

HOUSING AND COMMUNITY DEVELOPMENT

VETERANS ADMINISTRATION

"The \$100 million-odd spent yearly in paying the first year's interest on veterans guaranteed loans [which figures among the 'major continuing charges'] might well be out out in a year when credit restriction is a key policy."

Savings: \$100,000,000 yearly.

Source: Albert G. Hart and E. Cary Brown, Financing Defense, New York: The Twentieth Century Fund, 1951, pp. 29-30.

## ***Physical Assets***

PUBLIC WORKS

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...proposals to expand Federal industrial and electric power facilities at the expense of private enterprise,..."

Savings: Amount unspecified.

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

\* \* \*

"In addition, we can forego river and harbor development, civilian public works projects, and all other peacetime activities, the relation of which to defense needs is explained only by the most tortuous reasoning."

Savings: Amount unspecified.

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

\* \* \*

"It [Congress] can cut appropriations...for public works projects..."

. . . . .

"Public works projects under Corps of Engineers, TVA and Interior Department sponsorship call for a total expenditure of \$1,124,000,000 in 1952 as compared with \$945 million in 1950 and \$569 million in 1948. A large part of this billion-dollar expenditure will go to carry on or complete the construction of projects already contracted for or actually under way. But the appropriations also provide for the starting of seven new projects with an initial outlay of \$80.3 millions. Congress can effect substantial reductions in these expenditures by cutting the outlays for deferrable construction now under way, and by eliminating new starts from the spending programs."

Savings: Amount unspecified.

Source: Alvin A. Burger, Research Director, Council of State Chambers of Commerce, "How and Where the Federal Budget Can be Cut," Federal Spending Facts, Bulletin No. 80, March 5, 1951, pp. 2, 3-4.

"...Place a moratorium on all public works which are not directly and immediately related to the defense effort, including the unconscionable expenditures for rivers and harbors, flood control, and reclamation."

Savings: Amount unspecified.

Source: Mr. Busbey, Representative from Illinois, Congressional Record, March 5, 1951, p. 2019.

\* \* \*

"The findings of the Hoover Commission revealed...the... cost of construction of Federal hospitals is \$30,000 per hospital bed as against \$16,000 for private hospitals...."

Savings: Amount unspecified.

Source: Commission on Organization of the Executive Branch of the Government, as reported by the First National Bank of Boston, New England Letter, Boston, February 28, 1951.

\* \* \*

"...We do need a redirection of public works expenditures to emphasize projects essential to national defense. But do we need an increase of \$1.4 billion - 90% - above the 1948 level of expenditures for civil public works (excluding atomic energy)?..."

Savings: \$1,400,000,000.

Source: Committee for Economic Development, An Emergency Tax Program for 1951, March, 1951, p. 12.

\* \* \*

"...Defense Housing, and Proposed Dispersal of Government Facilities...should be examined thoroughly for possible reductions...."

• • • • •

"...Reduction of Army Civil Functions Expenditures at least to the World War II level is necessary as it is prudent."

• • • • •

"...a 50% reduction in all other Public Works should be possible and would save about \$3/4 billion...."

. . . . .

"We have recommended a deep cut in the public works program and a suspension of all projects not contributing directly to some essential defense purpose."

Savings: \$750,000,000.

Source: Committee on Federal Tax Policy, Financing Defense: Can Expenditures Be Reduced?, New York, 1951, pp. 14, 16, 17, 28.

\* \* \*

"...the pruning knife must slash the 'pork barrel' without mercy....Whenever I tooth-comb the Rivers and Harbors projects, I find a terrible waste. We have no money for such projects as the one approved last year for Walnut Lake in Maryland, to build a small boat harbor a mile and a half from an existing one; or similar projects on the Mystic River in Massachusetts or at Rock Island, Illinois. Nor can we afford a water purifying scheme at Schuylkill River in Pennsylvania, or \$21,000,000 for the Demapolis Lock and Dam project to allow barges to move a little faster.

"I feel so wrought up about this type of Federal extravagance that I must give you one more instance. There is a proposal to spend \$1,300,000 on the Canaveral Harbor in Florida. This carries the latest wrinkle with it. Because it is located near an air base, the excuse is defense. But the air base already has water transportation available! The same money could maintain some 250 soldiers for a year or pay for 13 F-80 jet fighters."

Savings: Millions of dollars.

Source: Paul H. Douglas, "We Can Cut the Budget!", Coronet, Vol. 30, No. 5, September, 1951, p. 43.

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Item	Proposal
"Project authorizations: Water resources and other public works projects are now authorized far in advance of construction. Money is spent for planning, although planning must be re-done if enough time elapses to allow cost changes.	Do not authorize any projects which are not to be built during this emergency period."



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.

\* \* \*

"...We should recognize...that we cannot have lower non-defense expenditures and, at the same time, continue to provide public works aid, educational aid, and aid to various other groups on the scale to which we have become accustomed in recent years. It is just as important that the Government--acting at the behest of the public and with full public support--eliminate from its spending all nonessential expenditures as it is for the Government to require that consumers and businesses eliminate such expenditures from their plans and programs.

"It should also be added that the same restrictive policies which are required of the public and the Federal Government are equally important from the standpoint of state, municipal, and other local governmental bodies. Public works projects involving federal aid or which may need to be financed through the issuance of credit obligations should be evaluated most carefully from the standpoint of their urgency and postponed in the interest of the defense program and economic stabilization wherever possible. Moreover, since public works projects frequently require substantial amounts of labor and raw materials which may be of greater importance to the defense effort, their number and amount should be minimized."

Savings: Amount unspecified.

Source: Federal Reserve Bank of Dallas, Monthly Business Review, Vol. 36, No. 1, January 1, 1951, p. 4.

\* \* \*

"Senator Humphrey said that at least \$2,500,000,000 could be trimmed from the budget. In addition to dropping funds for Fair Deal programs that cannot be passed, he proposed that added cuts be made in nondefense public works, civil functions of the Army Corps of Engineers such as flood control...."

Savings: At least \$2,500,000,000.

Source: Mr. Hubert Humphrey, Senator from Minnesota, as reported in The New York Times, February 5, 1951, p. 11.

\* \* \*

"The \$600,000,000, for example, that the administration purposes to grant to the States for the construction of buildings, roads, and civil airports would encourage the type of construction that competes most directly with the defense effort for materials and manpower, and would be inflationary....Granting that many of these programs are meritorious, this certainly is not the time for increased expenditures in fields unrelated to defense."

Savings: More than \$600,000,000.

Source: Mr. Jenkins, Representative from Ohio, Congressional Record, May 7, 1951, p. 5131.

\* \* \*

"...The President proposes in his budget to spend \$540,000,000 for public works next year. During World War II public works expenditures were reduced to \$80,000,000 per year. We can and should reduce public works expenditures for next year to World War II level at least, and thus save \$460,000,000."

Savings: \$460,000,000.

Source: Mr. Mason, Representative from Illinois, Congressional Record, March 7, 1951, p. 2149.

\* \* \*

"...In the January budget the Army Corps of Engineers was scheduled to spend \$695 million, the Bureau of Reclamation \$354 million, the Bureau of Public Roads \$493 million, and the Rural Electrification Administration \$436 million--all of them new record figures. Here is \$2 billion which, to save money, labor, steel and copper, needs an immediate emergency cut to \$1 billion...."

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

Source: National City Bank of New York, Monthly Letter on Economic Conditions, Government Finance, December, 1950, p. 139.

\* \* \*

"Over \$1 billion is budgeted for river and harbor work, reclamation, and public power development, the justification for which should be carefully examined both in the light of defense needs and of whether, in the case of power development, the facilities could be provided by private capital willing and able to do the job if relieved of government interference."

Savings: Amount unspecified.

Source: National City Bank, "Revised Budget Outlook," Monthly Letter on Economic Conditions, Government Finance, May, 1951, p. 58.

\* \* \*

"Very few rivers and harbors and reclamation projects are essential to the defense effort. We ought not to begin any of these projects at the present time. We will do well to complete those already started. One project alone, the St. Lawrence seaway, is estimated to cost \$1,500,000,000 if and when completed. If we will cut our domestic long-term commitments as we should there could be a saving of more than \$3,000,000,000."

\* \* \* \* \*

"You may be interested in knowing that in the present budget approximately \$50,000,000 is requested to start six public-works projects that when completed would cost approximately \$2,000,000,000."

\* \* \* \* \*

"...What we ought to do is to rescind a number of the public-works projects that have not yet been started and let them stand by until the national and international picture clears up."

Savings: More than \$3,000,000,000.

Source: Mr. Rees, Representative from Kansas, Congressional Record, March 21, 1951, p. 2900.

\* \* \*

"Otto A. Seyferth, Chamber of Commerce of the United States president...suggested the following specific cuts:...\$1,000,000,000 less for public works..."

\* \* \* \* \*

"Spending on public works, he said, should be drastically curtailed in order to combat inflation and conserve scarce materials."



and labor. Even after a cut of \$1,000,000,000, Mr. Seyferth observed, the public works program would still be five times as large as it was in the last war year, 1945."

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

Source: Mr. Otto A. Seyferth President, Chamber of Commerce of the United States, as reported in The New York Times, January 11, 1951, p. 18.

\* \* \*

"...The devices used for getting more money are often the first wasteful steps. All agencies use such simple expedients as publicizing their work and catering to Congress, but because none has surpassed the resourcefulness of the Army Engineers, they will serve as the example. The Engineers' \$618,564,650 worth of waterways and flood control work this fiscal year includes more than \$100,000,000 of spending not approved by the Bureau of the Budget, which screens all agency programs for the President.

"The Engineers have three main gimmicks.

"...in original presentation to a congressional committee, the Engineers can maintain that 'no money whatsoever is involved here; this is merely an authorization bill.' Later, equipped with the authorization, they can tell the House Appropriations Committee: 'We have a mandate from Congress. We must have the money.' Childlike logic, perhaps, but it works consistently.

"Another practice is to undervalue projects at the outset. In that respect the Engineers are matched by their waterway rival, the Interior Department's Reclamation Bureau. The Engineers put the cost of Whitney Reservoir in Texas at \$8,350,000; it is now up to \$11,794,000. The Reclamation Bureau's Central Valley project in California went from an estimated \$170,000,000 to \$581,886,000.

"Once they get a project started, Engineers and Reclamation Bureau Officials have the upper hand. Congress can either appropriate enough to finish the job or lose the original investment.

"Finally, the Engineers often are accused of exaggerating potential benefits. In furtherance of their plan to provide a nine-foot channel up the Missouri River, they estimated that traffic would be 5,700,000 tons a year from the mouth to Kansas City. Sen. Paul H. Douglas of Illinois produced evidence that traffic was only 671,172 tons in 1947--most of it consisting of sand and gravel hauled by the Engineers for their own river work."

Savings: Over \$100,000,000.

Source: Earl B. Steele, "Holes in Our Public Purse," Nation's Business, Vol. 39, No. 2, February, 1951, p. 38.

\* \* \*

"...this amendment would provide...that construction work on any new project shall be suspended until such time as the Secretary of Defense shall certify that the construction of the project is essential to our national defense, or...if the project be partially completed the Director of the Budget shall certify that the suspension would result in an unnecessary loss to the Government.

"This amendment is in line with the policy followed during World War II...It is in line with the Presidential directive issued by President Truman under date of August 5, 1950...the only difference is that this time the presidential directive is not working to the extent that it did during World War II. Therefore I propose to write it in as mandatory."

"...a total of \$96,779,928 worth of projects were suspended since last July under this directive but we now find practically all of them, have been restored under this bill, yet no one will claim that the emergency is over."

Savings: Amount unspecified.

Source: Mr. Williams, Senator from Delaware, Congressional Record, August 15, 1951, p. 10250.

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#### MAJOR COMMODITY INVENTORIES

##### DEPARTMENT OF AGRICULTURE, PRICE-SUPPORT LOANS AND INVENTORIES

"...Discontinuance of commodity purchases under price-support programs and liquidation of the accumulated inventories of the Commodity Credit Corporation [is recommended]."

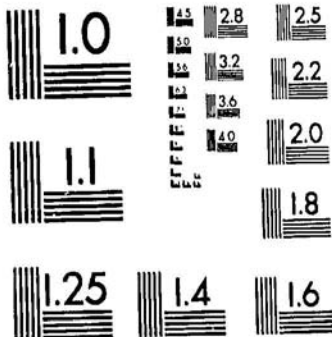
. . . . .

"The original purpose of the farm program was to raise farm prices and farm income from depressed levels. Today that translates into sustaining farm prices at high levels. Since inflation is the greatest internal threat faced by the nation today, the current defense effort demands a suspension of this program. The reasons that caused its creation no longer exist. It has long outlived its usefulness, and has become a real menace."

Savings: Amount unspecified.

Source: Committee on Federal Tax Policy, Financing Defense: Can Expenditures Be Reduced?, New York, 1951, pp. 5, 17.

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**Federal Aid to State  
and Local Government  
and Others**



FEDERAL AIDS TO STATE AND LOCAL GOVERNMENTS AND OTHERS

GENERAL

"...Mr. Bowles claimed that \$1 billion in subsidies, mostly on food would result in a \$9 billion saving to government on its purchases and another \$9 billion to consumers--a total of \$18 billion. Later his own food price administrator estimated that in 1943 food subsidies resulted in direct savings of only \$1.25 billion and later experience bore out this more cautious estimate. In 1945, for instance, the government spent some \$18 million to subsidize cheddar cheese. Without the subsidy the cost-of-living index should have risen by only 0.270!

"Even such savings are, of course, fictitious since subsidies are essentially a way of taking money out of one pocket and putting it into another. There is nothing new in this game. The government has been playing it for years. The 1952 fiscal budget calls for close to \$1 billion for farm price pegging, the international wheat agreement, soil conservation and various other farm aids. Rural electrification and telephones are to get \$260 million more. Second-class mail subsidies are estimated at around \$160 million, and ship operating subsidies, \$59 million. Public power outlays, aids to labor, and other groups will push the 1952 bill for just these older subsidies to close to \$2 billion.

"To this continuous bill must be added subsidies which are now being made, or soon will be made in the name of the defense program..."

• • • • •

"...evidence is impressive that once the subsidy bandwagon starts to roll, everybody wants to hop aboard...."

Savings: Amount unspecified.

Source: Barron's, Vol. 31, No. 14, April 2, 1951, p. 24.

\* \* \*

"Expenditures for State-aid programs, now totaling nearly \$3,000,000,000 account for about 25 percent of the domestic-civilian budget. They are to be found running through virtually all of the so-called major functions in this category--public assistance and

health, housing, education and research, agriculture, resources development and recreation, transportation (including highways and civilian airports), business promotion, employment, etc.

"In this critical period when the Federal Government must arm this Nation and meet its commitments to prop up half the world, the question of merit under ordinary conditions is not the paramount consideration. The degree to which they support the defense effort must be the controlling factor. These State-aid items must be reached if we are to reduce nonmilitary expenditures to the minimum required to give effective support to the defense effort, as the President promised in his address to the Nation on December 15, 1950. Most of them are tied to long-term statutory commitments.

"Changes in State budgets would be necessary in some instances and many would require new basic Federal legislation for repeal, amendment, or suspension. It was to be hoped that the President in his budget message would recommend such legislation. But such recommendations were conspicuous by their absence. The States are now better able than the Federal Government to determine and finance the irreducible minimum of public assistance, public construction, resources development, and public health within their borders. If we are to take action in this matter, as we should, the States should be given notice immediately in order that they may conform."

Savings: Amount unspecified.

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

\* \* \*

"...whatever opinions may be held regarding justification for some grants and subsidies, the necessity for retrenchment becomes imperative under today's defense demands on our revenues."

. . . . .

"...if the states were to assume full responsibility for these services and the full cost were brought closer home, it is possible that some of the schemes which they now carry on a fund-matching basis would not be retained."

. . . . .

"...the construction and improvement of private physical assets...is certainly a field for reduction in any amounts not truly a direct need for the defense effort."

. . . . .

"...Federal aid activities in agriculture could be eliminated as part of the program for discontinuing 'price support' purchases..."

. . . . .

"There remains a large area of government spending in the category of special aids and services that is neither essential nor related to the defense effort, and which certainly cannot be justified under present conditions. In domestic programs other than veterans, we estimate a possible saving of 50% through cutting out non-essential items. This would be about \$2½ billion. With the possible savings on veterans' programs of \$½ billion minimum, there should be a total of \$3 billion to be saved in this area."

Savings: \$3,000,000,000.

Source: Committee on Federal Tax Policy, Financing Defense: Can Expenditures Be Reduced?, New York, 1951, pp. 19, 20, 22.

\* \* \*

"...Included in these savings will be the reduction and virtual elimination of subsidies, not merely for agriculture, but also, I believe, they should be cut out for railroads, for air lines, and for shipping, which will have full capacity and which will not need subsidies to make up for the fact that in peacetime they are not being used to their fullest possible extent."

Savings: Amount unspecified.

Source: Mr. Douglas, Senator from Illinois, in Town Meeting, Vol. 16, No. 34, December 19, 1950, p. 10.

\* \* \*

"Many of the business services provided by the Government should be made self-sustaining by charging their cost to the users rather than to the taxpayers. Probably the best example is the postal service in which equitable rate adjustments are now needed to offset increased costs."

Savings: Amount unspecified.

Source: Mr. Jenkins, Representative from Ohio, Congressional Record, May 7, 1951, p. 5131.

\* \* \*

"...In the field of Federal grants and subsidies of all kinds there is room for wholesale reductions. Grants-in-aid to States, cities, and private groups amount each year to between \$3,000,000,000 and \$4,000,000,000, and subsidies of various kinds amount to another billion dollars. In this field alone a reduction of \$2,500,000,000 can easily be made."

Savings: \$2,500,000,000.

Source: Mr. Mason, Representative from Illinois, Congressional Record, March 7, 1951, p. 2149.

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"...\$1 billion can be saved by holding down to the fiscal '49 level federal funds made available for public health, education, and relief....Beyond that, experience shows that the essential programs in this entire area will be more economically and efficiently administered if the prime financial responsibility is allowed to remain at the State and local level...."

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

Source: National City Bank of New York, Monthly Letter on Economic Conditions, Government Finance, December, 1950, p. 138.

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"State and local government must stop letting the Federal government do for them things they can best do for themselves.

"The best figures I have been able to get tell me that in 1939 the total of Federal grants-in-aid were \$521 million. The current budget, if it's not modified would send \$3 billion on its way back to the state in the form of one or another kind of Federal assistance.

"Under war conditions such as we now face we probably can't afford many of the things these grants will pay for. But if they are bought, the state can collect the money direct from their own people at a lower cost than by routing it through Washington and back on its way to where they will use it."

Savings: Amount unspecified.

Source: Gen. Brehon Somervill, "Korea & Taxes," Commercial and Financial Chronicle, September 14, 1950, p. 1018,

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"In the field of nondefense spending, economies can be effected through curtailment or complete elimination of Government subsidy programs to business...We are now entering on a period of high business activity and high wages and salaries promoted to a great degree by Government spending for defense....Business activity is...assured."

Savings: Amount unspecified.

Source: Letter from Mr. C. Wilson Harder, President of the Wyoming Federation of Independent Business, to Mr. O'Mahoney, Senator from Wyoming, Congressional Record, February 27, 1951, p. A1031.

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#### SOCIAL SECURITY, WELFARE, AND HEALTH

##### FEDERAL SECURITY AGENCY

"One place where we can save money was clearly and forcefully pointed out to us by the unanimous action of the governors of the 48 States this week in Tennessee. In their conference the governors unanimously asked the Congress to return to the States, as was originally intended, under the act, the right to handle welfare operations. The governors have in substance asked the Congress to do away with the compulsory secrecy clause enacted in 1938. They have in effect said to this Congress: 'You do this and we will save money not only for ourselves but we will also save money for you.'"

Savings: Amount unspecified.

Source: Mr. Halleck, Representative from Indiana, Congressional Record, October 5, 1951, p. 12957.



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"Just before last Christmas, New York's Gov. Thomas E. Dewey accused Federal Security Administrator Oscar R. Ewing of interfering with the conduct of the state's welfare program in return for federal aid. Although Ewing denied the charge, it is true that standards, specifications, and requirements set by Washington before it releases any funds, amount to outside meddling.

"Gov. Alfred Driscoll of New Jersey is wary of grants for another reason. They are wasteful, he believes, because they add to a state's burdens. They are geared often neither to need nor ability to pay. Many experts agree with the governor that grants should be based on bona fide need and made only where the need can be demonstrated. Otherwise, large sums of money would be squandered both by Washington and the states which, as a condition of the grant, have to match it with an equal sum. As a case in point, New York's matching share for a proposed federal grant for A-bomb shelters would have equaled half its 1951 budget."

. . . . .

"Even though federal aid is here to stay for a while, the arguments against outweigh those in its favor. As seen by the Council of State Governments, federal aid leads to sectional rivalries and jealousies. In practice it discriminates against the citizens of, say, Ohio who are taxed to support some activity in New Mexico or Utah. It is wasteful because it throws money about like a blanket, often covering areas that have no need of it, and forces states roundly to blow up their own budgets to match it. More seriously, it leads to centralization by promoting federal control of local affairs and could bring on a federal monopoly of taxing powers.

"Perhaps the only persuasive factors in its support are that it is a way out for financing essential services which the states can't afford themselves and that it is a useful device for joining the state with the federal Government in common enterprises."

Savings: Amount unspecified.

Source: Arthur W. Hepner, "Stalemate in State Taxes," Nation's Business, Vol. 39, No. 7, July, 1951, p. 71.

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TRANSPORTATION AND COMMUNICATION

DEPARTMENT OF COMMERCE

"In June last year a spokesman for the United States Chamber of Commerce recommended to a House subcommittee that the Federal Airport Act should be amended to exclude local and personal flying airports and all airport buildings and land from participation in federal aid and make it clear that federal aid funds should not be made available for airport maintenance. The funds, he added, should be restricted to the federal share of costs of grading, drainage, runway construction, lighting, and radio aids to navigation at airports of interstate importance."

Savings: Amount unspecified.

Source: Chamber of Commerce of the United States, as reported by Stanley Berge, "Subsidies and Competition as Factors in Air Policy," American Economic Review, Vol. XLI, No. 2, May, 1951, p. 523.

**Other**

OPERATING EXPENSES

GENERAL

"Excluding interest, of \$5.9 billion for 1952, there remains only \$2.4 billion in nondefense current operations expense in this particular Budget area. This figure, however, is only a part of the total in which savings can be made through greater efficiency and the elimination of waste and mismanagement."

. . . . .

"Some claim that effective reductions must be made in programs and others say the only way to cut nonessential expenditures is to cut personnel. The overriding demands of the defense effort require that both methods now be put into effect for the reduction of all reducible programs and operating expenses that do not contribute to the security of the nation. All government departments can make savings of this type which would aggregate at least \$1 billion."

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

Source: Committee on Federal Tax Policy, Financing Defense: Can Expenditures Be Reduced?, New York, 1951, pp. 23, 24, 25.

\* \* \*

"...the figure [cut in propaganda function] could be safely made 50%, instead of 25%. No worthwhile services to the general public would suffer..."

Savings: 50 percent.

Source: Mr. McClellan, Senator from Arkansas, Congressional Record, June 20, 1951, p. 6955.

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RESERVE FOR CONTINGENCIES

GENERAL

"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: \$175,000,000 from a "contingency fund."

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

**PART V**

***Classified by Administrative Practices***

ACCOUNTING

"S.3652, H.R. 8621. Public Law 636, to facilitate the settlement of the accounts of certain deceased civilian employees of the Government.--This act, like Public Law 830, outlined above, is designed to eliminate unnecessary administrative practices and reduce Government red tape. The act will effect more expeditious payment of claims where a beneficiary has been named or where there is a surviving spouse, without in any way lessening safeguards of the interest of the United States. It removes the restrictions which previously required submission of these claims to the Comptroller General for settlement. The Act authorizes the employing agencies to settle these accounts, except in those instances where there is doubt as to who is lawfully entitled to receive payment. Competent Government officials estimate that passage of this act will effect savings of \$100,000 on a recurring annual basis."

Savings: \$100,000 annually.

Source: Activities of the Senate Committee on Expenditures in the Executive Departments, Eighty-First Congress, Senate, 82d Cong., 1st Sess., p. 21.

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BUDGETING

"Mr. Andrews....Has it been the custom for years for all Government agencies to spend all the money remaining in their budgets in May or June?

"Mr. Frank L. Yates. I am afraid the human inclination has been to obligate all the money before its availability ends.

"Mr. Andrews. And you say you cannot stop that?

"Mr. Sidney R. Yates. These funds have been appropriated.

"Mr. Andrews. The Congress cannot stop it, It depends on the agency head. He is responsible for spending that money, and until you get a man with common sense who has an interest in the taxpayers' money to head up these agencies and who is interested to see they spend that money properly, and not as fast as possible, when July 1 comes, I am afraid their budget will be spent."



Savings: Amount unspecified.

Source: Mr. Andrews, Representative from Alabama, in Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Independent Offices Appropriations for 1952, Part 2, p. 1505.

\* \* \*

"There are 50 members of the House Committee on Appropriations which will consider this [President's] budget. There are 21 members of the Senate committee. The professional staff of the House committee employs four persons on a part-time basis to explore this budget. I use the word 'explore' because they can do little more than that. On the Senate side, there is one man assigned to the minority from the professional staff to act as an advance scout as we proceed through this maze of figures.

"Obviously, it is unreasonable to expect the Congress to appropriate funds in an orderly and reasonable manner when the committees must start with so flimsy and incomplete a document as the President's budget. We must have a more realistic base from which to operate."

Savings: Amount unspecified.

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

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"Congress is trying once again to put new and tighter reins on the federal government's spending. Congress is attempting to establish its own counterpart of the Administration's Bureau of the Budget.

"The aim is to provide the appropriations committees and all members of Congress with the services of a full-time year-round staff of nonpolitical budget experts. These professionals would familiarize themselves with the details of the money-spending activities of the hundreds of bureaus and agencies that hope to dispose of almost \$70 billion during fiscal 1952.

"This proposed 'joint committee on the budget' backed by a staff of experts is the latest idea in the long fight to arm Congress to do a better job of appraising the fantastically huge U. S. budget."

Savings: Amount unspecified.

Source: Business Week, No. 1144, August 4, 1951, p. 20.

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"Senator Harry F. Byrd...today began a campaign to restore a 'single-package' appropriations bill.

"He made the move, he said, because Congress could not act intelligently if the country's large spending program was to get 'piecemeal consideration'...."

"Mr. Byrd plans to offer a Senate concurrent resolution tomorrow to revive the 'single-package' approach on appropriations..."

. . . . .

"In announcing the start of his campaign, Senator Byrd said:

"On the basis of recent authoritative advice with respect to the rate of military expenditures, I predict an over-all expenditure level of \$75,000,000,000 to \$80,000,000,000 annually after fiscal 1952. This estimate is based on continuing "short-of-all-out-war" conditions. And General Eisenhower has estimated that we may remain on this kind of defense alert basis for twenty years..."

"Congress cannot intelligently act on appropriations of this magnitude, with piecemeal consideration, in a dozen or more separate bills brought in one by one over a period of six months or more."

. . . . .

"If the resolution is adopted by both houses of Congress, the Virginian said, the procedure could not be changed by committee action as was done last year and again this year. The procedure, instead, would become part of the joint rules of Congress.

"The resolution, among other points, provides for the following:

- "1. The Treasury to supply revised revenue estimates to both Senate and House of Representatives before it acts on the omnibus spending bill.

- "2. Limitations on annual obligations involving expenditures against appropriations available for more than one fiscal year.
- "3. Itemization, in tabular form, of all appropriations and estimated expenditures."

Savings: Amount unspecified.

Source: Mr. Harry F. Byrd, Senator from Virginia, as reported in The New York Times, April 17, 1951, p. 23.

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"...The committee on Appropriations effected reductions during the session of \$4,805,497,517, while this much touted economy drive on the floor succeeded in taking out only \$162,789,335 additional, only 3-1/3% of the amount already taken out by the committee. In other words the committee reduced estimates 5 percent and the House effected further reductions of less than two-tenths of 1 percent."

"In closing the appropriation records for the session, it is hardly necessary to call attention to the untoward effect of the discontinuance of the consolidated bill...."

"The single package appropriation bill was attacked on two major grounds:

"First. It delayed appropriations bills beyond the beginning of the fiscal year and they could be handled much more rapidly as individual bills.

"Second. Greater economies could be effected through the individual bill approach because of the greater attention which could be given to details.

"The record of the first session of the Eighty-second Congress proves the fallacy of both of these arguments...."

Savings: Amount unspecified.

Source: Mr. Cannon, Representative from Missouri, Congressional Record, October 31, 1951, pp. A7056-A7057.

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"...I think we ought to develop in the Appropriations Committee a procedure similar to the one which has been developed so effectively in the Finance Committee, where we have our own congressional experts who challenge the witnesses from the executive branch on every single contention they make...I believe that we could save not only millions, but probably billions of dollars if that procedure were adopted."

Savings: Millions or billions of dollars.

Source: Mr. Lodge, Senator from Massachusetts, Congressional Record, October 12, 1951, p. 13332.

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"The suggested program would replace the present loose and inadequate annual control by Congress over the operations of the Federal agencies through appropriations based on obligations with a proposed annual control which bases appropriations on expenditures. From such an 'annuality' concept would arise many benefits of better budgeting, of a cohesive budget document, and of reports which the public can understand and which the Congress can really use for controlling the annual expenditures of the executive agencies.

"The basic aspects of the proposed three-way statutory program, discussed more fully below, may be summarized as follows:

- "1. Base each annual appropriation solely on payments for the goods and services to be actually delivered thereunder up to the end of the fiscal year and not beyond.
- "2. Use 90-day reserves, etc., to pay tardy bills for such deliveries when rendered after year's end, i.e., after each June 30,
- "3. Use contract authorizations for all multi-year programs; make universal the present construction contract provision that annual expenditures under each contract are contingent on the size of the related successive annual appropriations by Congress."

. . . . .

"On each June 30, lapse all annual appropriations and all unfulfilled obligations against them, thus without exception limiting the availability of each annual appropriation to those goods which are actually delivered and those services which are actually rendered up to the end of the fiscal year. As to permanent