

appropriations (which are undesirable because they escape fresh budget consideration and readjustment each year), it is proposed that the amounts thereby made available in successive fiscal years be treated as if they were individual annual appropriations, each of which is subject to the proposed provisions for annual lapsing."

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"Authorize each department to set up temporary reserves from expiring annual appropriations to pay tardy bills for goods and services actually provided up to the end of the fiscal year, which are rendered within 90 days after June 30. Use special single appropriation to pay billings delayed more than 90 days."

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"Use contract authorizations exclusively rather than only occasionally, as at present, to provide for multi-year programs. Require that each multi-year contract which is awarded shall contain a clause specifying that until the work is completed annual amounts of expenditure thereunder are to be wholly contingent on the size of the successive annual appropriation voted by Congress."

Savings: Amount unspecified,

Source: Herman C. Loeffler, "Alice in Budget-Land," National Tax Journal, Vol. IV, No. 1, March, 1951, pp. 58, 59, 61, 63.

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"With due humility, I shall list briefly 10 procedural improvements which I believe would be helpful...."

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Form." "Revival of the Legislative Budget in a More Realistic

.

"A Joint Committee on Appropriations and Expenditures."

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"More Thorough Investigations by Appropriations Committees."

.

"Better Staffing of Appropriations Committees."

.

"Floor Schedule for Appropriation Bills."

.

"Yea and Nay Votes on Appropriation Bills."

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"Appropriation Estimates and Committee Reports."

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"A More Adequate Presidential Budget."

.

"More Common Sense on Budget Cutting."

.

"More Responsible Party Leadership."

Savings: Amount unspecified.

Source: John Phillips, "The Hadacol of the Budget Makers,"
National Tax Journal, Vol. IV, No. 3, September, 1951,
pp. 263, 264, 265, 266, 267, 268.

* * *

"The prize of the economy advocates in Congress--the single, or omnibus, appropriation bill--is in jeopardy in this Eighty-second Congress after its trial run in the Eighty-first Congress.

"There is a vigorous drive under way to abandon this system of putting all of the appropriations in one big bill. The aim is to return to the expensive and obsolete method of having several separate appropriation bills."

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"In judging whether the single appropriation-bill system should be retained, we should review some of the arguments pro and con. The greatest argument in its favor is that since it puts all of the appropriations together, each Senator and Representative can know better just how much money he is voting to appropriate and lay on the back of the taxpayers."

"...It stands as a constant guide as to whether a balanced budget is being achieved or can be achieved and, if not, how much more we will have to raise taxes to get a balanced budget or bring the budget back into balance.

"The single appropriation bill makes it easier for Congress to detect and eliminate duplicating and overlapping appropriations. It checks 'porkbarrel' logrolling. It gives the advocates of economy a much better chance of getting over-all reductions."

Savings: Amount unspecified.

Source: Statement by Mrs. Smith, Senator from Maine, in the Washington Daily News, quoted in the Congressional Record, January 22, 1951, pp. A317-A318.

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"...the Appropriations Committee voted Monday to go back to the method of handling appropriation bills that was in vogue up until the second session of the Eighty-first Congress."

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"The majority of the committee felt that there was greater opportunity for reducing appropriations with the method which they have chosen than existed in the single-package appropriation bill, and for some of the following reasons:

"First. With the single package appropriation bill only one motion to recommit is possible and that hit effectively only one item in the over-all bill, whereas if you have separate bills for each department the motion to recommit on the separate bills can bring out for a separate vote the most glaring items in that bill which need to be corrected. The Congress can be put on record in each of the bills for or against unnecessary spending.

"Second. The Congress can also, under the provisions for separate bills have a separate vote on the passage of any one of the bills and, if it has been loaded with unnecessary spending, be put on record for or against the passage of that bill; whereas with the omnibus bill there could be only one record vote and Members would not feel free to vote against the enormous number of items in it, whereas this hesitation would not exist with the separate bill."

Savings: Amount unspecified.

Source: Mr. Taber, Representative from New York, Congressional Record, January 31, 1951, p. A505.

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"We should stop this year-after-year waste and spending of funds by not waiting until the moneys are actually gone, by not permitting the same people in the Government to waste the taxpayers' money, and release no further appropriations to such people in the bureaus.

"I do not believe that appropriations should be paid and given to the bureaus for spending in one annual lump sum...."

"It seems that much of the abuses, misspending, and waste of the taxpayers' money, might be stopped by only paying and releasing the moneys to the bureaucrats in quarterly installments. And if the bureau does not justify its spending in the previous quarter, the next quarterly installment should be reduced and the personnel responsible separated from Government service...."

Savings: Amount unspecified.

Source: Mr. Weichel, Representative from Ohio, Congressional Record, September 28, 1951, p. A6260.

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CONSOLIDATION OF FUNCTIONS

"...The Department of Agriculture is...hampered by duplication with the Department of the Interior in areas affecting irrigation and the management of public lands. This places a burden upon ranchers and other groups who must abide by conflicting regulations and pay duplicate fees."

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"Confusion was...found in the government's machinery for the regulation of food. The Department of Agriculture has the authority to grade agricultural products and inspect meat. But the Federal Security Agency regulates the adulteration of foods. Meanwhile the Federal Trade Commission concerns itself with false advertising of foods and the Bureau of Internal Revenue administers the taxes on oleomargarine and processed butter.

"The Secretary of Agriculture is directly responsible for the day to day operations of a conglomeration of over 20 big agencies. Manifestly this is an administrative burden which no one man can successfully bear."

Savings: Amount unspecified.

Source: Citizens Committee for the Hoover Report, In Aid of the Farmer, April 11, 1951.

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"But in all this time our Government has become inefficient. ...Agencies and bureaus and divisions were tacked on wherever it was handy to do so at the moment. As a result there is much overlapping of activities and much wasted effort...."

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"Until quite recently it took as much as \$10 worth of 'paper work' for Uncle Sam to buy something as simple as a type-writer ribbon.

"Departments or agencies--and the men who run them--are reluctant to give up duties and responsibilities they have acquired over the years. As a result there is a great deal of rivalry and overlapping of work, because in the meantime new agencies spring up doing the same or similar work."

Savings: Amount unspecified,

Source: Citizens Committee for the Hoover Report, Reprint from Senior Scholastic, January 11, 1950.

* * *

"...Agencies must stop mushrooming their field services throughout the country...we could save half a billion a year by consolidation and elimination."

Savings: \$500,000,000 annually.

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

* * *

"...I would recommend the immediate acceptance of the balance of the Hoover reports...it is reliably estimated that, if the balance of the recommendations are approved, there will be a further saving of \$3,000,000,000, provided, of course, that they are submitted in the original form as drafted by the Hoover Commission and not revised by the administration..."

"...There are two important factors which the present administration has failed to recognize at this crucial time. One is the complete lack of coordination between departments. It is largely because this factor has been ignored for so long in the higher echelons of the Executive Branch of Government that we find throughout our whole pattern of Government today, little 'empires' and sometimes they are quite sizable, which operate as though they had no responsibilities whatsoever to other agencies in the Government, of which in many cases they are actually component parts. We cover so much 'waterfront' in our domestic activities alone and with such complete abandon of responsibilities, that the right hand does not know where the left hand is operating. I cannot stress too strongly the necessity to eradicate these little 'empires' dedicated to the cause of bureaucracy and overstaffing, by any legislative means at our command."

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

Source: Statement by Mr. Robert C. Hendrickson, Senator from New Jersey, March 31, 1951, pp. 3-4.

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CORPORATE OPERATION

Item	Proposal
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"Finance, Commerce, and Industry.	
"Federal Reserve earnings: Until 1933 [the Federal Reserve] System paid franchise tax of 90 percent of net earnings after payment of 6 percent of dividend to banks. Since 1947 System has voluntarily paid the equivalent to this to avoid its reimposition by statute. Full earnings would belong to Government upon liquidation.	Enactment of an unspecified franchise tax. Since surplus and reserves are now 3 times as high as capital stock and are ample to cover risks in holding portfolio of Government securities, Government should get full earnings currently."

Savings: \$16,000,000 annually (as shown in table in source).

Source: Staff of the Joint Committee on the Economic Report in the Report of the Joint Committee on the Economic Report, Senate, 82d Cong., 1st Sess., January 1951 Economic Report of the President, p. 89.

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"Also greatly needed,...[Mr. Hoover] declared, was a 'complete review and reform of the abuses and malorganization which the commission found in many Federal business enterprises.' He said this was a 'particularly fruitful field' as was pointed up by the recent Senate investigation of the Reconstruction Finance Corporation."

Savings: Amount unspecified.

Source: Mr. Herbert Hoover, as reported in The New York Times, February 9, 1951, p. 10.

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"Certain enterprises should be incorporated in one agency and uniform budgeting, accounting, and other business procedures installed. There should be uniform corporate requirements....If the Federal Government is going to continue to lend money and buy and sell mortgages, it at least should do it properly and under one roof."

Savings: Amount unspecified.

Source: Gwilym A. Price, "The Hoover Plan: Performance and Prospects," Dun's Review, March, 1951, p. 64.

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DECENTRALIZATION

"It is believed that further improvement in staffing ratios can be attained in some areas and attention is being given to this matter. However, due to the diverse character of the several bureaus, and such factors as seasonal employment, number of skills

required, and geographical location, it is recognized that there will be a justifiable variation of ratios between them. For example, the Bureau of the Mint, which has six widely separated field establishments, cannot attain the same ratio as the Bureau of Engraving and Printing whose employees are all domiciled in two connected buildings.

"A considerable amount of staff time is being devoted to simplifying the record systems and to reducing the paper work involved in handling personnel matters. Substantial progress has been made in this area and when this project is completed a more consistent ratio between bureaus will result.

"Bureaus maintaining field offices should delegate additional authority to them in order to expedite action and reduce workloads in the headquarters."

Savings: Amount unspecified.

Source: Civil Service Subcommittee on Overstaffing quoted in Hearings before Subcommittee of Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Treasury Department-Post Office Appropriations for 1952, pp. 370-371.

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"First. Congress should make a fresh start on appropriations. Congress must serve notice that, as of October 15, authorization to spend for other than defense purposes is suspended, unless before that date the President's Bureau of the Budget has submitted a revised budget reducing spending by \$10,000,000,000. In the meantime, the tax bill and further appropriation measures, particularly all appropriations for foreign aid, should be held up."

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"Second. The second step is to cut down the Federal Government to size--to send back to the State capitols, to the county courthouses, and the city halls, and to private citizens generally, the power that belongs to them and is rightfully theirs. For years a process has been under way by which the Federal Government has arrogated to itself powers and responsibilities that the Constitution never intended that the Central Government should have."

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"...The Senate should...take upon itself the task of dismantling our vast Federal establishment. This will prove to be a quick way to reduce Federal expenditures and Federal taxes. It will also greatly add to the value and efficiency of the remaining Federal agencies...."

Savings: Amount unspecified.

Source: Mr. Kem, Senator from Missouri, Congressional Record, September 25, 1951, p. 12291.

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INVESTIGATIONS

"A 'watchdog committee,' properly staffed...could have had gathered for our consideration here today a far more illuminating picture as to the needs of the armed services than we have had presented to us by the hard-working subcommittee which reported this bill. The staff members could look into at once rumors of wasteful spending, and our committee could then close the gate on that particular wastage....I think that it is high time to create that 'watchdog committee' and screen as far as possible these enormous appropriations...."

Savings: Amount unspecified.

Source: Mr. Andersen, Representative from Minnesota, Congressional Record, October 10, 1951, p. 13154.

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"...Every Member of this House knows that if 20 skilled investigators were employed by the committee and assigned on a regional basis over the United States to investigate personally, for the committee, the allegations of the Defense Department on these multitudinous projects, tremendous areas of savings would become apparent. Let us assume their salaries were \$10,000 per year. That would amount in 1 year to \$200,000. Can there be any doubt in the minds of all the Members of the House that these 20 men could reveal savings in a bill of this magnitude certainly of not less than \$1,000,000, or one sixty-five-hundredth of the total authorization of this bill, and five times the total of their combined annual

salaries. Why, if they should find savings, as I am sure they could, of only 1 percent in the total of a bill of this size, the saving would amount to \$65,000,000, or 325 times their total annual salaries."

Savings: \$65,000,000.

Source: Mr. Anderson, Representative from California, Congressional Record, August 10, 1951, p. 10021.

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"...I do know that some of us who made some investigations during World War II found every evidence of much waste, extravagance, and poor judgment in the spending of defense funds."

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"I do know that the American people would be as shocked as I have been if they could visit some of the coffee bars in the Pentagon during office hours. Seemingly about the only public officials who are staying on the job here in Washington and fighting a 7-day week war these days are the Members of Congress and their office staffs, because time after time I have had the experience that from Friday evening on, and generally from 3 or 4 o'clock Friday afternoon,...until Monday morning, of being unable to find anybody at the Pentagon to answer a question for me. So I say to you, it is my fixed conviction--and I have been forced to come to this conclusion--that we have the responsibility to see to it there where is established or created some sort of a 'watchdog committee' or organization representing all of us here in the House, because you and I as individual Members cannot do it, which will ride herd on these appropriations we are making here today which we have to accept on faith unless we can get absolute evidence they are not needed and are unnecessary. Such evidence is rather difficult to get, as I am sure the members of this subcommittee will agree. We should have this 'watchdog committee' or organization made up--and this is just a suggestion--of an equal number of members from the Committee on Armed Services, from the Committee on Appropriations, from the Committee on Expenditures, and, perhaps an equal number from the general House membership to represent all of us, to see to it that the funds appropriated by this bill are spent as we intend, and as the American people who are making the great sacrifices to furnish the money which we are appropriating, expect their money to be spent."

Savings: Amount unspecified.

Source: Mr. Brown, Representative from Ohio, Congressional Record, August 9, 1951, p. 9934.

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"...on October 19, 1950, Mr. J. P. Lawlor, president of the General Filter Co., of Ames, Iowa, went to Wright-Patterson Air Force Base, Dayton, Ohio, to find out if there was any contractual work available that could be performed by his company. While there he was given the forms and invited to submit a sealed bid covering 105 mobile demineralizers. On November 13, 1950, on behalf of his company, he did submit a sealed bid, accompanied by sufficient performance bond, a financial statement, and a letter from a financial institution stating that funds were available to his company to adequately finance the project.

"The bids were opened and read at 11 a.m., November 13, 1950. Five companies in all submitted sealed bids. The bid of the General Filter Co., of Ames, Iowa, was \$348,591.75. The next lowest bid was by the Refinite Corp., of Omaha, Nebr., \$409,842.50. The other three bids were higher than the Omaha corporation. The contract was awarded to the Refinite Corp., of Omaha, Nebr., whose bid was \$61,250.75 higher than the bid of the General Filter Co., of Ames, Iowa.

"No satisfactory explanation has been given to the General Filter Co., of Ames, Iowa, as to why its bid was rejected. A number of attempted explanations have been offered as a result of protests filed by the General Filter Co., of Ames, and each explanation is different than the previous one, and each one is just about as ridiculous and unfounded as the fact that \$61,250.75 of the taxpayers' money was spent unnecessarily on a \$350,000 to a \$400,000 contract. I have computed the amount of money lost to the taxpayers by rejecting the bid of the General Filter Co., of Ames, and awarding the contract to the Refinite Corp., of Omaha, to be approximately 15 percent....if all the contracts now being let, and to be let, by the Government are to be awarded on this kind of basis, it means that \$150,000,000 out of every \$1,000,000,000 will be an absolute loss to the taxpayers, or \$1,500,000,000 out of every \$10,000,000,000, \$3,000,000,000 out of every \$20,000,000,000, and \$15,000,000,000 out of every \$100,000,000,000."

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"...I am fully conscious of the limitation of the powers of Congress; namely, that it is only a legislative body with power to investigate, but not power to enforce any of its own laws. However,...under the present emergency, would it not be possible to have a committee of Congress set up with power to compel governmental agencies to reduce waste and cut out foolish expenditures such as the one I have just cited? Surely, through its control of the purse it could force a great reduction of unwarranted waste."

Savings: \$150,000,000 out of every \$1,000,000,000.

Source: Mr. Cunningham, Representative from Iowa, Congressional Record, February 14, 1951, pp. 1307, 1308.

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"...This time there is an appropriation of \$61,000,000,000, and there will be countless billions ahead in the future. Is it not appropriate that we should set up a task force to deal with this appropriation? I am wondering if perhaps we should not have a special committee, consisting of some members of the Appropriations Committee, some members of the Armed Services Committee, and possibly some members drawn from the body of the Senate, to integrate the work of the committees, but with the special task--I will not say of riding herd, but of watching with a solicitous eye the expenditures of the military to see whether they are wasteful or proper, and to make recommendations for future appropriations."

Savings: Amount unspecified.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, September 12, 1951, p. 11413.

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"...In my Congressional district are 10 Army, Navy, and Air Force installations. The amount of money that is given to that district is probably \$500,000,000. It is utterly impossible for a local Congressman in that kind of a district to go around and try to find out whether the requests that they make are justified. Furthermore, the requests are not made until after the Congress is in session, and those of us from the far reaches of the country do not have time to go home and do that. We must have some hired help, in my opinion, to go out there at the grass roots and screen the demands of these various agencies. I believe we could save...millions and perhaps billions of dollars."

Savings: Millions or billions of dollars.

Source: Mr. Johnson, Representative from California, Congressional Record, October 10, 1951, p. 13149.

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"I believe I express no more than the general consensus of the feelings of my colleagues when I say I am confident that there is a great deal of water in this bill, that the fifty-six billion could be squeezed down several billion, and that our defense would not be impaired, but improved, by an insistence that these public funds be used economically and efficiently..."

"We need fact-finding investigators to squeeze the water out of these appropriations. I predict that for every dollar we spend intelligently on investigators we will save at least \$10 in weeding out extravagance and waste."

Savings: Several billion dollars.

Source: Mr. Meader, Representative from Michigan, Congressional Record, August 8, 1951, p. 9778.

* * *

"...every member of the Senate has been concerned over the need for economy in Government expenditures during this emergency period, and we have sought, both by the continued study by the Committee on Appropriations and in the Senate, to reduce nondefense spending.

"We will soon have under consideration the largest of all the Appropriations bills namely, the \$60,000,000,000 military budget. We must scrutinize that budget just as carefully as the others. In fact I think we must go a step further and provide for a continuous study of the program for procurement and construction of military supplies, materials and facilities which will be authorized in the national-defense appropriations.

"I am sincerely hopeful that the Senate will act favorably on my proposal for a so-called 'watchdog committee' on the military budget, of which about \$43,000,000,000 will be for procurement and construction."

Savings: Amount unspecified.

Source: Mr. Thye, Senator from Minnesota, Congressional Record, August 10, 1951, p. 9983.

* * *

"Whatever the departments and agencies may do from an administrative standpoint in this connection, it is imperative that the Committees on Appropriations of the House and of the Senate be supplied with essential detail."

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"What is needed, in my judgment, is an adequate staff of investigators, who are responsible solely to the Appropriations Committee and to the Congress who have authority to go into the department and agencies concerned, and who are on the job 12 months of the year.

"Under the famous La Follette-Monroney Reorganization Act passed by the Seventy-ninth Congress, the committee of the Senate and House were supposed to be staffed with experts who could do the tremendous investigation and research work required to keep the membership informed in instances just like the one we face now."

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"The Committee on Appropriations charged with considering billions upon billions of dollars of appropriations annually is, today, without a proper staff of experts, in clear violation of the spirit of that act."

Savings: Amount unspecified.

Source: Mr. Wigglesworth, Representative from Massachusetts,
Congressional Record, August 8, 1951, p. 9757.

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"I believe that Congress must take major action to set up on a permanent and continuing basis an investigative arm by which it can achieve Federal economy.

"The basic challenge to us is to cope with the disease which afflicts Washington bureaus--a disease which might be called 'expansionitis.' The major symptoms of that disease are the desire for more space, more personnel, more money, more desks, more stationery, more automobiles, more everything."

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"...what I have in mind is an investigative arm which would be staffed by trained efficiency experts who could go into Federal offices throughout the country, find instances of duplication, wasted efforts, and so forth, and report back directly to the Congress."

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"...The main purpose of such experts would be to provide an adequate check on the overhead and other costs of the executive branch...."

Savings: Amount unspecified.

Source: Mr. Wiley, Senator from Wisconsin, Congressional Record, June 21, 1951, p. 7007.

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PERSONNEL

"1. Modern personnel management.

"...There are presently more than 2 million government employees--more than on the payrolls of the nation's 50 largest corporations combined and the number is growing daily. Most of these people want to do a good job, but they are hampered by red tape in recruiting skilled and specialized workers for key jobs, delay in both hiring capable workers and firing the incompetent, and 'empire building' within agencies.

"One minor governmental subdivision recently was found to have 17 'sections,' 27 'units,' 24 'sub-units,' 13 'groups,' and one 'inquiry office.' Some of them contained only one or two persons, but all had 'chiefs,' 'assistant chiefs,' and so on. No wonder 500,000 employees annually become frustrated and quit the government."

Waste: Amount unspecified.

Source: T. Coleman Andrews, "Freedom's War on Waste," Credit and Financial Management, Vol. 53, No. 7, July, 1951, p. 18.

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"Task force experts estimated that \$600 millions a year could be saved through more up-to-date and efficient federal personnel methods of selecting, training, and utilizing the government's 2 million employees...."

Savings: \$600,000,000 annually.

Source: Citizens Committee for the Hoover Report, Reorganization News, June, 1950.

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"...the Hoover Commission appointed a research committee, or 'task force,' to delve deeply into federal personnel procedures and practices....They arrived at two important facts:

"a. Not enough competent and ambitious workers find a government career attractive.

"b. The best use is not being made of many hundreds of thousand of hard working and capable government employees.

"A grave symptom of these conditions is the high turnover of government employees...."

"...The Civil Service Commission says that turnover during the coming year will exceed one out of every three government employees. The money and efficiency costs of refilling over 700,000 government jobs are literally beyond calculation."

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"To eliminate wasteful personnel practices and make a Federal career more attractive, the Hoover Commission recommendations included:

"1. Place primary responsibility for recruiting and examining professional, scientific, technical and specialized employees on the departments and agencies.

"2. Have the Civil Service Commission furnish the leadership for personnel administration throughout government by: setting standards for personnel programs, determining whether these programs actually measure up to the standards, calling 'halt' when standards are not met, considering appeals from employees and public.

"3. Give appointing officers more leeway than 'rule of three' in selecting right man for right job.

"4. Make a systematic attempt to attract first-rate young men and women for junior professional, scientific, technical and administrative posts.

"5. Develop specific programs for promoting career employees and promotion opportunities across agency lines.

"6. Give executive agencies authority and funds to train their most promising career employees.

"7. Develop positive participation on the part of employees in formulation and improvement of Federal personnel policies and practices.

"8. Take all minor patronage jobs like Collectors of Internal Revenue out of politics."

Savings: Amount unspecified.

Source: Citizens Committee for the Hoover Report, Here's How We Can Develop a "First Rate Career Service" in the Federal Government, December 1, 1951, pp. 3-4, 6.

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"There is a noticeable lack of high-calibered, broadly trained personnel in the field of supply management in the armed services. Field surveys have indicated that sufficient enthusiasm and response have not been generated in civilian and military personnel from existing training programs. Military personnel assigned to supply functions of all echelons have regarded these assignments merely as changes of duty and hence failed to develop and apply energetically modern techniques in this field. The present system of selection, assignment, and training of supply personnel is not conducive to an efficient over-all supply management program.

"Recommendation.--

"Effective supply-training programs for military and civilian personnel should be instituted by the Department of Defense. This is necessary to develop a sufficient number of highly trained supply personnel, including those procured from civilian life. Until complete integration is effected, training should be given the personnel of one service in the supply procedures and operations of the other military branches."

Savings: Amount unspecified.

Source: Sixth Intermediate Report of the Committee on Expenditures in the Executive Departments, House of Representatives, 82d Cong. 1st Sess., Federal Supply Management (Military and Related Activities), p. 7.

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"6. Finally, the hiring of skilled and specialized personnel for all government agencies would be decentralized to permit the agency itself to pick its own people, subject to standards set and policed by the Civil Service Commission. The new defense agencies already have this power; most of the rest of the government, in filling any job below the policy-making echelon, has to go through a tedious rigmarole; official notices in post offices, civil-service examinations, adjustment of the examination results to allow for 'veterans' preference,' and eventually a choice from a panel of three candidates, all acceptable to the Civil Service Commission and, as it sometime happens, none of them suitable for the job. (And, of course, the only thing harder than hiring the right man, under present civil-service procedure, is firing the wrong one.)

"This last reform is in many respects the key measure."

Savings: Amount unspecified.

Source: Fortune, Vol. XLIII, No. 4, April, 1951, p. 84.

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"Writing in direct response to a request from Senator Henry Cabot Lodge, Jr., Republican of Massachusetts, who sponsored the legislation founding the commission, Mr. Hoover declared that 'first priority must be given to proposals for better personnel management.'

"The need for attracting and holding capable administrative, scientific and specialized personnel has been greatly accentuated by the emergency,' he said. 'As the commission said: "High caliber executives can eliminate cumbersome and wasteful forms of management." No matter how good a watch is, someone must wind it.'"

Savings: Amount unspecified.

Source: Mr. Herbert Hoover, as reported in The New York Times, February 9, 1951, p. 10.

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"I...propose ...to appoint a special subcommittee, to be composed of seven members of the Senate Post Office and Civil Service Committee--four Democrats and three Republicans, to make a detailed

inquiry into civil-service policies, to examine the manpower needs of Federal Agencies, and to hammer out a manpower policy for the Government for the duration of the emergency."

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"Conservatively, at least half of the positions in the National Military Establishment now filled by military personnel are in reality civilian positions. The average Government civilian costs approximately \$3,400 a year. The direct and indirect cost of a soldier in uniform is estimated to be at least \$5,000 a year, and some estimates place the cost as high as \$9,000 a year, when veteran and other indirect costs are included. Even if one-half the military positions were changed to civilian positions, there would be an annual saving of over one and one-half billion dollars, on a conservative estimate, and probably the savings would be several times this amount."

Savings: \$1,500,000,000.

Source: Mr. Johnston, Senator from South Carolina, Congressional Record, January 25, 1951, pp. 702, 703.

* * *

"...The federal government employs nearly 2,300,000 persons, more than the total payrolls of the nation's 50 largest corporations. The efforts of this huge labor force must be utilized fully. Yet the Hoover Commission found endless evidence of red tape, duplication, and delay. Most government employees will agree that the government's methods of recruiting, training and utilizing personnel can be improved. This is particularly true of skilled and specialized workers, whose services so vitally affect the success of our defense mobilization, as well as the basically important day-by-day operations of the government.

"There is need for reform in many of the Civil Service regulations and in the administration of personnel in the agencies. There is need for the development of the concept that public service is an honorable and useful career which should attract able and conscientious men and women."

Savings: Amount unspecified.

Source: Mr. James P. Mitchell, Chairman of a Special Committee on Federal Personnel Policy, as quoted in the Release of the Citizens Committee for the Hoover Report, Monday, June 11, 1951.

"It is recommended that no general federal pay increase be authorized unless and until a careful investigation by a competent, non-partisan group shows that a salary increase is necessary to establish compensation of federal employees, including so-called 'fringe' benefits, on an equitable basis in relation to compensation for comparable positions in private employment.

"Such an investigation should include:

"1--A comparison of the salaries, vacations, sick leaves, and all other paid benefits in private employment and the pay of state and local government employees in representative sections of the country,

"2--A thorough study of the extent to which present federal employees have received pay increases through transfer, upgrading and promotion;

"3--A review of the Classification Act of 1923 with the objective of revising the act to eliminate long-continued abuses such as basing supervisory salaries on numbers of employees supervised."

Savings: Amount unspecified.

Source: National Association of Manufacturers, Government Spending Committee, as quoted in NAM News, Vol. XIX, No. 25, June 23, 1951, p. 18.

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"There must be drastic reforms in methods of hiring, promoting, firing, and paying government employees. Such reforms would make government service more attractive to better and younger people. They would reduce a costly turnover that now runs to about 25 percent a year. They would increase the efficiency of two million workers by an estimated 10 percent. They would reverse the protective, negative Civil Service philosophy which is based on rights and not on ability. As Mr. Hoover has declared, 'We cannot entrust the Government of today to second-rate men and women.'"

Savings: Amount unspecified.

Source: Gwilym A. Price, "The Hoover Plan: Performance and Prospects," Dun's Review, March, 1951, pp. 13, 59, 62-63.

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