

Savings: \$44,000,000.

Source: Committee on Federal Tax Policy, Financing Defense: Can Expenditures Be Reduced?, New York, 1951, p. 24.

* * *

"Many significant suggestions for economy have been brought to the attention of this committee. Thus, for example, the American Farm Bureau Federation, like the National Grange, in the interest of maintaining farm output without inflation, supports a pay-as-you-go policy including higher taxes and reduced Government expenditures. Further, the Farm Bureau specifically recommends that the 'authorization for a 1952 agricultural conservation program be reduced from the budget recommendation of \$285,000,000 to \$150,000,000.' (Joint Committee on the Economic Report, Hearings on the January 1951 Economic Report of the President, p. 490.) Thus a great farm organization, in its desire to strengthen the national economy, expresses the willingness to accept for farmers reductions of Federal soil conservation in fiscal 1953. This is the earliest that reductions in such payments can be made under commitments already entered into with farmers under the Conservation and Domestic Allotment Act of 1936 and the authorization contained in the 1951 Appropriation Act passed last fall."

Savings: \$135,000,000.

Source: Report of the Joint Committee on the Economic Report, Senate, 82d Cong., 1st Sess., January 1951 Economic Report of the President, p. 4.

* * *

Item

Proposal

"Agriculture

"Conservation and use of agricultural lands: Soil Conservation and Domestic allotment Act of 1936 authorizes Nation-wide program of payment to farmers for conservation practices such as contour plowing and use of lime. Appropriation acts authorize use of funds to formulate program for current crop year with payments for conservation practices to be made from appropriations of following year.

'Repeal authority for program. Provide instead authority for selective payments by Soil Conservation Service in connection with expanded program, of technical advice and assistance to soil conservation districts."

Savings: \$125,000,000 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.

* * *

"In the present situation...we must cut non-defense program expenditures throughout the Federal budget. As an indication of our willingness to do this in agriculture, we are recommending that the authorization for a 1952 agricultural conservation program be reduced from the budget recommendation of \$285 million to \$150 million..."

Savings: \$135,000,000.

Source: Allan B. Kline, President of American Farm Bureau Federation, as quoted by Henry Hazlitt, "Gold Standard vs. Inflation," Newsweek, Vol. XXXVII, No. 18, April 30, 1951, p. 72.

* * * * *

RESEARCH AND OTHER AGRICULTURAL SERVICES

GENERAL

"Let me say that not a single proponent of this legislation up to the present time has mentioned the timing in bringing this legislation up for consideration in the House...That is my objection to the bill. I fully recognize that we must improve the marketing facilities for the perishable items, but legislative action should not be taken until the emergency is past. Incidentally my district produces mostly perishable items, including dairy products, fruits and particularly vegetables, and we want markets in these larger cities to take care of the handling of our particular kind of products. So that I favor the bill in principle, but I want it to work."

• • • • •

"...This is no time for Congress to commit the Federal Government to an additional \$100,000,000 in liabilities..."

Savings: \$100,000,000.

Source: Mr. Anderson, Representative from Minnesota, Congressional Record, September 26, 1951, p. 12348.

* * *

"The committee has given careful consideration to the relative importance of agricultural research during the current emergency, in view of the immeasurable contribution which it has made to the sound position of agriculture and the need for continued research to assure the abundant production needed for the defense effort. Despite the strongest belief in research and knowing of the returns from such work, the committee feels that research funds throughout the Department should, under existing circumstances, be reduced by approximately ten percent. This action was taken in view of the shortage of manpower and materials which can be expected during the next year or more, particularly the shortage in experienced and trained research personnel, in view of the fact that many research projects carried on in the past are no longer valuable in view of changing emergency conditions, and in view of the fact that those lines of research which are designed to provide information for use during normal peacetime periods cannot be profitably carried on until the country returns to more normal conditions. It is believed that the amounts retained in the bill will permit the continuation of those projects which will make the most important contribution in the present emergency."

Savings: Amount unspecified.

Source: Report of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Agriculture Appropriation Bill, 1952, p. 4.

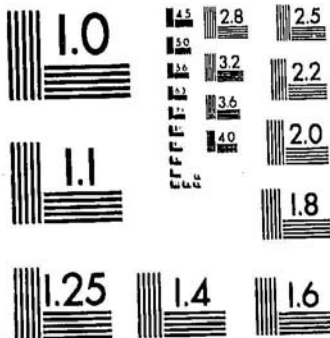
* * *

"...in my opinion, it is not necessary to have the guaranty kitty [marketing facility mortgage insurance fund] as large as the bill provides [\$25,000,000]. I think \$15,000,000 will be adequate. In fact, I doubt very much if any money will ever be needed. Therefore, I think the \$15,000,000 is adequate..."

Savings: \$10,000,000.

Source: Mr. Harvey, Representative from Indiana, Congressional Record, September 26, 1951, p. 12351.

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Natural Resources

NATURAL RESOURCES

GENERAL

"...With respect to natural resources: major reductions in this item would be in nonessential public works by the Army engineers and the Bureau of Reclamation. But funds remaining for these projects would be 25 percent more than was available in fiscal year 1946 when we had both war and postwar conditions."

Savings: \$803,000,000 (as derived from table on next page).

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

* * *

"...Cut back to the 1948 level the appropriations requested for land and water resources and for other natural resources activities, effecting a saving of \$585,000,000."

Savings: \$585,000,000.

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

* * * * *

CONSERVATION AND DEVELOPMENT OF LAND AND WATER RESOURCES

GENERAL

"According to the studies of the Water Resources Policy Commission, productive croplands of the United States can be increased by 44 million acres 'merely by the improvement of existing farm lands now in use.' The Commission declares that an additional ten million acres can be obtained by clearing land of trees, stumps and brush; while another 16.4 million acres are available through low-cost clearing and drainage.

"If the Water Resources Policy Commission experts know what they are talking about, we can add approximately 70 million acres to our productive croplands without the expenditure of billions of dollars of

"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
E. Natural Resources Not Primarily Agricultural					
Land and water resources:					
46. Corps of Engineers: Flood control	\$ 89	\$438	\$469	\$412	\$90
Department of the Interior:					
47. Bureau of Reclamation	62	298	349	265	75
48. Power transmission (Bonneville, Southwestern and Southeastern Power Administrations)	9	36	54	65	55
49. Indian land resources	-	26	41	25	-
50. Bureau of Land Management and other	10	10	9	9	5
51. Tennessee Valley Authority (net)	5	19	171	236	100
52. International Boundary and Water Com- mission and other	1	4	7	14	1
Forest resources:					
53. Forest Service and other (Agriculture)	40	75	86	93	50
54. Department of the Interior	3	3	2	4	1
Mineral resources:					
55. Bureau of Mines and other (Interior)	21	34	29	33	25
General resources surveys:					
56. Geological Survey)	(16	18	22	18
Fish and wildlife resources:					
57. Fish and Wildlife Service and other) 12	(23	28	31	14
Recreational use of resources:					
58. National Park Service	5	22	36	33	5
Total natural resources	\$257	\$1,004	\$1,229	\$1,242	\$439

Source: Mr. Byrd, Senator from Virginia, Congressional Record, February 5, 1951, pp. 957-958.

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Federal funds. Drainage costs per acre, even at our present inflated prices, would be less than a tenth of the cost of reclamation projects to irrigate land."

Savings: Amount unspecified.

Source: Oliver Carlson, "Reclamation--For What?", The Freeman, Vol. 1, No. 16, May 7, 1951, p. 489.

* * *

"This uneconomic situation led the Hoover Commission two years ago to propose sweeping reorganization of the water-resource program. It now estimates that necessary changes in administration, plus proper planning, could produce \$250 million savings annually...."

Savings: \$250,000,000 annually.

Source: Commission on Organization of the Executive Branch of the Government, as reported in "How to Streamline the Federal Budget," The Conference Board Business Record, Vol. VIII, No. 5, May, 1951, p. 183.

* * *

Item	Proposal
"Natural Resources	
"Water resources: With a few exceptions, there is now no legal basis for sharing costs of projects primarily local in value with State and local governments.	"Adopt proposals of Water Resources Policy Commission for State and local participation in projects."

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. 91.

* * *

"In the Missouri Basin we see the spectacle of two Federal agencies contending for the construction and operation of projects on the same rivers and some times at the same places. The committee does

not seek to belittle either agency or the progress that has already been made in the basin, but we do want to point out the fact as the Hoover Commission has done, that no fully effective method has been adopted for reconciling the conflicting programs. In the past many efforts have been made through interagency committees and other devices, but the necessary unification and coordination to bring about a satisfactory program in the Missouri Basin has not yet been achieved."

• • • • •

"...The Hoover Commission recommended a program for treating the subject of water resources and the pertinent recommendations are:

"Recommendation No. 1:

"We therefore recommend the creation of a Board of Impartial Analysis for Engineering and Architectural Projects which shall review and report to the President and the Congress on the public and economic value of project proposals by the Department. The Board should also periodically review authorized projects and advise us as to progress or discontinuance. The Board should comprise five members of outstanding abilities in this field and should be appointed by the President and included in the President's office.

"Recommendation No. 9:

"...we recommend that the rivers and harbors flood-control activities of the Corps of Engineers be transferred to the Department of the Interior and that any Army engineers who can be spared from military duties be detailed to the Department in positions similar to those which they now hold in the Corps of Engineers.

"Recommendation No. 10:

"We recommend a clarification and codification of the laws pertaining to the Bureau of Reclamation.

"Recommendation No. 11:

"The Commission recommends that a Drainage Area Advisory Commission be created for each major drainage area comprising representatives of the proposed Water Development and Use Service of the Department of the Interior, the proposed Agricultural Resources Conservation Service in the Department of Agriculture, and that each State concerned should be asked to appoint a representative. The purpose of these drainage boards should be coordinating and advisory, not administrative.

"Recommendation No. 12:

"The Commission shares these views and recommends that the responsibility for negotiating international agreements continue with the State Department but that all construction be made a function of the

Water Development and Use Service.

"Recommendation No. 13:

"Therefore, we recommend that no irrigation or reclamation project be undertaken without a report to the Board of Impartial Analysis by the Department of Agriculture."

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"...We believe it is necessary to secure coordination of policies and activities, to eliminate overlapping functions and competition for labor and materials, and to effectuate basin-wide surveys which will result in grouping flood control, navigation, power development, irrigation, municipal and industrial water supply, and other related functions into an integrated plan."

Savings: Amount unspecified.

Source: Ninth Intermediate Report of the Committee on Expenditures in the Executive Departments, House of Representatives, 82d Cong., 1st Sess., The Kansas-Missouri Flood of 1951, pp. 6, 7, 9.

* * *

"There is a stream in California known as Putah Creek. Many years ago the Army engineers began to make a study of this stream with the idea of building a flood-control dam. That stream flows out of the coast ranges and goes down into the Sacramento Valley and finally flows into the Sacramento River. The area adjacent to the stream was flooded badly on numerous occasions. For several years, in fact for probably as many as 6 to 8 years, the Army engineers made a very thorough study of the flow of that stream and recommended a flood-control dam that would insure the adjacent lands against devastating floods. At the same time, or at least immediately thereafter, the Bureau of Reclamation began to make a study of the stream... The Bureau of Reclamation went over the same identical ground as did the engineers, in making the study, duplicating it right down the line, except that they recommended a higher dam in order that some of the water might be stored and used for reclamation. They also studied the flood control features."

"...How are you going to stop the duplication of these studies of the California streams by both these agencies? You can go to the library and find books and reports on practically every stream there; first one group makes a study. The other group could utilize that study but it does not; it makes an initial study itself and adds something more to it...."

Savings: Amount unspecified.

Source: Mr. Johnson, Representative from California, Congressional Record, August 20, 1951, p. 10589.

* * *

"Over the years the Federal government has always recognized the responsibility for the development of our natural resources and the people have always been glad to pay reasonable taxes to see these resources properly developed and preserved. In 1939 the budget included \$228 million for this purpose. In 1950 the budget for the same purpose is \$1,845,000,000. In all fairness I must point out that \$673 million of this is for the development of atomic energy. But on the other hand under the subheading, and I quote 'Conservation and Development of Water and Land Resources Not Primarily Agricultural' the expenditure in 1939 was \$178 million, in 1950 it was \$964 million..."

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

* * * * *

CONSERVATION AND DEVELOPMENT OF FOREST RESOURCES

GENERAL

"The great cost of managing our public timber is primarily the result of having too many cooks. The Federal Government now has 16 agencies engaged in timber management. In many cases these agencies are doing duplicating and overlapping work and the result is waste of Federal funds and additional unnecessary tax burdens on the people."

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"For example, in one place a narrow 24-foot road separates timber that is managed by the Park Service and managed by the Forest

Service. The Park Service has a rule which says that if a hunter kills a cougar-mountain lion in park lands he is subject to a fine or imprisonment, or both, for destroying wildlife in a national park. But, if the cougar crosses the narrow road and gets into the Forest Service timber and a hunter kills him, there, that hunter is not fined nor imprisoned--he is entitled to a \$15 bounty for having destroyed a predatory animal.

"The Forest Service is charged with the responsibility of marketing federally owned timber, the selling of it to commercial establishments. But while doing this, it operates a large recreational agency, establishes and operates parks, playgrounds, and camp sites.

"The Park Service is supposed to devote itself to providing recreational facilities, but it also has a large agency engaged in the sale of Federal timber."

Savings: Amount unspecified.

Source: Mr. Mack, Representative from Washington, Congressional Record, May 10, 1951, p. 5336.

Transportation and Communication

TRANSPORTATION AND COMMUNICATION

GENERAL

"With respect to transportation and communication (including the postal deficit): decreases in this item would be in non-essential highway, airport, and Army engineers construction, and the postal deficit. As in other categories of construction scarcity of materials automatically will halt or curtail all nonmilitary effort construction. The postal deficit should be wiped out under any circumstances. Those who use the mails should be willing to pay for the service. It disappeared during World War II. It should be eliminated now. Funds are provided for navigation aids and facilities, and regulation of transportation and communication necessary to the war effort."

Savings: \$659,000,000. (as derived from table on next page).

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

* * *

"...the Hoover Commission contends its type of proposals could produce about \$264 million in savings [In transportation and communication]...."

Savings: \$264,000,000.

Source: Commission on Organization of the Executive Branch of the Government, as reported in "How to Streamline the Federal Budget," The Conference Board Business Record, Vol. VIII, No. 5, May, 1951, p. 186.

* * *

"From its study of necessary administrative reforms, the Hoover Commission estimates that additional savings would be forthcoming to the extent of \$10 million if its maritime recommendations were adopted and another \$142 million if proposed changes were made in the Post Office."

Savings: \$152,000,000.

Source: Commission on Organization of the Executive Branch of the Government, as reported in "How to Streamline the Federal Budget," The Conference Board Business Record, Vol. VIII, No. 5, May, 1951, p. 188.

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
F. Transportation and Communication					
Provision of navigation aids and facilities:					
59. Corps of Engineers	\$ 93	\$ 190	\$ 193	\$ 217	\$ 150
Promotion of aviation:					
60. Civil Aeronautics Administration	62	159	182	199	125
Provision of highways:					
61. Bureau of Public Roads	90	472	466	468	100
62. Regulation of transportation	22	16	15	15	25
Other services to transportation:					
63. Reconstruction Finance Corporation	-43	-11	-3	-5	-5
64. Coast and Geodetic Survey	17	12	11	12	12
65. Postal service (deficit)	161	593	632	160	--
66. Regulation of communication	11	7	7	7	7
Total transportation and communication	413	1,438	1,503	1,073	414

Source: Mr. Byrd, Senator from Virginia, Congressional Record, February 5, 1951, p. 958.

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* * *

"There is another heading in the Federal budget entitled 'Transportation and Communication,' under which the Federal government carries out its obligations to the people with respect to aid in highway development, air fields, and navigational aids for both air and waterways. In 1939, somehow or other, the government managed to keep its people satisfied with an expenditure of \$498 million. But for 1950 the Congress has been assured that no less than \$1,894,000,000 will be needed to meet the urgent needs of the people..."

.

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

* * * * *

PROMOTION OF THE MERCHANT MARINE

DEPARTMENT OF COMMERCE

Item	Proposal
<u>"Transportation and Communication</u>	
"Merchant marine: Subsidies are now paid for construction and operation. Foreign-aid recipients are required to use United States bottoms for half of shipments (increasing cost to United States). In addition, special tax concessions are granted.	Remove tax privileges and study whole system of subsidies."
Savings: \$35,000,000 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. 90.	

* * *

"Since 1946, in the face of impending war, the Maritime Commission has sold 1,956 of your newest and most modern type vessels, each weighing over 1,500 tons. Your tankers, Victory ships, C-4 Car-goes and most of your other desirable vessels have been sold.

"Thousands of ships of less than 1,500 tons weight have been declared surplus and have been disposed of at a mere fraction of their original cost. And, incredible as this may seem to you, Congress passed last September--three months after the outbreak of the Korean war--a specific act to authorize the Maritime Commission, to sell, at discounts up to 97% of their original cost, ten of the most modern of your remaining ships. Now, all that you have left out of the magnifi-cent merchant fleet which you owned in 1946 is a motley collection of obsolete Liberty ships and some of the outmoded vessels requisitioned under the pressure of war...."

.

"...Two vessels were built for you at the Bethlehem Steel shipyards in 1940 at a cost to you of \$6,292,266. In 1948, they were sold to the American South African Lines, Inc. for \$17,000 each. And, today, the operation of these ships is being subsidized by the United States Government--of course, at your expense!

"Still more bizarre, if possible, is the case of three of your ships which cost you \$24,661,375 just a few years ago. Your ag-ents are reported to have sold these ships to the Nicholson-Universal Steamship Company of Detroit for a sum total of \$308,832. And now the purchasing company has obtained from another one of your agents--the Reconstruction Finance Corporation--on the security of these three ships, a loan of \$4,950,000...."

"All in all, according to Senator Williams, the net loss which you have sustained since 1946, largely through the mismanagement of your agents in the disposal of 1,956 of your newest and best ships, is more than \$2,800,000,000, or, on the average around \$75 for every fam-ily in the nation."

Waste: \$2,800,000,000.

Source: Mr. Willford I. King, "What Happened to Those Ships of Yours?", Spotlight for the Nation, No. 59.

* * *

"...Sen. John J. Williams says the Government lost \$2,800,-000,000 on the sale of 1,956 ships. We'll soon be building more, he

adds. One company bought three for \$309,000 and put them up as collateral for a \$5,000,000 loan from another government agency. Another purchaser got a ship for \$49,000 and our public servants paid him \$1,192,000 in subsidies, charter and insurance."

Waste: \$2,800,000,000.

Source: Mr. John J. Williams, Senator from Delaware, as reported by Mr. Junius B. Wood, "Seed Beds of Socialism: No. 6, The Growing Federal Payroll," Nation's Business, Vol. 39, No. 9, September, 1951, p. 64.

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PROVISION OF NAVIGATION AIDS AND FACILITIES

DEPARTMENT OF DEFENSE

Department of the Army, Civil Functions

"...Reduce to the 1947-48 level the appropriations for rivers and harbors projects, thereby saving \$100,000,000. In this connection, I might add, we must all be prepared to sacrifice or defer our pet projects if we are sincere in attaining economy."

Savings: \$100,000,000.

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

* * * * *

PROVISION OF HIGHWAYS

DEPARTMENT OF COMMERCE

Item	Proposal
"Transportation and Communication	
"Truck weights: No Federal regulation of allowance truck weights now exists. As a result, highways do not last as long as they are supposed to,	Make State eligibility for grants for highways dependent on strict enforcement of maximum weights prescribed by Federal Government."

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. 90.

* * *

Item	Proposal
"Transportation and Communication	
"Federal-aid highways: Basic authorizing legislation is in form of contract authorization and apportionment to States are required. About $\frac{1}{4}$ of total Federal expenditures are for secondary roads.	Eliminate contract authorization and compulsory apportionments, putting program under control of appropriations process."

Savings: \$140,000,000 (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. 90.

* * * * *

POSTAL SERVICE (FROM GENERAL FUND)

POST OFFICE DEPARTMENT

Item	Proposal
"Transportation and Communication	
"Aviation subsidies: Airmail payments are now set by CAB to cover airline losses, regardless of cost of carrying mail. Consequently, exact cost of subsidies not known.	Separate subsidy payments from postal payments, allowing better analysis of subsidies."

Savings: \$10,000,000 (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. 90.

* * *

"As compared to the widely varied air mail rates in effect today, which in many cases combine subsidy with pay, the next scale provided by Sen. Johnson would set a definite pattern for the first time in recent history."

.

"Had the rate been in effect in 1949," Sen. Johnson stated, 'the Post Office Department would have saved \$40.2 million in domestic payments.' He pointed out that domestic airlines have asked CAB to approve an additional \$29 million in mail pay for 1949, over and above the \$60.5 million already paid them. If this additional payment is granted, the saving under the next legislation would have totaled nearly \$70 million."

Savings: Amount unspecified.

Source: Mr. Edwin C. Johnson, Senator from Colorado, as reported in "Subsidy Separation Bill Introduced," Aviation Week, Vol. 54, No. 25, June 18, 1951, p. 18.

* * *

"Slick said he could not believe that anyone in Congress or CAB would 'willingly authorize payment of a subsidy to American Airlines in a year when AA made operating profits of over \$20 million (before taxes, interest and depreciation), according to CAB. If government funds are spent unnecessarily and solely because of the method of mail payment, it should be clear to all that then something should be done about it in a hurry!'"

.

"No one can seriously contend that the present system of lumping subsidy and mail pay is justifiable or desirable on the basis of any public interest consideration."

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"The question to be decided he said is 'What should these carriers be paid for rendering this service, not how much government money they need in order to enjoy satisfactory profits after taxes.'"

Savings: Amount unspecified.

Source: Mr. Earl F. Slick, Chairman, Slick Airways, as reported in "Mail Freight: An Air Freight View," Aviation Week, Vol. 54, No. 19, May 7, 1951, p. 59.

Finance, Commerce, and Industry

FINANCE, COMMERCE, AND INDUSTRY

GENERAL

"With respect to finance, commerce and industry: Reductions are made in expenditures for ordinary activities under this item but increases would be provided for export and domestic controls along with others provided for in the General Government function. Funds are provided also for short-term capital loans to industry for defense production expansion, but not for establishment of Government plants."

Savings: \$1,086,000,000 (as derived from table on next page).

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

* * *

"Because Congress, through the 1934 Trade Agreement Act, transferred to the Executive Branch of Government its constitutional responsibility to regulate foreign trade the State Department has effectively stopped the investment of private capital in any business affected by this continual dabbling by the State Department in the foreign trade field.

"As a direct result of stopping or slowing down this investment of private capital in a large sector of the business structure of the Nation, including textiles, crockery, watches, precision instruments, minerals, fisheries, gloves, and hundreds of other products, the Congress appropriates taxpayers' money for investment in such enterprises through the RFC, the Import-Export Bank, the World Bank, and the General Services branch of the Government.

"The investments are approved haphazardly, and, I am sorry to say, to a great extent on a political basis, by bureaus and departments, many of which have mushroomed during the emergency, and which are handling the money of the taxpayers. Billions of dollars will be squandered by such agencies, when no investment of Government money in such enterprises would have been necessary if there had been the usual floor under wages and investments, so that private investors would know that when the emergency was over there would be a floor under wages and investments, and a point below which the price of the product was not likely to go."

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"Additional billions of dollars of the taxpayers' money may now be saved by the simple procedure of allowing the 1934 Trade Agreements Act to expire in June of this year. I am speaking of billions of

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
G. Finance, Commerce, and Industry					
Defense production and economic stabilization:					
67. Expansion of production (net)	-	-	\$260	\$1,100	\$200
68. Allocations, price and wage controls }	(-	(-	36	276	200
69. Rent control }	\$184	(\$22	13	24	22
70. Export control }		(4	3	4	4
Business loans and guaranties:					
71. Reconstruction Finance Corporation (net)	111	166	26	90	-
Business promotion and regulation:					
72. Department of Commerce	11	26	19	17	10
73. Antimonopoly programs	15	8	8	8	5
74. Other	-2	6	6	6	-
Promotion, regulation of financial institutions:					
75. RFC (net receipts)	-72	-12	-10	-8	-8
76. Other (including Securities and Exchange Commission)	5	7	7	7	5
Total finance, commerce, and industry	30	227	368	1,524	438

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Source: Mr. Byrd, Senator from Virginia, Congressional Record, February 5, 1951, p. 958.

dollars in addition to the amount which Senator from Virginia (Mr. Byrd) stated could be saved, namely, \$9,000,000,000."

Savings: Billions of dollars.

Source: Mr. Malono, Senator from Nevada, Congressional Record, February 5, 1951, p. 995.

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BUSINESS LOANS AND GUARANTEES

INDEPENDENT OFFICES

Reconstruction Finance Corporation

"Authorize direct Government construction of industrial facilities.../Recommendation of the President/.

"While such might be necessary in an all-out war effort, it handicaps our long-run chances to maintain a maximum of free, private enterprise and reduces our reliance upon the creative impetus of private initiative. We recommend against this proposal except in limited fields where clearly demonstrated to be necessary."

Savings: Amount unspecified.

Source: Report of the Joint Committee on the Economic Report, Senate, 82d Cong., 1st Sess., January 1951 Economic Report of the President, p. 12.

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PROMOTION OF DEFENSE PRODUCTION AND ECONOMIC STABILIZATION

FUNDS APPROPRIATED TO THE PRESIDENT

"If such authority /more funds for loan program for expansion of production/ be granted it should be hedged in with rigid requirements

of vital defense necessity. Precisely because this is an effort likely to last many years, the Government should not embark on an indiscriminate loan program. One of the major causes of inflation is excessive credit. Corporations and others have more liquid funds than ever before. Moreover business can secure the equivalent of V loans and procurement advances from the Department of Defense, techniques which worked with considerable success during World War II. The cases in which additional Government money should be lent, while they may exist, should be clearly established. The machinery for Government loan programs should be examined by the appropriate legislative committees to assure compliance with these rigid requirements."

Savings: Amount unspecified.

Source: Report of the Joint Committee on the Economic Report, Senate, 82d Cong., 1st Sess., January 1951 Economic Report of the President, p. 12.

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Labor

LABOR

GENERAL

"With respect to labor: The figures in this item contemplate the 1946 level of activity with an increase provided for labor training."

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Savings: \$4,000,000 (as derived from table on next page).

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

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UNEMPLOYMENT COMPENSATION AND PLACEMENT ACTIVITIES

GENERAL

"...I find myself in disagreement with the Committee on Ways and Means over this measure [unemployment compensation for Federal employees]. I do not want to draw an inference unfair to worthy workers who might need some compensation. In the first place, this is going to cost from 10 to 30 millions a year. We do not have the money. But there is a basic philosophy involved here; unemployment compensation is provided in industry to encourage industry to keep full employment the year around, to encourage them not to let their employees go. In most States it is to the advantage of the employers to keep full employment, in that they pay a lesser unemployment tax. Certainly that is not the position in regard to Government employees; Government employees may not get every consideration that private employees get, but they get some advantages that private employees do not."

Savings: \$10,000,000 - \$30,000,000 annually.

Source: Mr. Curtis, Representative from Nebraska, Congressional Record, October 4, 1951, p. 12892.

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