by these expressions from a responsible agency, it is recommended here that for the fiscal year 1952 the total amount proposed for expenditure be reduced by \$100 million."

Savings: \$100,000,000.

Source: Commission on Organization of the Executive Branch of the Government, as reported in National Association of Manufacturers, Cut Non-Defense Spending Now, Economic Policy Division Series, No. 40, New York, February, 1951, p. 14.

\* \* \*

"...The overlapping of personnel and activities involved in conservation and related services to farmers was pointed out. Elimination would mean economy to both the government and the citizen and save expense of at least \$44 million."