

81ST CONGRESS } HOUSE OF REPRESENTATIVES { REPORT  
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BUDGETING AND ACCOUNTING PROCEDURES ACT OF  
1950

JULY 13, 1950.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

Mr. DAWSON, from the Committee on Expenditures in the Executive  
Departments, submitted the following

REPORT

[To accompany H. R. 9038]

The Committee on Expenditures in the Executive Departments, to whom was referred the bill (H. R. 9038) to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

- Page 6, line 17, strike "Transitory Provisions".
- Page 6, Beginning with line 18, strike all "SEC. 103." through line 9, page 7.
- Page 7, line 11, strike "104", insert "103".
- Page 7, line 20, strike "105", insert "104".
- Page 8, line 2, strike "106", insert "105".
- Page 18, line 2, strike "Transfers Between Appropriations".
- Page 18, Beginning with line 3, strike all "SEC. 201." through line 14.
- Page 18, line 16, strike "202", insert "201".
- Page 19, line 1, strike "Reductions in Appropriations".
- Page 19, Beginning with line 2, strike all of "SEC. 203", through line 8.
- Page 19, line 10, strike "204", insert "202".

## GENERAL STATEMENT

The Commission on Organization of the Executive Branch of the Government advocated a general overhaul of Federal fiscal procedures. Many of the present accounting methods which are now controlled by the Budget and Accounting Act of 1921 and a mass of earlier legislation are outmoded due to the tremendous growth of our Government in the past 30 years. They do not provide the Government or the taxpayer with accurate and complete information as to revenue received and expenditures made by the Government in connection with its operations.

H. R. 9038 and companion bill S. 3850 provide a complete framework for bringing the budgeting, accounting, and auditing procedures of the Government up to date. The bill provides for the setting up of an accounting system incorporating sound commercial and governmental practices and providing better controls over all Federal funds.

## PURPOSE

Title I of the bill provides for modernized budget and accounting procedures, to supplement the Budget and Accounting Act of 1921, under a joint and continuous program designed to bring about improvement of accounting and financial reporting in the Government, by the Comptroller General of the United States, the Secretary of the Treasury, and the Director of the Bureau of the Budget.

The bill makes ample provision for a completely revised and modernized performance budgeting program, and for full disclosure of the results of Federal financial operations and for effective control over income, expenditures, funds, property, and other assets.

Part II of title I, in authorizing the establishment of a balanced and coordinated accounting program, (a) requires the Comptroller General to prescribe the principles, standards, and related requirements for accounting; to provide a basis for integrated accounting for the Government, full disclosure of the results of financial operations of each executive agency and the Government as a whole, and financial information and control necessary to enable the Congress and the President to discharge their respective responsibilities; (b) establishes responsibility for maintenance of accounting systems and the production of financial reports on the operations of the executive agencies with centralized accounting and financial reporting vested in the Secretary of the Treasury; and (c) centers in each department and agency authority and responsibility to establish and maintain its own accounts under the general principles, standards, and related requirements established by the Comptroller General of the United States.

The auditing of the Federal Government's financial transactions will continue to be conducted by the Comptroller General of the United States, as an agent of the Congress, under provisions permitting more comprehensive and more selective audits, to be developed in line with improved agency accounting systems, internal controls, and related administrative practices.

Title II provides that no request for legislation which would authorize subsequent appropriations for a department or establishment in the executive branch shall be transmitted to the Bureau of the

Budget, to the President or to the Congress, by such department or establishment or any organizational unit thereof, without the prior approval of the head of the department or establishment. The foregoing feature is in conformance with the recommendations of the Commission on Organization of the Executive Branch of the Government, since that Commission specifically outlined as its abiding principle that clear lines of authority and responsibility should extend within each agency structure "from the top to the very bottom."

In addition, this title also provides for adjustments of appropriations made necessary by reorganizations.

Title III contains 106 provisions for repeal, in whole or in part, of existing laws which are obsolete, or would be in conflict with the provisions of the subject bill. Of this total, 89 are either inconsistent with or superseded by the Budget and Accounting Act or other existing laws; 13 have been superseded by or modified by appropriation acts, or can be more appropriately provided for on an annual basis, in the texts of the various appropriation acts rather than in permanent law; 3 call for reports having only doubtful value; and the final one (No. 85), repealing existing requirements of law relating to personnel ceilings and limitations, is considered by the committee to be unnecessary under existing budgetary controls and appropriation procedures.

This section also includes saving provisions made necessary to insure the continuation of authority granted under the provisions of the Budget and Accounting Act of 1921 which are not specifically repealed.

#### RECOMMENDATIONS OF THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

For the last 3 years a joint accounting program under the leadership of the Comptroller General of the United States, Secretary of the Treasury, and Director of the Bureau of the Budget has been making marked advances in a constructive program for improvement and modernization of the Government's accounting and financing reporting. The Commission on Organization in their specific recommendations closely adhere to the progress and direction undertaken by the Joint Accounting Program.

In the Report on Budgeting and Accounting by the Commission on Organization were the following recommendations which have been incorporated fully into this legislation. These recommendations may be cited as follows:

*Recommendation No. 1.*—"We recommend that the whole budgetary concept of the Federal Government should be refashioned by the adoption of a budget based upon functions, activities, and projects: this we designate as a 'performance budget'."

*Recommendation No. 3.*—"We recommend that the budget estimates of all operating departments and agencies of the Government should be divided into two primary categories—current operating expenditures and capital outlays." Budget estimates of all operating departments and agencies of the Government should be divided into two primary categories—current operating expenditures and capital outlays.

*Recommendation No. 5.*—"Therefore, the Commission recommends that the review and revision by the Estimates Division of the Office of the Budget be done from the first to the final stages in conjunction

with representatives of the Administrative Management and Fiscal Divisions.

"(a) The development of a consistent policy and program for the executive branch as a whole;

"(b) The improvement of its organization and management;

"(c) The coordination of certain administrative activities which are common to various departments (such as statistics and reports)."

*Recommendation No. 6.*—"The Commission recommends the development of much closer relations between the constituent divisions of the Office of the Budget and with such agencies as the President's personal staff, the Treasury Department. \* \* \*"

*Recommendation No. 7.*—"In dealing with the budgets of the executive departments and agencies, the Office of the Budget should place much greater emphasis on the developing of policies and standards to govern the preparation of estimates, and on the development of adequate budget work in the departments themselves, and comparatively less on the review by its own staff of the details of departmental estimates. A program or performance budget should be the goal. \* \* \*"

*Recommendation No. 9.*—"The Commission therefore recommends that authority be given to the President to effect improvements in statistical activities and that such authority be delegated to the Director of the Division of Statistical Services in the Office of the Budget. Thus responsibility for reforms would be definitely located."

*Recommendation No. 11.*—"Therefore the Commission recommends:

"(a) That the practice of sending millions of expenditure vouchers and supporting papers to Washington be stopped as far as possible.

"(b) But this Commission recommends, in view of the fantastic growth of detail, that a spot sampling process at various places where the expenditure vouchers and papers are administratively checked might be substituted for much of the present procedure of bringing all these documents to Washington."

*Recommendation No. 12.*—"Our task force on accounting recommends that the accrual basis of accounting should be applied to both revenues and expenditures. It recommends simplification or elimination of the present warrant system. It proposes uniform departmental practices, procedures, nomenclature, better inventory and public debt accounting, which would greatly reduce staff and red tape."

The bill also contains authority to the Comptroller General to discontinue the maintenance in the General Accounting Office of appropriation, expenditure, limitation, receipt, and personal ledger accounts when in his opinion the agency accounting systems and internal controls are sufficient to enable him to perform properly the functions to which such accounts relate.

The Commission also recommended, in its Report on Federal Business Enterprises, that the Congress should amend the Government Corporation Control Act of 1945 to promote business-type budgets. Section 105 provides that wholly owned Government corporations shall prepare annually business-type budgets which shall be submitted to the Bureau of the Budget under such rules and regulations as the

President may establish as to the date of submission, the form and content, the classifications of data, and the manner in which such budget program shall be prepared and presented.

The report on the Post Office includes a recommendation (No. 6) to the effect that a business-type form of budget, accounting, and audit under the Government Corporation Control Act of 1945 be applied to the Post Office.

The Post Office Department is exempted generally from the accounting provisions of this bill. This is necessary in view of the fact that the House has recently passed a separate bill (H. R. 8923) which would put into effect the same general provisions applying to all other agencies of the Government under the subject bill with certain other authorizations and controls applying specifically to that Department.

This bill does not create an Accountant General under the Secretary of the Treasury with authority to prescribe general accounting methods and enforce accounting procedures as set out in Report on Budgeting and Accounting, Recommendation No. 10 (p. 39).

Under a policy established and steadfastly adhered to by the Congress, the Comptroller General of the United States, as an agent of the Congress, has been vested with authority to prescribe accounting requirements for each of the executive agencies in order that appropriate audits might be made thereof and that the Congress might exercise control of appropriations and expenditures in the executive branch. The committee feels that this long-established policy of Congress is an essential legislative control over public financial transactions, and must be held inviolate. It has, therefore, rejected this recommendation of the Hoover Commission. The bill does fill in certain gaps in the Comptroller General's authority, however, and he will be enabled to exercise all his authority on the same high level of principles, standards, and related requirements, consistent with the assumption by the agencies of their responsibility to develop their own detailed systems and procedures so that accounting may be made fully effective for management purposes.

The bill also vests, through appropriate provisions, in the Secretary of the Treasury authority for central accounting and financial reporting, and in the heads of all departments and agencies authority to establish accounting systems best suited to their own needs within the framework of the principles and standards prescribed by GAO.

The Commission on Organization of the Executive Branch, in its concluding report, stated that—as a matter of principle, the Commission has not been concerned with matters of substantive policy. In practice, however, it has often been extremely difficult to separate policy from administration, although a conscientious effort has been made to do so.

In the opinion of this committee, not only is the question of appointing an Accountant General to supersede the representative of Congress—the Comptroller General—a substantive policy matter, but the committee further believes that this proposal also concerns primarily the legislative branch of the Government rather than the executive branch, over which the Hoover Commission had no jurisdiction in conducting its survey for reorganizations in the Federal Government.

## TITLE I—BUDGETING AND ACCOUNTING

Title I on budgeting and accounting contains two parts. The first, on budgeting, clarifies the Budget and Accounting Act of 1921 to emphasize authority for the preparation of a performance budget with financial information in terms of functions and activities of the Government, and a segregation of operating and of capital and investment programs. Technical amendments to the provisions of the Budget and Accounting Act are made in aid of the objective to develop budgetary information in the manner best suited to present the financial program of the Government. Increased emphasis is placed on the development by the President through the Bureau of the Budget of plans for the organization, coordination, and management of the executive branch with a view to efficient and economical service, and improvements in the gathering, compiling, analysis, and publication of statistical information by the executive branch. The authority thus granted would supplement existing authority relating to these matters.

### ANALYSIS—TITLE I

#### PART I—BUDGETING

##### DEFINITION

##### *Section 101*

This section adds a definition of the term "appropriations" to section 2 of the Budget and Accounting Act of 1921 to make it clear that the use of this term is intended to include nonappropriated funds and contract authorizations wherever appropriate.

##### PERFORMANCE BUDGET AND REGULATIONS

##### *Section 102*

*Subsection (a).*—This subsection requires that the budget be transmitted to Congress during the first 15 days of each regular session, instead of on the first day as presently required. This will permit some flexibility in the timing of the submission of the State of the Union message, the Economic Report, and the budget. Items (a), (b), and (c) provide for the inclusion in the budget, in such form and detail as the President may determine, of certain specified items, which are intended to make the budget more informative and understandable and which follow the recommendations of the Commission on the Organization of the Executive Branch of the Government. Item (a) provides specifically that the budget be presented on a performance basis, under which emphasis will be placed on functions and activities and justifications will be based to the maximum extent possible on workloads and unit-cost data. This process will permit the budget to be tailor-made for each item in order to present each budget request in the most practicable and understandable manner. Item (b) specifically requires a separation of (1) operating programs from (2) capital and investment programs. In addition to these two classifications, item (c) permits the use of any other desirable classifications, such as grants, etc.

Item (d) requires a summary reconciliation of expenditures with appropriations, to provide the Congress with information on the effect on expenditures of its action on appropriations.

Items (e) and (f) clarify present wording of the Budget and Accounting Act with respect to estimated expenditures, estimated receipts and proposed appropriations.

Items (g) and (h) require that the budget give information on appropriations for the past year as well as for the current year and the budget year. This provides for showing full information on a 3-year basis, not only with respect to receipts and expenditures, but also with respect to appropriations. The present requirement for the showing of unobligated balances of appropriations as of November 1, is eliminated.

Items (i), (j), and (k), requiring balanced statements of the condition of the Treasury, facts regarding the bonded and other indebtedness of the Government, and other financial statements, are identical with present provisions.

*Subsection (b).*—This subsection, relating to the submission of proposed supplemental and deficiency appropriations, is the same as present law except for clarification in terminology.

*Subsection (c).*—This subsection provides that, except as otherwise provided in the Budget and Accounting Act, the content, order and arrangement of the proposed appropriations and statements of expenditures contained in the budget shall conform to requirements prescribed by the President. Subsection 204 (b) of the Budget and Accounting Act, relating to proposed lump-sum appropriations is eliminated, as the provisions thereof are now obsolete.

*Subsection (d).*—This subsection requires the submission, whenever a basic change is made in the form of the budget, of supplementary notes and tables to relate the various items in the budget in which such change is made to the corresponding items in the budget of the prior year. The obsolete language pertaining to the alternative budget for the fiscal year 1923 is eliminated.

*Subsection (e).*—This subsection clarifies present terminology. The phrase relating to the preparation of the "alternative budget" is deleted, in accordance with the change made by subsection (d).

*Subsection (f).*—This subsection places responsibility for the preparation of the departmental estimates on the head of the agency. This will serve to bring provisions of the Budget and Accounting Act in line with recommendations of the Commission on Organization of the Executive Branch to strengthen the authority of the Department head for budget formulation.

*Subsection (g).*—This subsection provides that the President shall determine the date for submission of the departmental requests for appropriations to the Bureau, as a substitute for the present requirement that such requests be submitted on or before September 15. The purpose of this subsection is to provide flexibility in the timing of the submission of departmental requests for appropriations. The wording of this subsection has also been revised to be consistent with the changes made in other sections of the bill.

*Subsection (h).*—This subsection makes no substantive change; it merely provides clarifying language.

#### GOVERNMENT STATISTICAL ACTIVITIES

##### *Section 103*

This section clarifies the present law in accordance with the recommendations of the Commission on Organization of the Executive

Branch with respect to the supervision and coordination of the Government's statistical activities, and is intended to be in addition to, and not in substitution for, the existing authority of the Bureau of the Budget with respect to Government statistical and reporting activities.

#### IMPROVED ADMINISTRATION OF EXECUTIVE AGENCIES

##### *Section 104*

This section emphasizes the responsibility of the Bureau of the Budget for improving the organization and management of the executive branch in accordance with the recommendations of the Commission on Organization of the Executive Branch. It is not intended to be in substitution for the existing authority of the Bureau of the Budget with respect to Government organization and management.

#### BUSINESS-TYPE BUDGETS

##### *Section 105*

This section amends the Government Corporation Control Act of 1945 to make it consistent with the Budget and Accounting Act as amended by section 102 of this bill as to date of submission of budgets of agencies subject to the 1945 act.

#### ACCOUNTING AND AUDITING

Part II of title I comprises a complete Accounting and Auditing Act of 1950. H. R. 9038 embodies the principles and objectives of the cooperative program which is being conducted under the leadership of the Comptroller General of the United States, the Secretary of the Treasury, and the Director of the Bureau of the Budget to improve the Government's accounting, financial reporting, and auditing. The provisions of this part will also facilitate the attainment of the budgetary improvements provided for elsewhere in the bill. This part spells out clear-cut responsibilities and duties while at the same time providing for their exercise in proper relationship and cooperation toward the common goal of making accounting, financial reporting, budgeting, and auditing of the greatest value.

The careful allocation of responsibilities is designed to produce an integrated accounting system for the Government as a whole. Emphasis is placed on the development and use of agency accounting systems as the foundation for financial control and the production of necessary financial information. Provision is made for progressive improvement and simplification of the present accounting of the Government and a specific basis is laid for more comprehensive and selective performance of the independent audit by the General Accounting Office to the fullest extent practicable at the site of operations. This legislation will provide flexibility that is urgently needed for putting into effect more economical and efficient accounting and auditing procedures in order to obtain maximum benefits from work now going forward under the joint accounting program and lays a solid foundation for carrying out the policies and objectives of the program.



ANALYSIS—PART II, TITLE I

SHORT TITLE

*Section 110*

This section provides a short title, "Accounting and Auditing Act of 1950."

DECLARATION OF POLICY

*Section 111*

This section declares the congressional policy that:

(a) The accounting of the Government provide full disclosure of the results of financial operations, adequate financial information needed in the management of operations and the formulation and execution of the budget, and effective control over income, expenditures, funds, property, and other assets.

(b) Full consideration be given to the needs and responsibilities of both the legislative and executive branches in the establishment of accounting and reporting systems and requirements.

(c) The maintenance of accounting systems and the producing of financial reports with respect to the operations of executive agencies, including central facilities for bringing together and disclosing information on the results of the financial operations of the Government as a whole, be the responsibility of the executive branch.

(d) The auditing for the Government, conducted by the Comptroller General of the United States as an agent of the Congress be directed at determining the extent to which accounting and related financial reporting fulfill the purposes specified, financial transactions have been consummated in accordance with laws, regulations, or other requirements, and adequate internal financial control over operations is exercised, and afford an effective basis for the settlement of accounts of accountable officers.

(e) Emphasis be placed on effecting orderly improvements resulting in simplified and more effective accounting, financial reporting, budgeting, and auditing requirements and procedures and on the elimination of those which involve duplication or which do not serve a purpose commensurate with the costs involved.

(f) The Comptroller General of the United States, the Secretary of the Treasury, and the Director of the Bureau of the Budget conduct a continuous program for the improvement of accounting and financial reporting in the Government.

RESPONSIBILITIES OF THE COMPTROLLER GENERAL

*Section 112*

Subsection (a) provides that the Comptroller General, after consulting with the Secretary of the Treasury and the Director of the Bureau of the Budget, and after considering the needs of other executive agencies, shall prescribe the principles, standards, and related requirements for accounting to be observed by each agency, including requirements for suitable integration between the accounting processes of the executive agencies and the accounting of the Treasury Department.

Subsection (a) also specifies that requirements prescribed by the Comptroller General shall be so designed as to permit the executive

agencies to carry out their individual responsibilities for accounting under section 113. At the same time, the requirements must provide a basis for integrated accounting for the Government, full disclosure of the results of financial operations of individual executive agencies and for the Government as a whole, and for financial information and control necessary to enable the Congress and the President to discharge their respective responsibilities.

The subsection directs the Comptroller General to continue to exercise the authority vested in him by section 205 (b) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 389; 41 U. S. C. 235 (b)), thereby assuring proper coordination with the property management responsibilities of the Administrator of General Services under that act. The Comptroller General is also to continue to exercise, to the extent he deems necessary, the authority vested in him by section 309 of the Budget and Accounting Act, 1921 (42 Stat. 25; 31 U. S. C. 49). This latter provision of the subsection will permit the Comptroller General to exercise his prescribing authority over appropriation and fund accounting systems in terms of principles, standards and related requirements rather than in terms of detailed forms and procedures coordinate with the proper assumption by agencies of their responsibilities under section 113. Any exercise of authority under the two cited sections of existing law is to be consistent with the provisions of this section, thereby enabling the prescribing authority to be exercised in the light of an understanding of all the needs which accounting must serve and in a manner which will bring about appropriate coordination of all phases of accounting systems.

Subsection (b) provides that the General Accounting Office shall cooperate with the executive agencies in the development of their accounting systems, and with the Treasury Department in the development and establishment of the system of central accounting and reporting required by section 114 of the bill. Provision is made in subsection (b) for accounting systems to be approved by the Comptroller General when deemed by him to be adequate and in conformity with the principles, standards, and related requirements prescribed by him.

Subsection (c) directs the General Accounting Office to review accounting systems of the executive agencies from time to time and to make the results of such reviews available to the heads of the executive agencies concerned, the Secretary of the Treasury and the Director of the Bureau of the Budget. It is also provided that the Comptroller General shall make such reports on the review of accounting systems to the Congress as he deems proper. It is contemplated that there will be proper coordination between the performance of such reviews and the audits by the General Accounting Office.

Taken as a whole, this section furnishes the Comptroller General as the agent of the Congress with authority and responsibility for providing for a sound accounting structure for the Government from the standpoint of effective financial control and independent audit on a basis consistent with the proper development of accounting and financial reporting in the executive branch as an essential arm of management.

RESPONSIBILITIES OF THE EXECUTIVE AGENCIES

*Section 113*

This section sets out the duties and responsibilities of the head of each executive agency for the establishment and maintenance of the systems of accounting and internal control in his agency. It is provided in subsection (a) that the systems of accounting and internal control shall provide (1) full disclosure of the financial results of the agency's activities; (2) adequate financial information needed for management purposes; (3) effective control over and accountability for all funds, property, and other assets for which the agency is responsible, including internal audit; (4) reliable accounting results to serve as the basis for the preparation and support of the agency's budget requests, for controlling the execution of the agency's budget, and for providing financial information required by the Bureau of the Budget under section 213 of the Budget and Accounting Act, 1921 (42 Stat. 23); and (5) suitable integration of the accounting of the agency with the accounting of the Treasury Department in connection with central accounting and reporting responsibilities imposed on the Secretary of the Treasury by section 114 of the bill.

Subsection (b) provides that the accounting systems of executive agencies shall conform to the principles, standards, and related requirements prescribed by the Comptroller General.

The intent and purpose of section 113 is to place upon the head of each executive agency for the first time the clear responsibility for the establishment and maintenance of an adequate and complete accounting system. It is not intended that the Comptroller General normally shall be compelled to prescribe the details of each system but the system developed by the agencies must conform to the principles, standards, and related requirements prescribed by him.

RESPONSIBILITIES OF THE SECRETARY OF THE TREASURY

*Section 114*

This section recognizes the necessity of providing means for systematically bringing together and producing information needed regarding the results of the financial operations of the Government as a whole. It recognizes further that central facilities for that purpose should be in the Treasury Department because of the nature of the fiscal operations, accounting, and reporting it performs.

Subsection (a) imposes on the Secretary of the Treasury the responsibility for producing financial reports which will make adequate disclosure of the results of the financial operations of the Government. Such reports obviously cannot serve all the many purposes of financial reporting in the Government, but, they should supply a long-standing need on the part of the legislative and executive branches and the public for more useful and understandable presentations of financial information from the standpoint of the Government as a whole. Provision is made for including in these over-all reports such data as the Director of the Bureau of the Budget may require in connection with preparation of the Budget and other purposes of the Bureau. This will not interfere with the authority of the Director to obtain

directly from the executive agencies such other financial information as he may need from them. To enable the Secretary to carry out this responsibility for central reporting, authority is given him to issue rules and regulations requiring from each executive agency, including each corporation and agency subject to the Government Corporation Control Act, such financial reports and related information as may be necessary.

In order that an appropriate operating center will be provided to produce the required reports, the Secretary is given broad authority under subsection (b) to reorganize accounting functions and change accounting procedures and financial reports within the Treasury Department and to establish organizational and other facilities necessary for that purpose. The flexibility thus provided should enable the Secretary to establish the internal accounting and reporting of the Treasury Department on the most integrated and efficient basis and to concentrate functions and responsibility in such a manner as will facilitate consolidating the accounting results of other agencies with those of the Department on a consistent and reliable basis.

Under subsection (c) the system of central accounting and reporting established by the Secretary pursuant to this section must be consistent with the principles, standards, and related requirements prescribed by the Comptroller General of the United States under section 112 of the bill.

Important related features of the bill are the specific provisions in sections 112 and 113 for suitable integration between the accounting processes of each executive agency and those of the Treasury Department where they coincide. This is essential to the preparation of financial reports of the Government on a reliable and consistent basis and without repetitive recording of financial transactions.

REGULATIONS FOR RECEIPT, RETENTION, AND DISBURSEMENT OF PUBLIC FUNDS

*Section 115*

Under procedural requirements of existing law to which this section relates, particularly those codified in sections 76, 147, and 529 of title 31, United States Code, the moneys of the United States are received, kept, and disbursed upon warrants drawn by the Secretary of the Treasury and countersigned in the General Accounting Office. Advances are required to be made to disbursing officers of the Government for disbursing purposes, for the most part under separate appropriation headings. Requisitions for such advances before being acted on by the Secretary of the Treasury are required to be sent to the General Accounting Office for approval as provided by those provisions of law codified in section 78 of title 31. These requirements were intended to provide safeguards and controls over the receipt and disbursement of the public funds, and in harmony therewith warrants are issued by the Treasury Department and countersigned in the General Accounting Office in connection with such matters as the setting up of appropriations on the books of the Government, transfers and adjustments between appropriations, writing off of expired appropriation balances, and advancing of funds to disbursing officers:

In order to provide a means for eliminating in an orderly manner the duplicating and overlapping of controls and accounting involving

the control of disbursements in relation to appropriations, this section provides authority for modification or elimination of the present procedures involving the issuance and countersignature of warrants. The Secretary of the Treasury and the Comptroller General, who now issue and countersign warrants as a means of control over receipts and disbursements, are authorized by this section to waive the present requirements for the use of warrants by joint regulations which would prescribe simpler and more efficient procedures. This authority will be exercised when the Secretary of the Treasury and the Comptroller General determine that sufficient safeguards over the control and accounting for public funds are otherwise provided. Such regulations issued by the Secretary of the Treasury and the Comptroller General may provide further for the payment of vouchers by means of checks issued against the general account of the Treasurer of the United States rather than against advances to disbursing officers by individual appropriations.

It is contemplated that the process of substituting simpler procedures for those presently required in connection with the issuance and countersignature of warrants will be based essentially on full utilization of effective accounting and internal controls established in the operating agencies supplemented by appropriate independent audits and the coordinate modification or elimination of central control processes and accounting operations.

DISCONTINUANCE OF ACCOUNTS IN THE GENERAL ACCOUNTING OFFICE

*Section 116*

This section authorizes the Comptroller General to discontinue the maintenance of certain accounts in the General Accounting Office when, in his opinion, the accounting systems and internal control of the responsible agencies are sufficient to enable him to perform the functions to which such accounts relate. This is consistent with the objective to utilize accounting systems established in the operating agencies to the fullest extent possible for control and audit purposes.

AUDITING PROVISIONS

*Section 117*

This section provides certain clarification of authority as the basis for improvement and simplification of the audit function of the General Accounting Office on a coordinated basis with the improvement of accounting and internal control procedures in the agencies:

Subsection (a) provides that, except as otherwise specifically provided by law, financial transactions of each executive, legislative, and judicial agency, including but not limited to the accounts of accountable officers, shall be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. It further provides that in the determination of the auditing procedures to be followed and the extent of the examination to be made of vouchers and other documents, the Comptroller General will give due regard to generally accepted principles of auditing. This provides specific authorization to regulate the amount of detailed audit work to be done in the light of the effectiveness of the agency's accounting system, related internal control and other proce-

dures, and of administrative application of statutes and other legal requirements governing financial transactions. This opens the way to greater use of selective examination of transactions and provides specific statutory recognition and foundation for the comprehensive on-the-site audit program which has been instituted by the General Accounting Office as the basis for more effective and efficient discharge of its responsibilities to the Congress in the audit of the financial transactions of the Government and the settlement of accounts of accountable officers. The provisions of this subsection are based upon the principle that external audit and control methods should be developed by the General Accounting Office in balanced relationship with features of agency accounting, internal control and interrelated procedures, and the more effective the internal controls, the more efficient and economical will be the independent audit.

Subsection (b) implements the foregoing provisions by authorizing the Comptroller General to require any executive agency to retain in whole or in part accounts of accountable officers, contracts, vouchers, and other documents, which are required under existing law, codified in 31 U. S. C. 496 and related provisions, to be submitted to the General Accounting Office. This will provide for orderly expansion of the program for auditing financial transactions at the site of operations in the agencies and avoid the necessity under appropriate circumstances for submission of documents to the General Accounting Office in Washington. It will enable present temporary arrangements between the Office and executive agencies under which site and comprehensive audits are being performed to be placed on a firm and permanent basis.

## GENERAL PROVISIONS

*Section 118*

*Definition of executive agency.*—This section defines the term “executive agency” as used in this part to mean any executive department or independent establishment in the executive branch of the Government but excludes from such definition, except for the purposes of sections 114, 116, and 119, any Government corporation or agency subject to the Government Corporation Control Act (59 Stat. 597; 31 U. S. C. 841). It is not intended to supersede the existing authority of the corporations to maintain their accounting systems under determinations made by them. With respect to the audit of such corporations, the Government Corporation Control Act already provides for a comprehensive commercial-type audit of their transactions by the General Accounting Office and for report thereof to the Congress by the Comptroller General. However, in the case of section 114, it is necessary to the preparation by the Secretary of the Treasury of reports presenting the results of the financial operations of the Government that the Government corporations, along with the other executive agencies, furnish the Secretary the financial reports and information referred to in subsection (a) of that section. In the case of a few corporations accounts for certain funds are maintained in the General Accounting Office under present law. The provisions of this section 118 will enable the Comptroller General to discontinue such accounts on the same basis with respect to corporations as with respect to other executive agencies. Similarly, in the case of section 119, it is intended to confer on the corporations the authority with respect to the adminis-

trative examination of fiscal officers' accounts when required under present law.

This section further provides that the term "executive agency" as used in this part shall not include the Post Office Department except for the purposes of sections 111 (declaration of policy), 114 (central accounting and reporting), and 116 (discontinuance of accounts in General Accounting Office). The reasons for inclusion of the Post Office Department in the last two sections are similar to those in the case of the Government corporations. The substance of those provisions in this part affected by exclusion of the Post Office Department from the definition is dealt with in H. R. 8923, the Post Office Department Financial Control Act of 1950, passed by the House of Representatives, and S. 3829, an identical bill pending in the Senate. Enactment of that measure, while consistent with these provisions, will render their application to the Department unnecessary.

*Section 119*

*Administrative examination of accounts.*—This section will substantially modify the present legal requirements that the head of each executive agency perform an administrative examination of fiscal officers' accounts at the seat of government in Washington. This is an antiquated requirement inconsistent with the great amount of decentralization of operations to the field and the development of more effective means of controlling field operations than through the administrative examination of vouchers after they have been paid by disbursing officers or collection documents after the receipt and deposit of funds. It is also completely inconsistent with the post-audit of transactions by the General Accounting Office where the accounts and records of agencies are normally kept. In those agencies where strictly observed, it results in much unnecessary paper work and handling and shipping of documents, which in many cases is a mere formality. While these conditions have in part been alleviated by revised procedures under present law, the authority provided by this section is necessary to attainment of maximum simplification. The provisions of this section are in accordance with recommendations growing out of an extensive joint study made by the General Accounting Office, Treasury Department, and Bureau of the Budget.

The section authorizes the head of each executive agency to designate the place where the agency will conduct the administrative examination of its accounts after payment. It further provides that with the concurrence of the Comptroller General the administrative examination may be waived, either in whole or in part. Similar authority is conferred upon the officers responsible for the administrative examination of accounts for legislative and judicial agencies.

TITLE II—APPROPRIATIONS

AUTHORIZATIONS FOR APPROPRIATIONS

*Section 201*

This section requires approval by the head of an agency of requests by any unit of the agency for proposed legislation which, if enacted, would authorize appropriations. This provides a statutory basis for present practice and is consistent with the recommendations of the Commission on Organization of the Executive Branch with respect to the authority of department heads.

ADJUSTMENT OF APPROPRIATIONS FOR REORGANIZATIONS

*Section 202*

This section provides for the adjustment of appropriation accounts and the transfer of balances in connection with reorganizations. Provisions similar to subsection (b) are ordinarily included in reorganization plans. This is intended to simplify the administration and accounting pertaining to reorganizations.

REPEALS AND SAVING PROVISIONS

Title III repeals over a hundred acts or parts of acts relating mainly to the compilation of the estimates and the furnishing of certain financial data, most of which have been superseded or rendered outmoded by other existing provisions of law, particularly the Budget and Accounting Act of 1921. Repeal of these provisions will clear the statutes of many requirements which, though they had a good purpose when enacted, do not meet present conditions. Also included in title III are certain saving provisions which are considered to be necessary in order that no misunderstanding will develop in implementing the provisions of the proposed legislation.

CONCLUSIONS

It is the firm conviction of your committee that H. R. 9038 will accomplish a major advancement in the field of budgeting and accounting in the Federal Government, and that it conforms materially to the objectives and conclusions of the Hoover Commission in its Report on Budgeting and Accounting.

The long-range objectives of the Commission on Organization of the Executive Branch of the Government are no different, as far as results are concerned, from the objectives of the present joint program to improve accounting in the Federal Government. It is the opinion of your committee that the objectives can be accomplished in the most realistic way practicable under the provisions of this proposed legislation.

The continuation of the functions of the General Accounting Office, as an agency of the Congress, is essential to the maintenance of adequate appropriation and expenditure control by the Congress over the Federal Government, and the committee is convinced the omission of the recommendation for the creation of an Accountant General will in no way interfere with the accomplishment of any other recommendation of the Commission on Organization of the Executive Branch of the Government.

It is also the opinion of your committee that there is an urgent need for the improvement of budgeting, accounting, and financial reporting of the Government. These fields should be simplified, modernized, and made effective to the maximum extent possible. H. R. 9038 will provide the means for accomplishing these objectives with the result that the Congress and the President and responsible officials in each agency will be provided with the information and the means of control needed for the management of our Federal fiscal structure. In addition, the taxpayer will be afforded full disclosure of the financial operations of the Government. While H. R. 9038



provides the means for accomplishing these objectives it does not in any way lessen the control over public expenditures which is exercised by the Congress itself and by its agent, the General Accounting Office.

The Comptroller General, the Secretary of the Treasury, and the Director of the Bureau of the Budget, it is contemplated, will continue their close collaboration for the effectuation of the meritorious objectives of this legislation. Legislation of this keystone importance will provide the means to carry out the desire on the part of the Congress and the public for improvement of efficiency in service and reduction in the costs of Government.

For the foregoing reasons, your committee urges the passage of H. R. 9038, as amended.

Attached hereto and made a part of this report are the reports from the Bureau of the Budget, Treasury Department, and the General Accounting Office, recommending passage of this bill.

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D. C., July 10, 1950.

HON. WILLIAM L. DAWSON,  
*Chairman, Committee on Expenditures in the Executive Departments,  
House of Representatives, Washington, D. C.*

MY DEAR MR. CHAIRMAN: Your letter of July 6, 1950, requested my views on H. R. 9038, a bill to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes.

I am in general accord with the provisions of this bill and feel that it represents a real advance in budget and accounting legislation.

The budgeting provisions of H. R. 9038 are designed, for the most part, to clarify existing provisions of the Budget and Accounting Act of 1921 and to give evidence of congressional support to certain recommendations on budgeting of the Commission on Organization of the Executive Branch of the Government. An analysis of these portions of the bill, as embodied in part I of title I and in title II of the bill, will be provided in a statement to your committee by Mr. William F. Finan, Assistant Director for Administrative Management.

The second part of title I, cited as the Accounting and Auditing Act of 1950, is in keeping with the objectives and goals of the joint accounting program sponsored by the Comptroller General, the Secretary of the Treasury, and the Director of the Bureau of the Budget. The Bureau of the Budget endorses this part of the bill and feels that it provides a practical basis for continued progress under the joint accounting program.

The Bureau also concurs in title III of H. R. 9038, which would repeal many statutory provisions that are no longer needed.

Sincerely yours,

F. J. LAWTON, *Director.*

GENERAL ACCOUNTING OFFICE,  
Washington, July 7, 1950.

HON. WILLIAM L. DAWSON,  
*Chairman, Committee on Expenditures in the Executive Departments,  
House of Representatives.*

MY DEAR MR. CHAIRMAN: Reference is made to your letter of July 6, 1950, requesting an expression of my views on H. R. 9038 entitled "A bill to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes."

The provisions of H. R. 9038 are identical to the provisions of S. 3850 which was introduced in the Senate on June 29, 1950, and is now pending before the Senate Committee on Expenditures in the Executive Departments. H. R. 9038 is the result of extended study and discussion between the staffs of both the Senate and

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the House committees and representatives of the Bureau of the Budget, the Treasury Department, and the General Accounting Office. It grows out of recommendations made from many viewpoints for the improvement of budgeting, accounting, financial reporting, and auditing for the Government. It lays a solid foundation for modernization and improvement in each of these fields without doing away with any of the essential controls which must be maintained by the Congress. I feel strongly that the bill will provide a complete framework for bringing and keeping the budgeting, accounting, financial reporting, and auditing procedures of the Government up to date. It is the most progressive and important piece of legislation in this field since the enactment of the Budget and Accounting Act in 1921.

Title I on budgeting and accounting contains two parts. The first, on budgeting, clarifies the Budget and Accounting Act to emphasize authority for the preparation of a performance budget with financial information in terms of functions and activities of the Government, and a segregation of operating and of capital and investment programs. Technical amendments to the provisions of the Budget and Accounting Act are made in aid of the objective to develop budgetary information in the manner best suited to present the financial program of the Government. Increased emphasis is placed by the bill on the development by the President, through the Bureau of the Budget, of plans for the organization, coordination, and management of the executive branch with a view to efficient and economical service, and improvements in the gathering, compiling, analysis, and publication of statistical information by the executive branch. The authority granted in these fields would supplement existing authority of the Bureau of the Budget.

Part II of title I comprises a complete Accounting and Auditing Act of 1950. This legislation embodies the principles and objectives of the joint accounting program which is being conducted under the leadership of the Comptroller General of the United States, the Secretary of the Treasury, and the Director of the Bureau of the Budget to improve the Government's accounting, financial reporting, and auditing. The provisions of this part will also facilitate the attainment of the budgetary improvements provided for elsewhere in the bill. Part II spells out clear-cut responsibilities and duties of the Comptroller General, the Secretary of the Treasury, and the head of each executive agency, while at the same time providing for the exercise of these duties and responsibilities in proper relationship and cooperation toward the common goal of making accounting, financial reporting, budgeting, and auditing of the greatest value.

The careful allocation of responsibilities is designed to produce proper accounting in the executive agencies and an integrated accounting system for the Government as a whole. Emphasis is placed on the development and use of agency accounting systems as the foundation for financial control and the production of necessary financial information. Provision is made for progressive improvement and simplification of the present accounting of the Government and a specific basis is laid for more comprehensive and selective performance of the independent audit by the General Accounting Office to the fullest extent practicable at the site of operations. This legislation will lay a solid foundation for carrying out the policies and objectives of the joint accounting program and will provide the flexibility that is urgently needed for putting into effect more economical and efficient accounting and auditing procedures in order to obtain maximum benefits from work now going forward under the program.

Title II provides for certain transfers between appropriations within a 5-percent limit in departments in order to promote economy and efficiency, and requires prior approval of department heads before the submission to the Bureau of the Budget, the President, or the Congress by departments of requests for legislation authorizing subsequent appropriations. It also includes provisions authorizing the President to set up reserves from appropriations for the executive branch when he determines the purposes intended by the Congress will be accomplished by lesser expenditures. Further authority is provided for transfer of balances of appropriations incident to reorganizations in the executive branch.

Title III repeals 106 acts or parts of acts relating mainly to the compilation of the estimates and the furnishing of certain financial data, most of which have been superseded or rendered outmoded by other existing provisions of law, particularly the Budget and Accounting Act of 1921. Repeal of these provisions will clear the statutes of many requirements which, though they had a good purpose when enacted, are out of harmony with present conditions. Also included in title III are certain saving provisions which are considered to be neces-

sary in order that no misunderstandings will develop in implementing the provisions of the bill.

To achieve full effectiveness and results from H. R. 9038 will take considerable time and a great deal of effort on the part of all parties concerned. Nevertheless, it embodies what I believe to be the factors needed for carrying out budget and accounting reforms.

H. R. 9038 in its present form has my unqualified and enthusiastic support and I urge that early action be taken by your committee and by the Congress in order that the budgeting, accounting, reporting, and auditing of the Government can be simplified, modernized and made effective to the maximum extent possible. The bill before your committee will make this possible with the result that the Congress and the President will be provided with the information and the means of control needed for the management of our Federal fiscal structure and the public will be afforded full disclosure of the financial operations of the Government. At the same time the bill in no way lessens the control over public expenditures which is exercised by the Congress itself and by its agent, the General Accounting Office.

There is enclosed for your information a section-by-section analysis of part II of title I of the bill.

In closing I wish to express my appreciation to both yourself and Representative Karsten for the interest you have shown in this legislation. I shall look forward to appearing before your committee on Tuesday, July 11, at 10 a. m.

Sincerely yours,

LINDSAY C. WARREN,  
*Comptroller General of the United States.*

TREASURY DEPARTMENT,  
*Washington, July 10, 1950.*

Hon. WILLIAM L. DAWSON,  
*Chairman, Committee on Expenditures in the Executive Departments,  
House of Representatives, Washington, D. C.*

MY DEAR MR. CHAIRMAN: This is in response to your letter of July 6, 1950, requesting my views concerning H. R. 9038, a bill to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes.

The Treasury Department, by virtue of the extensive fiscal services and operations it performs, is vitally interested in seeing that the budgeting, accounting, and auditing system of the Government is maintained on the soundest basis. In my opinion H. R. 9038, if enacted, would provide a solid legislative foundation in law for perfecting such a system.

The bill embodies, in all essential respects, the policies and objectives of the present cooperative program to make the Government's accounting of the greatest value and also it provides certain needed flexibility for putting into effect more economical and efficient procedures to obtain maximum benefits from work that is going forward under that program. An important factor is that the bill establishes a clear division of responsibilities and duties while at the same time providing for the exercise of such duties and responsibilities in proper relationship and in harmony with the common objective of achieving an integrated accounting system.

As I have indicated, the entire bill is favored as a well-balanced piece of legislation to provide an effective budgeting, accounting, reporting, and auditing structure for the Government. Since sections 114 and 115, however, deal with certain special responsibilities and duties of the Secretary of the Treasury, I shall comment more specifically on the provisions of those particular sections.

Section 114 of the bill recognizes the necessity of providing means for systematically bringing together and producing information needed concerning the results of the financial operations of the Government as a whole. It recognizes further that central facilities for that purpose belong in the Treasury Department because of the nature of the fiscal operations, accounting, and reporting it must perform as the center of the Government's finances. With all of this I agree.

Subsection (a) of section 114 places on the Secretary the responsibility for producing financial reports which will make adequate disclosure of the results of the financial operations of the Government. Such reports obviously cannot serve all the many purposes of financial reporting in the Government. They should, however, supply a long-standing need on the part of the legislative and executive

branches and the public for more complete and consistent presentations concerning the sources of the Government's revenue and other income, the purposes for which public funds are spent, and the Government's position financially. It is highly important that only reports which serve a truly useful purpose be produced, that they be made both understandable and meaningful, and that they be anchored to a firm foundation of reliable accounting results obtained from the various agencies of the Government properly tied in with those central financial accounts which the Treasury Department must maintain because of the general fiscal operations it performs. The central financial reports should meet those tests and be designed with due regard for the needs and interests of all concerned. Of necessity, these central reports must be an outgrowth of the proper development of accounting in the individual agencies of the Government, including the Treasury Department itself, on the basis of the allocation of responsibilities and duties made by the various provisions of the bill.

To enable the Secretary to carry out his responsibility for central reporting, authority is given him to issue rules and regulations requiring from each executive agency, including each corporation and agency subject to the Government Corporation Control Act, such financial reports and related information as may be necessary. This authority is, of course, essential and it must be exercised with due regard for and in proper relationship to the responsibilities and authority affixed to other agencies of the Government with respect to accounting.

In order that an appropriate operating center will be provided to produce the required central reports, the Secretary is given broad authority, under subsection (b) of section 114, to reorganize accounting functions and change accounting procedures and financial reports within the Treasury Department and to establish organizational and other facilities necessary for that purpose. Such flexibility is essential if the internal accounting and reporting of the Department is to be placed on the most efficient and integrated basis and functions and responsibilities are to be concentrated in a manner to facilitate consolidating the accounting results of other agencies with those of the Department on a reliable and consistent basis for the central reports.

The Treasury Department has a dual interest in accounting—first, with respect to the financial condition and operations of the Government; second, in the financial administration of its own bureaus and offices. Just as the Government needs an operating center for its accounting and reporting as an over-all matter, so also the Department's accounting and reporting work must be properly organized and correlated. There is a natural tendency for any organizational unit to have a self contained accounting system completely independent of accounting work performed by others, irrespective of the fact that financial transactions often mutually affect different bureaus or offices. What must be done is to determine the extent to which accounting and reporting in different places is unnecessarily duplicating or overlapping and to revise accounting at the points of operations in such a way that there will be a proper degree of reliance between accounting systems and sufficient central accounting controls established to make possible a more unified system for the Department as a whole.

Under subsection (c) of section 114, the system of central accounting and reporting established in the Treasury Department must be consistent with the principles, standards, and related requirements prescribed by the Comptroller General of the United States under section 112 of the bill. This is consistent with the declaration of congressional policy contained in the bill and the intention that various responsibilities shall be discharged in proper relationship and in harmony with the general objective for an integrated financial system. From the standpoint of all concerned, the most satisfactory results should be obtained in building an efficient accounting and reporting system in the Treasury Department by having the active assistance and participation of the Comptroller General in the undertaking.

Important related features of the bill are the specific provisions of sections 112 and 113 for suitable integration between the accounting processes of each executive agency and those of the Treasury Department where such processes coincide. This is highly important because I believe that lack of sufficient attention to this factor in the past has been one of the chief difficulties in providing adequate financial reports for the Government in a composite sense. Such integration is essential if central reports are to be prepared on a reliable and consistent basis without excessive expense caused by the repetitive recording of transactions and the confusion involved in attempting to explain discrepancies between data compiled from various sources on different bases.

Section 115 of the bill gives the Secretary of the Treasury and the Comptroller General of the United States authority to issue joint regulations modifying or eliminating procedures, under existing law, which involve the issuance and countersignature of warrants by them. The joint regulations further may provide for the payment of vouchers by means of checks issued against the general account of the Treasurer of the United States rather than against advances to disbursing officers by individual appropriations. These provisions should afford a means for eliminating in an orderly manner duplication and overlapping of controls and accounting when more simple and economical procedures can be substituted with sufficient safeguards with respect to the control and accounting for the public funds.

The authority to substitute simpler and more economical procedures for those presently required in connection with the issuance and countersignature of warrants is desirable and consistent with the general objectives of the bill in connection with accounting and auditing. The exercise of this authority should be based essentially on the full utilization of effective accounting and internal control established in the individual agencies responsible for operations supplemented by appropriate independent audit performed by the General Accounting Office.

Title III of the bill would repeal a number of existing laws relating mainly to the submission of budget estimates. The Treasury Department has no objection to the repeal of any of the laws specified in this title.

The long-range accounting objectives of the Commission on Organization of the Executive Branch of the Government are no different, as far as results are concerned, from the objectives of the present "joint program to improve accounting in the Federal Government." In my opinion, these objectives can be accomplished in the most realistic way under the provisions of this bill.

In view of the need of expediting this report for purposes of the hearings before your committee on July 11, it has not been possible to secure the customary prior clearance from the Bureau of the Budget.

Very truly yours,

JOHN W. SNYDER,  
*Secretary of the Treasury.*

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

*That this Act may be cited as the "Budget and Accounting Procedures Act of 1950".*

#### TITLE I—BUDGETING AND ACCOUNTING

##### PART I—BUDGETING

###### DEFINITION

SEC. 101. Section 2 of the Budget and Accounting Act, 1921 (42 Stat. 20), is amended by adding at the end thereof the following:

*"The term 'appropriations' includes, in appropriate context, funds and authorizations to create obligations by contract in advance of appropriations."*

###### PERFORMANCE BUDGET AND REGULATIONS

SEC. 102. (a) Section 201 of such Act is amended to read as follows:

"SEC. 201. The President shall transmit to Congress [on the first day] *during the first fifteen days* of each regular session, the Budget, which shall set forth [in summary and in detail] *his Budget message, summary data and text, and supporting detail. The Budget shall set forth in such form and detail as the President may determine—*

*"(a) functions and activities of the Government, constituting a performance budget;*

*"(b) a segregation of operating, and of capital and investment programs;*

*"(c) any other desirable classifications of data;*

*"(d) a reconciliation of the summary data on expenditures with proposed appropriations;*

"(c) [a. Estimates of] *estimated* expenditures and *proposed* appropriations necessary in his judgment for the support of the Government for the ensuing fiscal year, except that [estimates] *estimated expenditures and proposed appropriations* for such year for the Legislative Branch of the Government and the Supreme Court of the United States shall be transmitted to the President on or before October 15 of each year, and shall be included by him in the Budget without revision;

"(f) [b. His estimates of] *estimated* receipts of the Government during the ensuing fiscal year, under (1) laws existing at the time the Budget is transmitted and also (2) under the revenue proposals, if any, contained in the Budget;

"(g) [c. The] *actual appropriations*, expenditures, and receipts of the Government during the last completed fiscal year;

"(h) [d. Estimates of the] *estimated* expenditures and receipts, and *actual or proposed appropriations* of the Government during the fiscal year in progress;

[e. The amount of annual, permanent, or other appropriations, including balances of appropriations for prior fiscal years, available for expenditure during the fiscal year in progress, as of November 1 of such year.];

"(i) [f] balanced statements of (1) the condition of the Treasury at the end of the last completed fiscal year, (2) the estimated condition of the Treasury at the end of the fiscal year in progress, and (3) the estimated condition of the Treasury at the end of the ensuing fiscal year if the financial proposals contained in the Budget are adopted;

"(j) [g] all essential facts regarding the bonded and other indebtedness of the Government; and

"(k) [h] such other financial statements and data as in his opinion are necessary or desirable in order to make known in all practicable detail the financial condition of the Government."

(b) Section 203 of such Act is amended to read as follows:

"Sec. 203. (a) The President from time to time may transmit to Congress *such proposed supplemental or deficiency appropriations* [estimates for such appropriations of expenditures] as in his judgment (1) are necessary on account of laws enacted after the transmission of the Budget, or (2) are otherwise in the public interest. He shall accompany such [estimates] *proposals* with a statement of the reasons therefor, including the reasons for their omission from the Budget.

"(b) Whenever such *proposed* supplemental or deficiency [estimates] *appropriations* reach an aggregate which, if they had been contained in the Budget, would have required the President to make a recommendation under subsection (a) of section 202, he shall thereupon make such recommendation."

(c) Section 204 of such Act is amended to read as follows:

"Sec. 204. [a] Except as otherwise provided in this Act, the contents, order, and arrangement of the [estimates of] *proposed* appropriations and the statements of expenditures and estimated expenditures contained in the Budget or transmitted under section 203, and the notes and other data submitted therewith, shall conform to [the] requirements [of existing law] prescribed by the President."

"[b. Estimates for lump sum appropriations contained in the Budget or transmitted under section 203 shall be accompanied by statements showing, in such detail and form as may be necessary to inform Congress, the manner of expenditure of such appropriations, and of the corresponding appropriations for the fiscal year in progress and the last completed fiscal year. Such statements shall be in lieu of statements of like character now required by law.]"

(d) Section 205 of such Act is amended to read as follows:

"Sec. 205. *Whenever any basic change is made in the form of the Budget*, the President, in addition to the Budget, shall transmit to Congress [on the first day in December 1921, for the services of the year ending June 30, 1923 only, an alternative budget, which shall be prepared in such form and amounts, and according to such system of classification and itemization as is, in his opinion, most appropriate, with] such explanatory notes and tables as may be necessary to show where the various items embraced in the Budget of the prior year are contained in [such alternative] *the new Budget*."

(e) The last sentence of section 207 of such Act is amended to read as follows: "The Bureau, under such rules and regulations as the President may prescribe, shall prepare [for him] the Budget, [the alternative Budget] and any *proposed* supplemental or deficiency *appropriations* [estimates], and to this end shall have

authority to assemble, correlate, revise, reduce, or increase the *requests for appropriations* [estimate] of the several departments or establishments."

(f) Section 214 of such Act is amended to read as follows:

"Sec. 214. [a] The head of each department and establishment shall *prepare or cause to be prepared* [designate an official thereof as budget officer therefor, who] in each year [under his direction and on or before a date fixed by him, shall prepare the departmental estimates] *his requests for regular, supplemental, or deficiency appropriations.*"

[b. Such budget officer shall also prepare, under the direction of the head of the department or establishment, such supplemental and deficiency estimates as may be required for its work.]

(g) Section 215 of such Act is amended to read as follows:

"Sec. 215. The head of each department and establishment shall [revise the departmental estimates and submit them] *submit his requests for appropriations to the Bureau on or before [September 15 of each year] a date which the President shall determine.* In case of his failure to do so, the President shall cause *such requests to be prepared [such estimates and date] as are necessary to enable him to include such requests with the Budget [estimates and statements] in respect to the work of such department or establishment.*"

(h) Section 216 of such Act is amended to read as follows:

"Sec. 216. [The departmental estimates and any] *Requests for regular, supplemental, or deficiency [estimates] appropriations which are submitted to the Bureau by the head of any department or establishment shall be prepared and submitted [in such form, manner and detail] as the President may determine [prescribe] in accordance with the provisions of section 201.*"

#### GOVERNMENT STATISTICAL ACTIVITIES

Sec. 103. *The President, through the Director of the Bureau of the Budget, is authorized and directed to develop programs and to issue regulations and orders for the improved gathering, compiling, analyzing, publishing, and disseminating of statistical information for any purpose by the various agencies in the executive branch of the Government. Such regulations and orders shall be adhered to by such agencies.*

#### IMPROVED ADMINISTRATION OF EXECUTIVE AGENCIES

Sec. 104. *The President, through the Director of the Bureau of the Budget, is authorized and directed to evaluate and develop improved plans, for the organization, coordination, and management of the executive branch of the Government with a view to efficient and economical service.*

#### BUSINESS-TYPE BUDGETS

Sec. 105. The first two sentences of section 102 of the Government Corporation Control Act of 1945 (59 Stat. 597), are amended to read as follows: "Each wholly owned Government corporation shall cause to be prepared annually a *business-type budget [program] which shall be submitted to the [President through the Bureau of the Budget on or before September 15 of each year the] Bureau of the Budget, under such rules and regulations as the President may establish [is authorized and directed to prescribe] as to the date of submission, the form and content [of], the classifications of data, and the manner in which such budget program shall be prepared and presented.*"

#### PART II—ACCOUNTING AND AUDITING

##### SHORT TITLE

Sec. 110. *This part may be cited as the "Accounting and Auditing Act of 1950".*

##### DECLARATION OF POLICY

Sec. 111. *It is the policy of the Congress in enacting this part that—*

(a) *The accounting of the Government provide full disclosure of the results of financial operations, adequate financial information needed in the management of operations and the formulation and execution of the Budget, and effective control over income, expenditures, funds, property, and other assets.*

(b) *Full consideration be given to the needs and responsibilities of both the legislative and executive branches in the establishment of accounting and reporting systems and requirements.*

(c) The maintenance of accounting systems and the producing of financial reports with respect to the operations of executive agencies, including central facilities for bringing together and disclosing information on the results of the financial operations of the Government as a whole, be the responsibility of the executive branch.

(d) The auditing for the Government conducted by the Comptroller General of the United States as an agent of the Congress be directed at determining the extent to which accounting and related financial reporting fulfill the purposes specified, financial transactions have been consummated in accordance with laws, regulations or other legal requirements, and adequate internal financial control over operations is exercised, and afford an effective basis for the settlement of accounts of accountable officers.

(e) Emphasis be placed on effecting orderly improvements resulting in simplified and more effective accounting, financial reporting, budgeting, and auditing requirements and procedures and on the elimination of those which involve duplication or which do not serve a purpose commensurate with the costs involved.

(f) The Comptroller General of the United States, the Secretary of the Treasury, and the Director of the Bureau of the Budget conduct a continuous program for the improvement of accounting and financial reporting in the Government.

#### ACCOUNTING AND REPORTING PROVISIONS

SEC. 112. (a) The Comptroller General of the United States, after consulting the Secretary of the Treasury and the Director of the Bureau of the Budget concerning their accounting, financial reporting, and budgetary needs, and considering the needs of the other executive agencies, shall prescribe the principles, standards, and related requirements for accounting to be observed by each executive agency, including requirements for suitable integration between the accounting processes of each executive agency and the accounting of the Treasury Department. Requirements prescribed by the Comptroller General shall be designed to permit the executive agencies to carry out their responsibilities under section 113 of this part, while providing a basis for integrated accounting for the Government, full disclosure of the results of the financial operations of each executive agency and the Government as a whole, and financial information and control necessary to enable the Congress and the President to discharge their respective responsibilities. The Comptroller General shall continue to exercise the authority vested in him by section 205 (b) of the Federal Property and Administrative Services Act of 1949 (68 Stat. 387) and, to the extent he deems necessary, the authority vested in him by section 309 of the Budget and Accounting Act, 1921 (42 Stat. 25). Any such exercise of authority shall be consistent with the provisions of this section.

(b) The General Accounting Office shall cooperate with the executive agencies in the development of their accounting systems, including the Treasury Department, in the development and establishment of the system of central accounting and reporting required by section 114 of this part. Such accounting systems shall be approved by the Comptroller General when deemed by him to be adequate and in conformity with the principles, standards, and related requirements prescribed by him.

(c) The General Accounting Office shall from time to time review the accounting systems of the executive agencies. The results of such reviews shall be available to the heads of the executive agencies concerned, to the Secretary of the Treasury, and to the Director of the Bureau of the Budget, and the Comptroller General shall make such reports thereon to the Congress as he deems proper.

SEC. 113. (a) The head of each executive agency shall establish and maintain systems of accounting and internal control designed to provide—

- (1) full disclosure of the financial results of the agency's activities;
- (2) adequate financial information needed for the agency's management purposes;
- (3) effective control over and accountability for all funds, property, and other assets for which the agency is responsible, including appropriate internal audit;
- (4) reliable accounting results to serve as the basis for preparation and support of the agency's budget requests, for controlling the execution of its budget, and for providing financial information required by the Bureau of the Budget under section 213 of the Budget and Accounting Act, 1921 (42 Stat. 23);
- (5) suitable integration of the accounting of the agency with the accounting of the Treasury Department in connection with the central accounting and reporting responsibilities imposed on the Secretary of the Treasury by section 114 of this part.



(b) *The accounting systems of executive agencies shall conform to the principles, standards, and related requirements prescribed by the Comptroller General pursuant to section 112 (a) of this part.*

SEC. 114. (a) *The Secretary of the Treasury shall prepare such reports for the information of the President, the Congress, and the public as will present the results of the financial operations of the Government: Provided, That there shall be included such financial data as the Director of the Bureau of the Budget may require in connection with the preparation of the Budget or for other purposes of the Bureau. Each executive agency shall furnish the Secretary of the Treasury such reports and information relating to its financial condition and operations as the Secretary, by rules and regulations, may require for the effective performance of his responsibilities under this section.*

(b) *The Secretary of the Treasury is authorized to establish the facilities necessary to produce the financial reports required by subsection (a) of this section. The Secretary is further authorized to reorganize the accounting functions and install, revise, or eliminate accounting procedures and financial reports of the Treasury Department in order to develop effective and coordinated systems of accounting and financial reporting in the several bureaus and offices of the Department with such concentration of accounting and reporting as is necessary to accomplish integration of accounting results for the activities of the Department and provide the operating center for the consolidation of accounting results of other executive agencies with those of the Department. The authority vested in and the duties imposed upon the Department by sections 10, 15, and 22 of the Act entitled "An Act making appropriations for the legislative, executive, and judicial branches of the Government for the fiscal year ending June thirtieth, eighteen hundred ninety-five, and for other purposes", approved July 31, 1894 (28 Stat. 162, 208-210), may be exercised and performed by the Secretary of the Treasury as a part of his broader authority and duties under this section and in such a manner as to provide a unified system of central accounting and reporting on the most efficient and useful basis.*

(c) *The system of central accounting and reporting provided for herein shall be consistent with the principles, standards, and related requirements prescribed by the Comptroller General pursuant to section 112 of this part.*

SEC. 115. (a) *When the Secretary of the Treasury and the Comptroller General determine that existing procedures can be modified in the interest of simplification, improvement, or economy, with sufficient safeguards over the control and accounting for the public funds, they may issue joint regulations providing for the waiving, in whole or in part, of the requirements of existing law that—*

(1) *warrants be issued and countersigned in connection with the receipt, retention, and disbursement of public moneys and trust funds; and*

(2) *funds be requisitioned, and advanced to accountable officers under each separate appropriation head or otherwise.*

(b) *Such regulations may further provide for the payment of vouchers by authorized disbursing officers by means of checks issued against the general account of the Treasurer of the United States: Provided, That in such case the regulations shall provide for appropriate action in the event of delinquency by disbursing officers in the rendition of their accounts or for other reasons arising out of the condition of the officers' accounts, including under necessary circumstances, the suspension or withdrawal of authority to disburse.*

SEC. 116. *The Comptroller General is authorized to discontinue the maintenance in the General Accounting Office of appropriation, expenditure, limitation, receipt, and personal ledger accounts when in his opinion the accounting systems and internal control of the executive, legislative, and judicial agencies are sufficient to enable him to perform properly the functions to which such accounts relate.*

#### AUDITING PROVISIONS

SEC. 117. (a) *Except as otherwise specifically provided by law, the financial transactions of each executive, legislative, and judicial agency, including but not limited to the accounts of accountable officers, shall be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. In the determination of auditing procedures to be followed and the extent of examination of vouchers and other documents, the Comptroller General shall give due regard to generally accepted principles of auditing, including consideration of the effectiveness of accounting organizations and systems, internal audit and control, and related administrative practices of the respective agencies.*

(b) Whenever the Comptroller General determines that the audit shall be conducted at the place or places where the accounts and other records of an executive agency are normally kept, he may require any executive agency to retain in whole or in part accounts of accountable officers, contracts, vouchers, and other documents, which are required under existing law to be submitted to the General Accounting Office, under such conditions and for such period not exceeding ten years as he may specify, unless a longer period is agreed upon with the executive agency: Provided, That under agreements between the Comptroller General and legislative and judicial agencies the provisions of this sentence may be extended to the accounts and records of such agencies.

## GENERAL PROVISIONS

SEC. 118. As used in this part, the term "executive agency" means any executive department or independent establishment in the executive branch of the Government but (a) except for the purposes of sections 114, 116, and 119 shall not include any Government corporation or agency subject to the Government Corporation Control Act (59 Stat. 597), and (b) except for the purposes of sections 111, 114, and 116 shall not include the Post Office Department.

SEC. 119. The head of each executive agency is authorized to designate the place or places, at the seat of government or elsewhere, at which the administrative examination of fiscal officers' accounts will be performed, and with the concurrence of the Comptroller General to waive the administrative examination in whole or in part: Provided, That the same authority is hereby conferred upon the officers responsible for the administrative examination of accounts for legislative and judicial agencies.

## TITLE II—APPROPRIATIONS

## AUTHORIZATIONS FOR APPROPRIATIONS

SEC. 201. No requests for legislation, which, if enacted, would authorize subsequent appropriations for a department or establishment in the executive branch of the Government, shall be transmitted to the Bureau of the Budget, to the President, or to the Congress by such department or establishment, or by any organizational unit thereof, without the prior approval of the head of such department or establishment.

## ADJUSTMENT OF APPROPRIATIONS FOR REORGANIZATION

SEC. 202. (a) When under authority of law a function or an activity is transferred or assigned from one agency within any department or establishment to another agency in the same department or establishment, the balance of appropriations which are determined by the head of such department or establishment to be available and necessary to finance or discharge the function or activity so transferred or assigned may, with the approval of the President, be transferred to, and be available for use by, the agency to which said function or activity is transferred or assigned for any purpose for which said funds were originally available. Balances so transferred shall be credited to any applicable existing appropriation account or accounts, or to any new appropriation account or accounts, which are hereby authorized to be established, and shall be merged with funds in the applicable existing or newly established appropriation account or accounts and thereafter accounted for as one fund.

(b) When under authority of law a function or activity is transferred or assigned from one department or establishment to another department or establishment, the balance of appropriations which are determined by the President to be available and necessary to finance or discharge the function or activity so transferred or assigned, shall be transferred to and be available for use by the department or establishment to which said function or activity is transferred or assigned for any purpose for which said funds were originally available. Balances so transferred shall be credited to any applicable existing appropriation account or accounts, or to any new appropriation account or accounts, which are hereby authorized to be established, and shall be merged with funds in the applicable existing or newly established appropriation account or accounts and thereafter accounted for as one fund.

## TITLE III—REPEALS AND SAVING PROVISIONS

## REPEALS

SEC. 301. (1) [SEC. 10. That section six of the sundry civil appropriation Act approved August twenty-fourth, nineteen hundred and twelve, is amended to read as follows:

"SEC. 6. That there shall be submitted hereafter, in the annual Book of Estimates following every estimate for a general or lump-sum appropriation,

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except public buildings or other public works constructed under contract, a statement showing in parallel columns:

"First, the number of persons, if any, intended to be employed and the rates of compensation to each, and the amounts contemplated to be expended for each of any other objects or classes of expenditures specified or contemplated in the estimate, including a statement of estimated unit cost of any construction work proposed to be done; and

"Second, the number of persons, if any, employed and the rate of compensation paid each, and the amounts expended for each other object or class of expenditure, and the actual unit cost of any construction work done, out of the appropriation corresponding to the estimate so submitted, during the completed fiscal year next preceding the period for which the estimate is submitted.

"Other notes shall not be submitted following any estimate embraced in the annual Book of Estimates other than such as shall suggest changes in form or order of arrangement of estimates and appropriations and reasons for such changes." ]

(2) SEC. 4. That the act entitled "An Act limiting the appropriation of certain moneys for the preparation, issue, and re-issue of certain securities of the United States, and for other purposes," approved May twenty-third, eighteen hundred and seventy-two, and all other acts and parts of acts making permanent appropriations for the expenses of the national loan, except the second section of the act approved July fourteenth, eighteen hundred and seventy, entitled "An Act to authorize the refunding of the national debt," are hereby repealed, this repeal to take place on the first day of July next; [and hereafter the Secretary of the Treasury shall annually submit to Congress detailed estimates of appropriations required for said expenses; ]

(3) For payment of certain judgments, including costs of suit, which have been rendered by the United States courts on mandate of the Supreme Court of the United States and by the circuit court of Fond du Lac County, Wisconsin, and not appealed, for which the United States is liable, certified to Congress at its present session by the Attorney General in House Document Numbered Six hundred and sixty-nine, except the two judgments in favor of the Coca-Cola Company, fifty-seven thousand three hundred and seventy-two dollars and seventy-nine cents, together with such additional sum as may be necessary to pay interest at a rate not exceeding four per centum per annum on the respective judgments as may be authorized by law from the date thereof: *Provided*, That none of the judgments herein provided for shall be paid until the right of appeal shall have expired [; *Provided further*, That hereafter estimates for the payment of all judgments against the United States, including judgments in Indian deprecation claims and of United States courts shall be transmitted to Congress through the Treasury Department as other estimates of appropriations are required to be transmitted ] .

(4) SEC. 5. That from and after the first day of July, eighteen hundred and eighty-two, and of each year thereafter, the Secretary of the Treasury shall cause all unexpended balances of the permanent and indefinite appropriations for collecting the revenue from customs which shall have remained upon the books of the Treasury for two fiscal years to be carried to the surplus fund and covered into the Treasury. [And it shall be the duty of the Secretary of the Treasury to include in his next estimates to Congress, and annually thereafter, a statement specifying in detail the number and class of officers and employees of every grade and nature, with the rate of compensation to each, that may in his judgment be necessary to properly conduct the business of collecting the revenue at each port of entry in the United States, together with an estimate of the amounts required for contingent expenses at each of said ports, and for such additional expenses of the service as cannot be otherwise specifically provided for. ]

(5)

MINTS AND ASSAY OFFICES

\* \* \* \* \*

All laws and parts of laws, to the extent that they make a permanent indefinite appropriation for the expenses of parting and refining bullion, are repealed to take effect from and after June thirtieth, nineteen hundred and twelve [ , and the Secretary of the Treasury shall, for the fiscal year nineteen hundred and thirteen, and annually thereafter, submit to Congress, in the regular Book of Estimates, detailed estimates for the expenses of this service ] .

NOTE.—The above bracketed provision of the act of March 4, 1911 (36 Stat. 1292; U. S. C. 31, sec. 583 (4)), requires detailed estimates for parting and refining bullion. Its repeal is proposed because it has been superseded by sections 201 and 204 of the Budget and Accounting Act of 1921.

(6) The Secretary of the Treasury may employ such number of expert money assorters, feeders, and other employees, and expend such sums for contingent and miscellaneous items and for the purchase or construction and installation of paper-money laundering machines as may be necessary, in his judgment, to install, maintain, and operate such laundering machines in the Treasury at Washington and at the subtreasuries: *Provided*, That the money required to pay for such purpose shall not exceed \$60,000, which sum is hereby appropriated, the same to continue available during the fiscal year nineteen hundred and thirteen: *Provided further*, That estimates hereunder shall be submitted in detail for the fiscal year nineteen hundred and fourteen, and annually thereafter].

FEDERAL FARM LOAN BOARD

(7) For salaries and expenses under the Federal Farm Loan Board created by the Act approved July seventeenth, nineteen hundred and sixteen, including the salaries of four members thereof at the rate of \$10,000 each per annum, and their actual necessary traveling expenses, and such salaries, fees, and expenses as are authorized by said Act, also not exceeding \$10,000 for rental of quarters in the District of Columbia for such bureaus of the Treasury Department that it may be necessary to move in order to accommodate the Federal Farm Loan Board in the Treasury Building, fiscal year nineteen hundred and seventeen, \$100,000. [A detailed statement of expenditures hereunder shall be made to Congress, and hereafter detailed estimates for appropriations for the Federal Farm Loan Board shall be annually submitted to Congress.]

FEDERAL FARM LOAN BUREAU:

\* \* \* \* \*  
For salaries and expenses under the Federal Farm Loan Board created by the Act approved July seventeenth, nineteen hundred and sixteen, including the actual necessary traveling expenses of the members of the board and such salaries, fees, and expenses as are authorized by said Act, including farm-loan registrars, examiners, and such attorneys, experts, assistants, clerks, laborers, and other employees in the District of Columbia and elsewhere as the Federal Farm Loan Board may find necessary, \$182,080; in all, \$260,000. A detailed statement of expenditures hereunder shall be made to Congress.

[Estimates in detail for all expenditures under the Federal Farm Loan Bureau for the fiscal year nineteen hundred and nineteen, and annually thereafter, shall be submitted to Congress in the annual Book of Estimates.]

(8) [And hereafter the Secretary of War shall annually submit estimates in detail for river and harbor improvements required for the ensuing fiscal year to the Secretary of the Treasury to be included in, and carried into the sum total of, the Book of Estimates.]

(9) Sec. 6. [That estimates of appropriations for fortifications and other works of defense, for the armament thereof, and for the procurement of heavy ordnance for trial and service shall be submitted to Congress in the Book of Estimates for the fiscal year 1921 and each fiscal year thereafter upon an annual basis.]

(10) SIGNAL SERVICE OF THE ARMY: For expenses of the Signal Service of the Army, as follows: Purchase, equipment, and repair of field electric telegraphs, signal equipments and stores, binocular glasses, telescopes, heliostats, and other necessary instruments, including necessary meteorological instruments for use on target ranges; war balloons; telephone apparatus (exclusive of exchange service) and maintenance of the same; electrical installations and maintenance at military posts; fire control and direction apparatus and material for field artillery; maintenance and repair of military telegraph lines and cables, including salaries of civilian employees, supplies, and general repairs, and other expenses connected with the duty of collecting and transmitting information for the Army by telegraph or otherwise, two hundred thousand dollars: *Provided*, That of the receipts of the Washington-Alaska Military Cable and Telegraph System that have been covered into the Treasury of the United States, the sum of one hundred and ninety thousand dollars be, and the same is hereby, made available until expended for defraying the cost of such extensions and betterments of the system as may be approved by the Secretary of War, the extent of such extensions and the cost thereof to be reported to Congress by the Secretary of War: *Provided further*, That hereafter detailed estimates shall be submitted to Congress for any further extension of the cable or telegraph lines in the district of Alaska.]

(11) [The Postmaster-General shall for the fiscal year eighteen hundred and ninety-nine, and annually thereafter, submit in the annual estimates to Congress estimates in detail as far as practicable for expenses of the free delivery service.]

(12) Not exceeding twenty per centum of the foregoing sum and not exceeding ten per centum of the sum for investigation as to causes of mine explosions may be used during the fiscal year nineteen hundred and sixteen for personal services in the District of Columbia; and for the fiscal year nineteen hundred and seventeen, and annually thereafter, [estimates shall be submitted specifically for all personal services required permanently and entirely in the Bureau of Mines at Washington, District of Columbia, and previously paid from lump-sum or general appropriations;]

(13) For clerk hire, and other services, at eighteen pension agencies during the first seven months of the fiscal year nineteen hundred and thirteen and in the office of the disbursing clerk for the payment of pensions during the last five months of fiscal year nineteen hundred and thirteen and including not exceeding ten thousand dollars for expenses of consolidating and removing records and equipment of pension agencies, three hundred and seventy-five thousand dollars, or so much thereof as may be necessary [; Provided, That estimates in detail shall be submitted for the fiscal year nineteen hundred and fourteen and annually thereafter for clerks and others employed in the office of the disbursing clerk for the payment of pensions and the amounts to be paid to each].

(14) [That the Secretary of Commerce and Labor shall submit to Congress for the fiscal year nineteen hundred and five, and annually thereafter, estimates in detail for all personal services and for all general and miscellaneous expenses for the Department of Commerce and Labor].

(15) SEC. 12. That to enforce the provisions of this Act and such regulations as he may establish in pursuance thereof, the Secretary of Commerce and Labor is authorized and directed to depute, in addition to the agent and assistant agent of salmon fisheries now provided by law, from the officers and employees of the Department of Commerce and Labor, a force adequate to the performance of all work required for the proper investigation, inspection, and regulation of the Alaskan fisheries and hatcheries [; and he shall annually submit to Congress estimates to cover the cost of the establishment and maintenance of fish hatcheries in Alaska, the salaries and actual traveling expenses of such officials, and for such other expenditures as may be necessary to carry out the provisions of this Act].

(16) CENSUS OFFICE: The unexpended balance of the appropriation made by the sundry civil appropriation Act approved March third, nineteen hundred and one, for salaries and necessary expenses for taking and compiling results of the Twelfth Census is hereby reappropriated and made available for continuing the work of taking the Twelfth Census, and for all expenses, including cost of all printing, arising under and authorized by the Act to provide for a permanent Census Office, approved March sixth, nineteen hundred and two, including the purchase of necessary law books, books of reference and periodicals, and manuscripts [; Provided, That estimates in detail for the expenses of the permanent Census Office for the fiscal year nineteen hundred and four and annually thereafter shall be submitted in the regular Book of Estimates].

(17) [Estimates in detail for all expenditures under the Federal Trade Commission for the fiscal year nineteen hundred and seventeen, and annually thereafter, shall be submitted to Congress in the annual Book of Estimates].

(18) [The Secretary of Labor shall submit to Congress, for the fiscal year nineteen hundred and fifteen, and annually thereafter, estimates in detail for all personal services and for all general and miscellaneous expenses for the Department of Labor].

(19) For additional assistants, clerical and otherwise, necessary to establish and maintain a division of information in the Bureau of Immigration and Naturalization, Department of Commerce and Labor, until June thirtieth, nineteen hundred and eight, fifty thousand dollars, which shall be paid from the permanent appropriation for expenses of regulating immigration [; Provided, That detailed estimates shall be submitted in the manner required by law for appropriations required to meet this object during the fiscal year nineteen hundred and nine and thereafter].

(20) [UNITED STATES PENITENTIARY, McNEILS ISLAND, WASHINGTON: That for the fiscal year nineteen hundred and ten, and annually thereafter, the Attorney-General shall submit estimates in detail for all expenses of maintaining said penitentiary, including salaries of all necessary officers and employees therefor].

(21) [For the fiscal year nineteen hundred and fourteen and annually thereafter estimates in detail shall be submitted for all personal services required in the Indian Office].

(22) \* \* \* [Provided, That for the fiscal year 1922 and annually thereafter estimates of appropriations shall be submitted to Congress in the manner pre-

scribed by law for expenses arising in connection with the loans authorized by the various Liberty Bond Acts and the Victory Liberty Loan Act.]

(23) [Sec. 3660. The heads of Departments, in communicating estimates of expenditures and appropriations to Congress, or to any of the committees thereof, shall specify, as nearly as may be convenient, the sources from which such estimates are derived, and the calculations upon which they are founded, and shall discriminate between such estimates as are conjectural in their character and such as are framed upon actual information and applications from disbursing officers. They shall also give references to any law or treaty by which the proposed expenditures are, respectively, authorized, specifying the date of each, and the volume and page of the Statutes at Large, or of the Revised Statutes, as the case may be, and the section of the act in which the authority is to be found.]

(24) [Sec. 4. Hereafter the estimates for expenses of the Government, except those for sundry civil expenses, shall be prepared and submitted each year according to the order and arrangement of the appropriation Acts for the year preceding. And any changes in such order and arrangement, and transfers of salaries from one office or bureau to another office or bureau, or the consolidation of offices or bureaus desired by the head of any Executive Department may be submitted by note in the estimates. The committees of Congress in reporting general appropriation bills shall, as far as may be practicable, follow the general order and arrangement of the respective appropriation Acts for the year preceding.]

[Hereafter the heads of the several Executive Departments and all other officers authorized or required to make estimates for the public service shall include in their annual estimates furnished the Secretary of the Treasury for inclusion in the Book of Estimates all estimates of appropriations required for the service of the fiscal year for which they are prepared and submitted, and special or additional estimates for that fiscal year shall only be submitted to carry out laws subsequently enacted, or when deemed imperatively necessary for the public service by the Department in which they shall originate, in which case such special or additional estimate shall be accompanied by a full statement of its imperative necessity and reasons for its omission in the annual estimates.]

(25) [Sec. 4. When estimates hereafter transmitted to the Treasury for submission to Congress do not in form and arrangement comply with the provisions of section four of the legislative, executive, and judicial appropriation Act, approved June twenty-second, nineteen hundred and six, they shall, under direction of the Secretary of the Treasury, be rearranged so as to comply with said requirements of law.]

(26) [Sec. 2. Hereafter there shall be submitted in the regular annual estimates to Congress under and as a part of the expenses for "Printing and binding," estimates for all printing and binding required by each of the Executive Departments, their bureaus and offices, and other Government establishments at Washington, District of Columbia, for each fiscal year; and after the fiscal year nineteen hundred and seven no appropriations other than those made specifically and solely for printing and binding shall be used for such purposes in any Executive Department or other Government establishment in the District of Columbia; *Provided*, That nothing in this section shall apply to stamped envelopes, or envelopes and articles of stationery other than letterheads and notchheads, printed in the course of manufacture.]

\* \* \* [Provided. That nothing in section two of the sundry civil appropriation Act for the fiscal year ending June thirtieth, nineteen hundred and seven, shall hereafter be held to apply to so much of the printing and binding as is necessary to expedite the work of that branch of The Military Secretary's Office that was formerly known as the Record and Pension Office of the War Department.]

(27) [Sec. 3661. The head of each of the Executive Departments, and every other public officer who is authorized to have printing and binding done at the Congressional Printing Office for the use of his Department or public office, shall include in his annual estimate for appropriations for the next fiscal year such sum or sums as may to him seem necessary "for printing and binding, to be executed under the direction of the Congressional Printer."]

(28) \* \* \* [Provided further, That all printing and engraving for the Geological Survey, the Coast and Geodetic Survey, the Hydrographic Office of the Navy Department, and the Signal Service shall hereafter be estimated for separately and in detail, and appropriated for separately for each of said Bureaus.]

(29) [Sec. 3662. All estimates for the compensation of officers authorized by law to be employed shall be founded upon the express provisions of law, and not upon the authority of executive distribution.]

(30) [SEC. 3663. Whenever any estimate submitted to Congress by the head of a Department asks an appropriation for any new specific expenditure, such as the erection of a public building, or the construction of any public work, requiring a plan before the building or work can be properly completed, such estimate shall be accompanied by full [plan] [plans] and detailed estimates of the cost of the whole work. All subsequent estimates for any such work shall state the original estimated cost, the aggregate amount theretofore appropriated for the same, and the amount actually expended thereupon, as well as the amount asked for the current year for which such estimate is made. And if the amount asked is in excess of the original estimate, the full reasons for the excess, and the extent of the anticipated excess, shall be also stated.]

(31) [SEC. 3664. Whenever the head of a Department, being about to submit to Congress the annual estimates of expenditures required for the coming year, finds that the usual items of such estimates vary materially in amount from the appropriation ordinarily asked for the object named, and especially from the appropriation granted for the same objects for the preceding year, and whenever new items not theretofore usual are introduced into such estimates for any year, he shall accompany the estimates by minute and full explanations of all such variations and new items, showing the reasons and grounds upon which the amounts are required, and the different items added.]

(32) [SEC. 3665. The head of each Department, in submitting to Congress his estimates of expenditures required in his Department during the year then approaching, shall designate not only the amount required to be appropriated for the next fiscal year, but also the amount of the outstanding appropriation, if there be any, which will probably be required for each particular item of expenditure.]

(33) [That it shall be the duty of the Secretary of the Treasury to submit the estimates for the Revenue-Cutter Service for the fiscal year eighteen hundred and ninety-one, and for each year thereafter, in detail, showing separately, the amount required for pay of officers, rations for officers, pay of crews, rations of crews, fuel, repairs and outfits, ship-chandlery, and for traveling and contingent expenses. He shall also include in the annual Book of Estimates a statement showing the authorized number of officers and cadets in the Revenue Cutter Service, their rank and pay; also the number of men constituting the crews of vessels in said service.]

(34) [That the Secretary of the Treasury shall for the fiscal year eighteen hundred and eighty-seven, and for each fiscal year thereafter in the annual estimates, report to Congress the number of persons employed outside of the District of Columbia, as superintendents, clerks, watchmen, and otherwise, and paid from appropriations for the construction of public buildings showing where said persons are employed, in what capacity, the length of time, and at what rate of compensation.]

(35) [; and hereafter the Secretary of the Treasury shall annually report to Congress in the Book of Estimates a statement of the expenditure of the appropriation for "repairs and preservation of public buildings" which shall show the amount expended on each public building and the number of persons employed and paid salaries from such appropriation.]

(36) [and the Secretary of the Treasury shall submit for the fiscal year 1921, and annually thereafter, an estimate of appropriations to refund and pay back duties or taxes erroneously or illegally assessed or collected under the internal-revenue laws, and to pay judgments, including interest and costs, rendered for taxes or penalties erroneously or illegally assessed or collected under the internal-revenue laws.]

(37) [And hereafter the Secretary of State shall in the estimates for the annual expenditures of the expenses of diplomatic and consular service estimate for the entire amount required for its support, including all commercial agents and other officers, whether paid by fees or otherwise, specifying the compensation to be allowed or deemed advisable in each individual case.]

(38) [Hereafter the Secretary of State shall, in submitting estimates for the consular service, segregate, and submit separately, estimates for rent of consular offices, and under contingent expenses estimate for the amount required annually to be expended at consular offices for purposes within the discretion of the Department.]

(39) [And hereafter the Secretary of War shall annually submit estimates in detail for river and harbor improvements required for the ensuing fiscal year to the Secretary of the Treasury to be included in, and carried into the sum total of, the Book of Estimates.]

(40) [Hereafter estimates shall not be submitted to Congress for appropriations for construction of gun and mortar batteries, modernizing older emplacements, and other construction under the Engineer Department, in connection with fortifications, until after plans and estimates of cost shall have been prepared therefor.]

(41) [Hereafter all estimates for fortifications for insular possessions of the United States shall be made and submitted to Congress showing amount proposed to be expended at each harbor in each insular possession.]

(42) SERVICE ARMY AND NAVY HOSPITAL

For one clerk, at twelve hundred dollars; one chief steward, seven hundred and twenty dollars; one assistant steward, four hundred and eighty dollars; two cooks, at four hundred and eighty dollars each; ten nurses, at three hundred and sixty dollars each; two ward-masters, at four hundred and twenty dollars each; one matron, at four hundred and eighty dollars; five laundresses, at one hundred and eighty dollars each; one engineer, at seven hundred and twenty dollars; one superintendent of buildings, at five hundred and twenty dollars; two laborers and watchmen, at four hundred and eighty dollars each; six bathhouse attendants, at three hundred dollars each; six dining-room waiters, at two hundred and forty dollars each; in all, fourteen thousand six hundred and twenty dollars; said sum to be disbursed under the direction of the Secretary of War, as a part of the appropriation for the Medical Department of the Army; and the estimates for this service shall hereafter be submitted as a part of the military establishment.]

(43) [It shall be the duty of the Secretary of the Navy to submit in the Book of Estimates for the fiscal year nineteen hundred and two, and annually thereafter, under the respective bureaus and offices of the Navy Department, a statement in detail, showing the number of persons employed during the previous fiscal year and the rate of compensation of each under appropriations for "Increase of the Navy" or other general appropriations.]

(44) [SEC. 3668. The Postmaster-General shall submit to Congress at each annual session an estimate of the amount that will be required for the ensuing fiscal year, under each of the following heads:

- First. Transportation of the mails.
- Second. Compensation of postmasters.
- Third. Compensation of clerks in post-offices.
- Fourth. Compensation of letter-carriers.
- Fifth. Compensation of blank-agents and assistants.
- Sixth. Mail depredations and special agents.
- Seventh. Postage-stamps and envelopes.
- Eighth. Ship, steamboat, and way letters.
- Ninth. Dead letters.
- Tenth. Mail-bags.
- Eleventh. Mail locks, keys, and stamps.
- Twelfth. Wrapping-paper.
- Thirteenth. Office-furniture.
- Fourteenth. Advertising.
- Fifteenth. Balances to foreign countries.
- Sixteenth. Rent, light, and fuel for post-offices.
- Seventeenth. Stationery.
- Eighteenth. Miscellaneous.

Such estimates shall show the sums paid under each head, and the names of the persons to whom payments are made out of the miscellaneous fund; but the names of persons employed in detecting depredations on the mail, and of other confidential agents, need not be disclosed.]

(45) Office of the Second Assistant Postmaster General.—For inland mail transportation, namely: For transportation by postal cars, one million two hundred and fifty thousand dollars: *Provided*, That the Postmaster General may use such portion of the postal-car service appropriation as may be spared from it to supply any deficiency that may arise from insufficient appropriations in the item for railway transportation: *Provided*, That hereafter, in making his estimates for railway mail service, the Postmaster General shall separate the estimate for postal-car service from the general estimates; and in case any increase or diminution of service by postal cars shall be made by him, the reasons therefor shall be given in his annual report next succeeding such increase or diminution]. And the proviso to the act entitled "An act to provide for a deficiency in the appropriation for transportation of mails by railroads for the fiscal year ending June thirtieth, eighteen hundred and seventy-nine", approved December twenty-



first, eighteen hundred and seventy-eight is hereby repealed: *Provided*, That the Postmaster General shall make no deficiency in the appropriation for the current fiscal year by placing postal cars on any line.

(46) For the United States Geological Survey: For the Geological Survey, and the classification of the public lands, and examination of the geological structure, mineral resources, and products of the national domain, and to continue the preparation of a geological map of the United States, including the pay of temporary employees in the field and office, and all other necessary expenses, to be expended under the direction of the Secretary of the Interior, four hundred thousand dollars; and hereafter the estimates for the Geological Survey shall be itemized.

(47) Hereafter, in lieu of the specific estimates for personal services now required by law, there shall be submitted in the Annual Book of Estimates, under each item of appropriation under "General expenses of the Geological Survey," notes showing the number of persons employed and the rate of compensation paid to each from each of said appropriations during the fiscal year next preceding the fiscal year for which estimates are submitted.

(48) Sec. 4. That hereafter the estimates for appropriations for the Indian service shall be presented in such form as to show the amounts required for each of the agencies in the several States or Territories, and for said States and Territories respectively.

(49) After July first, nineteen hundred and fourteen, the estimates for appropriations for the Indian Service submitted by the Secretary of the Interior, shall be accompanied by a detailed statement, classified in the manner prescribed in the first paragraph of this section, showing the purposes for which the appropriations are required.

(50) Hereafter the Secretary of the Interior shall submit in the annual Book of Estimates, following the estimates for each of the national parks, a classified statement of the receipts and expenditures for the complete fiscal year next preceding the fiscal year for which estimates of appropriations are submitted.

(51) Insular and Territorial Affairs: For defraying the necessary expenses incurred in the conduct of insular and other territorial matters and affairs within the jurisdiction of the Department of Justice, including the payment of necessary employees at the seat of government or elsewhere, to be selected and their compensation fixed by the Attorney-General, and to be expended under his direction, twenty-five thousand dollars: *Provided*, That estimates under this appropriation shall hereafter be submitted in detail under Legislative, Executive, and Judicial expenses.

(52) Hereafter the estimates for expenses of government in the Territories shall be submitted through and be subject to revision by the Department of the Interior.

(53) Detailed Estimates For Executive Officers, Clerks, and Employees Below the Grade of Clerk: The Secretary of Agriculture for the fiscal year nineteen hundred and eighteen, and annually thereafter, shall transmit to the Secretary of the Treasury for submission to Congress in the Book of Estimates detailed estimates for all executive officers, clerks, and employees below the grade of clerk, indicating the salary or compensation of each, necessary to be employed by the various bureaus, offices, and divisions of the Department of Agriculture, and shall include with such estimates a statement of all executive officers, clerks, and employees below the grade of clerk who may have been employed during the last completed fiscal year on any lump fund appropriation for the department and the salary or compensation of each.

(54) Rent of Buildings, Department of Agriculture: For rent of buildings and parts of buildings in the District of Columbia, for use of the various bureaus, divisions, and offices of the Department of Agriculture, \$123,689: *Provided*, That the Secretary of Agriculture shall submit annually to Congress in his estimates of appropriations a statement showing what proportion of this appropriation is paid for the quarters occupied by the various branches of the department.

(55) Hereafter there shall be submitted in the annual Book of Estimates, under each item of appropriation under the head of "Light-House Establishment," notes showing the number of persons employed and the rate of compensation paid to each from each of said appropriations during the fiscal year next preceding the fiscal year for which estimates are submitted.

(56) Hereafter there shall be submitted, following each estimate for support of the Light-House Establishment, statements showing the amount required for each object of expenditure mentioned in each of said estimates, together with a statement of the expenditures under each of such objects for the fiscal year terminated next preceding the period of submitting said estimates.

(57) [That the Commissioner of Fish and Fisheries shall embrace in the estimates of appropriations for the Fish Commission for the fiscal year eighteen hundred and ninety-four, and each year thereafter estimates for all officers, clerks, and other employees whose services are permanent and continuous in their character and deemed to be necessary for an efficient and economical execution of the appropriations for the Fish Commission.]

(58) [Hereafter there shall be submitted, following the estimates under the foregoing appropriation for expenses of regulating immigration, statements showing the amount required for each object of expenditure mentioned in said estimates, together with a statement of the expenditures under each of such objects for the fiscal year terminated next preceding the period of submitting said estimates.]

(59) [Sec. 6. That for the fiscal year nineteen hundred and sixteen and annually thereafter the estimates of appropriations for the Panama Canal shall be submitted in detail, showing the amounts required for personal services and the amounts required for material including all supplies, under the heads of construction, maintenance, operation, sanitation, and civil government, and following each there shall be submitted notes giving in parallel columns information which will show the number, by grade or classes, of officers, employees, and skilled and unskilled laborers proposed to be paid under each of said appropriations for the ensuing fiscal year and those paid at the close of the fiscal year next preceding the period when said estimates are prepared and submitted; also, in connection with each item for material and miscellaneous purposes other than salaries or pay for personal services, the amounts actually expended or obligated, quantities purchased, and prices paid for material or supplies during the entire fiscal year next preceding the preparation and submission of said estimates.]

[There shall also be submitted in connection with the foregoing information, statements of actual unit cost of all construction work done, and of estimated unit cost of work proposed to be done, for the fiscal years, included in the notes so required to be submitted with the annual estimates.]

(60) That the Public Printer is hereby authorized to pay to Albert Ordway, out of the current appropriations for printing for Congress, the sum of six hundred and forty-two dollars and ten cents, to reimburse him for expenditures on the index of the Congressional Record; and all payments heretofore made to him by the Public Printer on said account are hereby ratified and confirmed. That the Secretary of the Treasury shall, at the commencement of each session of Congress, report the amount due each claimant whose claim has been allowed in whole or in part to the Speaker of the House of Representatives and the presiding officer of the Senate, who shall lay the same before their respective Houses for consideration. [And hereafter all estimates of appropriations and estimates of deficiencies in appropriations intended for the consideration and seeking the action of any of the committees of Congress shall be transmitted to Congress through the Secretary of the Treasury, and in no other manner; and the said Secretary shall first cause the same to be properly classified, compiled, indexed, and printed, under the supervision of the chief of the division of warrants, estimates, and appropriations of his Department.]

(61) [Sec. 5. Hereafter the Secretary of the Treasury shall require, and it shall be the duty of the head of each Executive Department or other Government establishment to furnish him, within thirty days after the close of each fiscal year, a statement of all money arising from proceeds of public property of any kind or from any source other than the postal service, received by said head of Department or other Government establishment during the previous fiscal year for or on account of the public service, or in any other manner in the discharge of his official duties other than as salary or compensation, which was not paid into the General Treasury of the United States, together with a detailed account of all payments, if any, made from such funds during such year. All such statements, together with a similar statement applying to the Treasury Department, shall be transmitted by the Secretary of the Treasury to Congress at the beginning of each regular session.]

(62) Purchase of subsistence supplies:

\* \* \* \* \*

[Provided, That hereafter the provisions of section five of the Act of June thirtieth, nineteen hundred and six (Thirty-fourth Statutes, page seven hundred and sixty-three), shall not be construed to apply to the Subsistence Department.]

(63) [Sec. 7. That no part of any money contained herein or hereafter appropriated in lump sum shall be available for the payment of personal services at a rate of compensation in excess of that paid for the same or similar services during the preceding fiscal year; nor shall any person employed at a specific salary be

hereafter transferred and hereafter paid from a lump-sum appropriation a rate of compensation greater than such specific salary, and the heads of departments shall cause this provision to be enforced: *Provided*, That this section shall not apply to mechanics, artisans, their helpers and assistants, laborers, or any other employees whose duties are of similar character and required in carrying on the various manufacturing or constructing operations of the Government.】

(64) 【That hereafter section seven of the Act approved August twenty-sixth, nineteen hundred and twelve (Thirty-seventh Statutes, page six hundred and twenty-six), and any amendments thereto, shall not apply to the payment, out of moneys appropriated or which may be hereafter appropriated in lump sum for the Department of Agriculture, for personal services of employees engaged in strictly scientific or technical work: *Provided*, That nothing contained herein shall be construed to authorize the transfer of any person employed at a specific salary and the payment of compensation from lump-sum appropriations at a rate greater than said specific salary.】

(65) To pay amounts found due by the accounting officers of the Treasury on account of the appropriation "Transportation, recruiting, and contingent, Bureau of Navigation," for the fiscal year nineteen hundred, nine hundred and thirty-nine dollars and sixty-six cents【: *Provided*, That the transportation to their homes, if residents of the United States, of enlisted men and apprentices discharged on medical survey; and the transportation to the place of enlistment, if residents of the United States, of enlisted men and apprentices discharged on account of expiration of enlistment, shall hereafter be chargeable to the appropriation "Transportation, recruiting, and contingent.】

(66) 【That no part of the appropriations heretofore, herein, or hereafter made for "Increase of the Navy" under the Bureau of Ordnance and no part of allotments of appropriations heretofore or hereafter made to said bureau shall be available for the payment for services or materials used in the construction of any shop, building, living quarters, or other structures, except such temporary structures costing not in excess of \$5,000 each as may be incident to current work of said bureau, or for additions and betterments to any existing shore station facilities unless the appropriation shall in terms specifically authorize such construction or additions and betterments: *Provided*, That nothing herein shall be construed as interfering in any way with any existing contract or any work in progress on the date of the approval of this Act.】

(67) For additional amount for the objects mentioned in the foregoing paragraph and in lieu of expenditures heretofore made therefor from general appropriations for the naval establishment, twenty-six thousand dollars【: and hereafter it shall not be lawful to expend, for any of the offices or bureaus of the Navy Department at Washington, any sum out of appropriations made for the naval establishment for any of the purposes mentioned or authorized in the said foregoing paragraph.】

(68) Increase of the Navy, Equipment: The unexpended balance on June thirtieth, nineteen hundred and fifteen, shall be transferred to appropriation "Increase of the Navy, construction and machinery【," and beginning with July first, nineteen hundred and fifteen, equipment outfits shall be charged to appropriation "Increase of the Navy, construction and machinery【."

(69) Fuel and Transportation: Coal and other fuel for steamers' and ships' use, including expenses of transportation, storage, and handling the same; maintenance and general operation of machinery of naval coaling depots and coaling plants; water for all purposes on board naval vessels; and ice for the cooling of water, including the expense of transportation and storage of both, \$4,500,000【: *Provided*, That hereafter, when the lowest obtainable cost of transportation of fuel between the Atlantic and Pacific coasts of the United States by merchant carriers is considered excessive, the appropriation "Fuel and transportation" may be charged with the expense of pay, transportation, shipping, and subsistence of civilian officers and crews, and such other incidental expenses as cannot be paid from other appropriations, of naval auxiliaries engaged in the transportation of fuel: *Provided*, That the appropriation "Maintenance of naval auxiliaries" is insufficient therefor.】

(70) For allowance for travel, retained and detained pay, clothing not drawn, and for interest on deposits, payable to enlisted men on discharge, seven hundred and eighty-eight thousand two hundred and nine dollars and thirty-three cents【: *Provided*, That hereafter sums known as detained pay, which have already been or may hereafter be withheld from the monthly pay of enlisted men of the Army in obedience to court-martial sentences, shall, when repaid, become a charge

against the fund "pay of the Army" for the year in which said enlisted men have been or may be discharged].

(71) [Hereafter the appropriations "Ordnance-stores ammunition," "Small-arms target practice," and "Ordnance stores and supplies" shall be available for two years to procure the stores authorized by them.]

(72) On and after July 1, 1923, the cost of transportation of material in connection with the manufacturing and purchasing activities of the Signal Corps, Ordnance Department, Chemical Warfare Service, Air Service, Medical Department, Engineer Department, and the Coast Artillery Corps, and in connection with the construction and installation of fire-control projects at seacoast fortifications by the Coast Artillery Corps may be charged to the appropriations for the work in connection with which such transportation charges are required; and the Budget estimates for each of such appropriations shall hereafter carry separately the amounts required for such transportation costs].

(73) Manufacture, repairing, procuring, and issuing arms at the national armories, one million seven hundred thousand dollars: *Provided*, That hereafter no part of the appropriations made for the Ordnance Department shall be used in payment of freight charges on ordnance or ordnance stores issued by said Department].

(74) General expenses of public buildings:

\* \* \* \* \*  
[*Provided*, That expenditures for traveling expenses and subsistence of persons detailed to assist the inspector and assistant inspector of furniture may continue to be made, as heretofore, from the appropriation for "Furniture, and repairs of same, for public buildings" for the remainder of the fiscal year ending June thirtieth, nineteen hundred and ten, and no longer.]

(75) [Sec. 3682. No moneys appropriated for contingent, incidental, or miscellaneous purposes shall be expended or paid for official or clerical compensation.]

(76) [Sec. 3683. No part of the contingent fund appropriated to any Department, Bureau, or office, shall be applied to the purchase of any articles except such as the head of the Department shall deem necessary and proper to carry on the business of the Department, Bureau, or office, and shall, by written order, direct to be procured.]

(77) [Hereafter section 3683 of the Revised Statutes of the United States shall not be construed to apply to any purchase made by the Department of Commerce when the aggregate amount involved does not exceed the sum of \$25.]

(78) For contingent expenses of the Post Office Department:

\* \* \* \* \*  
[*Provided*, That hereafter the expenditure of the contingent expenses of the Post Office Department shall be expended as specially directed in the law, and according to the appropriations for the items specifically named, and that no moneys appropriated for the specific purposes named under the head of "For contingent expenses of the Post Office Department" shall be diverted from one purpose to another; and that all moneys unexpended for one or more specific purposes shall be turned into the Treasury, and not expended, by the superintendent and disbursing officer, for any object or purpose whatsoever other than the specific ones named in the appropriation for the "Contingent expenses of the Post Office Department".]

(79) [Sec. 3684. All appropriations for public buildings under the control of the Treasury Department shall be available immediately upon the approval of the act containing such appropriations.]

(80) [Sec. 6. That the appropriations made to carry into effect the provisions of legislation authorizing the acquisition of land for sites for public buildings or the enlargement thereof, or for the construction, enlargement, extension, remodeling, or special repairs of public buildings under the control of the Treasury Department, shall be deemed to be available only for the purposes specifically enumerated in said legislation, and the Secretary of the Treasury is hereby authorized and directed to submit to Congress annually detailed estimates of appropriations necessary for defraying all expenses, both in the Office of the Supervising Architect and in the field, of every kind and character incident to, or requisite for, the administrative work of carrying into effect the provisions of this or subsequent public-building Acts, so far as the same relate to public buildings under the control of the Treasury Department, such estimates to be in addition to and separate and apart from the estimates of appropriations providing specifically for the salaries of certain officers and employees in the Office of the Supervising Architect; that the appropriations for said administrative work, when made, shall be immediately

available for such personal services and all other expenses and supplies, both for office and field work, as the Secretary of the Treasury may deem necessary and specially order or approve to carry into effect the provisions of this and subsequent Acts relating to the acquisition of land for sites or the enlargement thereof, or for the construction, enlargement, extension, remodeling, or special repairs of public buildings under the control of the Treasury Department, including the annual appropriations under the control of the Supervising Architect: *Provided*, That such persons as may be regularly appointed and paid from such appropriations shall be subject, in all respects, to the laws, rules, and regulations respecting entrance into or separation from the classified civil service of the United States, and shall be employed only in the Office of the Supervising Architect or in field-work of construction and repair under his supervision and control, and the Secretary of the Treasury shall annually submit to Congress in the Book of Estimates a statement, showing the names of all persons whose salaries or compensation are paid from said appropriations, their duties, and the rate of compensation and the amount paid to each of them, respectively: *And provided further*, That this Act shall not be construed as rendering unavailable for the employment of personal services in the Office of the Supervising Architect, or for any other purpose now authorized by law, any of the appropriations or balances of appropriations made prior to July first, nineteen hundred and seven, for the acquisition of land for sites, or the enlargement thereof, or for the erection, enlargement, extension, remodeling, or special repairs of public buildings under the control of the Treasury Department, or any of the annual appropriations under the control of the Supervising Architect. And all appropriations made in full or in part subsequent to July first, nineteen hundred and seven, for extension of the limits of cost of public buildings or sites, or for the acquisition of land for sites, or the enlargement thereof, or for the erection, enlargement, extension, remodeling, or special repairs of public buildings under the control of the Treasury Department, or for any annual appropriation under the control of the Supervising Architect, shall be subject to the provisions hereof.】

(81) Pay of Assistant Custodians and Janitors: For pay of assistant custodians and janitors, including all personal services in connection with the care of all public buildings under control of the Treasury Department outside of the District of Columbia, one million and eighty-six thousand two hundred dollars; and the Secretary of the Treasury shall so apportion this sum as to prevent a deficiency therein, and hereafter no other fund appropriated shall be used for this service.】

(82) 【A detailed statement of the expenditure of the appropriations for the United States Commerce Court shall be submitted to Congress at the beginning of each regular session thereof.】

(83) 【SEC. 26. On or before the first day of July, nineteen hundred and fourteen, the Secretary of the Interior shall cause a system of bookkeeping to be installed in the Bureau of Indian Affairs, which will afford a ready analysis of expenditures by appropriations and allotments and by units of the service, showing for each class of work or activity carried on, the expenditures for the operation of the service, for repairs and preservation of property, for new and additional property, salaries and wages of employees, and for other expenditures. Provision shall be made by the Secretary of the Interior for further analysis of each of the foregoing classes of expenditures, if, in his judgment, he shall deem it advisable.】

【Annually, after July first, nineteen hundred and fourteen, a detailed statement of expenditures, as hereinbefore described, shall be incorporated in the annual report of the Commissioner of Indian Affairs and transmitted by the Secretary of the Interior to Congress on or before the first Monday in December.】

【Before any appropriation for the Indian Service is obligated or expended, the Secretary of the Interior shall make allotments thereof in conformity with the intent and purpose of this Act, and such allotments shall not be altered or modified except with his approval.】

【After July first, nineteen hundred and fourteen, the estimates for appropriations for the Indian Service submitted by the Secretary of the Interior, shall be accompanied by a detailed statement, classified in the manner prescribed in the first paragraph of this section, showing the purposes for which the appropriations are required.】

(84) 【No appropriation or fund made available by this or any other appropriation Act to the executive departments and establishments, including corporations, for personal services shall be available to pay any increased cost resulting from the allocation or reallocation hereafter of a position to a higher grade, or resulting from the creation of a new position, if such increased cost would result in an increase in the total obligations on an annual basis under such appropriation or

fund: *Provided*, That this prohibition shall not apply to the initial creation of positions to carry out new programs or functions for which specific appropriations are made available.]

(85) [Sec. 607. (a) It is hereby declared to be the sense of the Congress that in the interest of economy and efficiency the heads of departments, and of independent establishments or agencies, in the executive branch, including Government-owned or controlled corporations, shall terminate the employment of such of the employees thereof as are not required for the proper and efficient performance of the functions of their respective departments, establishments, and agencies.

[(b) The heads of departments, and of independent establishments or agencies in the executive branch, including Government-owned or controlled corporations, shall present to the Director of the Bureau of the Budget such information as the Director shall from time to time, but at least quarterly, require for the purpose of determining the numbers of full-time civilian employees (including full-time intermittent employees who are paid on a "when actually employed" basis, and full-time employees paid nominal compensation, such as \$1 a year or \$1 a month) and the man-months of part-time civilian employment (including part-time employment by intermittent employees who are paid on a "when actually employed" basis, and part-time employment by employees paid nominal compensation such as \$1 a year or \$1 a month) required within the United States for the proper and efficient performance of the authorized functions of their respective departments, establishments, and agencies. The Director shall, within sixty days after the date of enactment of this Act and from time to time, but at least quarterly, thereafter, determine the numbers of full-time employees and man-months of part-time employment, which in his opinion are required for such purpose, and any personnel or employment in such department, establishment, or agency in excess thereof shall be released or terminated at such times as the Director shall order. Such determinations, and any numbers of employees or man-months of employment paid in violation of the orders of the Director, shall be reported quarterly to the Congress. Each such report shall include a statement showing for each department, independent establishment, and agency the net increase or decrease in such employees and employment as compared with the corresponding data contained in the next preceding report, together with any suggestions the Director may have for legislation which would bring about economy and efficiency in the use of Government personnel. As used in this subsection the term "United States" shall include the Territories and possessions.

[(c) Determinations by the Director of numbers of employees and man-months of employment required shall be by such appropriation units or organization units as he may deem appropriate.

[(d) The Director shall maintain a continuous study of all appropriations and contract authorizations in relation to personnel employed and shall, under such policies as the President may prescribe, reserve from expenditure any savings in salaries, wages, or other categories of expense which he determines to be possible as a result of reduced personnel requirements. Such reserves may be released by the Director for expenditure only upon a satisfactory showing of necessity.

[(e) Casual employees, as defined by the Civil Service Commission, and employees hired without compensation may be excluded from the determinations and reports required by this section.

[(f) Until the cessation of hostilities in the present war as proclaimed by the President, the provisions of this section shall not be applicable to individuals employed or paid by or through the War Shipping Administration (A) who are outside the United States, (B) to whom the provisions of section 1 (a) of the Act of March 24, 1943 (Public Law Numbered 17, Seventy-eighth Congress), are applicable, (C) who are undergoing a course of training under the United States Maritime Service or who have completed such training and are awaiting assignment to ships, or (D) who are on stand-by wages awaiting assignment to ships. As used in this subsection the term "United States" means the several States and the District of Columbia.

[(g) (1) In carrying out the provisions of subsection (b) of this section—

[(A) with respect to the departments (other than the Department of the Army and the Department of the Navy), establishments, and agencies (including Government-owned or controlled corporations) in the executive branch, the Director shall so determine the numbers of full-time civilian employees and the man-months of part-time employment on the basis of the relative needs of such departments, establishments, and agencies for personnel, that the aggregate number of such civilian employees (including the full-time equivalent of man-months of part-time employment) shall not

exceed (i) five hundred and twenty-eight thousand nine hundred and seventy-five for the quarter beginning October 1, 1946; (ii) five hundred and one thousand seven hundred and seventy-one for the quarter beginning January 1, 1947; (iii) four hundred and seventy-four thousand five hundred and sixty-seven for the quarter beginning April 1, 1947; and (iv) four hundred and forty-seven thousand three hundred and sixty-three after June 30, 1947;

[(B) with respect to the Department of the Army and the Department of the Navy, the Director shall so determine the numbers of civilian employces (including the full-time equivalent of man-months of part-time employment) that at the earliest date practicable, but in no event later than July 1, 1947, the number shall not exceed one hundred and seventy-six thousand with respect to the Department of the Army, or one hundred thousand with respect to the Department of the Navy.

The numbers of employees specified in this paragraph shall be regarded as maximum numbers, and nothing herein shall be construed to limit the authority of the Director to establish lower aggregate numbers whenever, in his opinion, the numbers so specified are in excess of those necessary for the proper and efficient exercise of the authorized functions of the departments, establishments, and agencies to which this subsection applies. The procedural provisions of subsection (b) of this section shall be applicable with respect to determinations under this paragraph.

[(2) No provision of law enacted authorizing the employment of personnel by, or appropriating funds for the compensation of personnel of, or conferring additional functions upon, any department, establishment, or agency, shall be construed to authorize the employment of, or payment of compensation to, a greater number of employees subject to this subsection than the number so determined by the Director with respect to such department, establishment, or agency unless such provision of law specifically authorizes the employment or payment of salaries of personnel in excess of such number, or exempts such department, establishment, or agency from the provisions of this subsection, and any such employment or payment not so authorized shall be deemed to be a violation of the provisions of section 3679 of the Revised Statutes of the United States (U. S. C., 1940 edition, title 31, sec. 665).

[(3) The provisions of this subsection shall not apply with respect to employees whose basic compensation is fixed and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose. The provisions of subparagraph (A) of paragraph (1) shall not apply with respect to officers and employees in the field service of the Post Office Department or to officers and employees of the Veterans' Administration, but shall apply with respect to officers and employees outside the United States whose compensation is fixed in accordance with the Classification Act of 1923, as amended, and who are not excluded from the provisions of this section by the provisions of subsection (f). The provisions of subparagraph (B) of paragraph (1) shall not apply with respect to officers and employees outside the several States and the District of Columbia.]

(86) Sec. 3. That it shall be the duty of the heads of the several Executive Departments, and of other officers authorized or required to make estimates, to furnish to the Secretary of the Treasury, on or before the first day of October of each year, their annual estimates for the public service, to be included in the Book of Estimates prepared by law under his direction [; and the Secretary of the Treasury shall submit, as a part of the appendix to the Book of Estimates, such extracts from the annual reports of the several heads of Departments and Bureaus as relate to estimates for appropriations, and the necessities therefor].

(87) That there are authorized to be appropriated annually such sums as may be necessary to enable the President, in his discretion and under such regulations as he may prescribe and notwithstanding the provisions of any other Act and upon recommendation of the Director of the Budget, to meet losses sustained on and after July 1, 1933, by officers, enlisted men, and employees of the United States while in service in foreign countries due to the appreciation of foreign currencies in their relation to the American dollar, and to cover any deficiency in the accounts of the Treasurer of the United States, including interest, arising out of the arrangement approved by the President on July 27, 1933, for the conversion into foreign currencies of checks and drafts of officers, enlisted men, and employees for salaries and expenses: *Provided*, That such action as the President may take shall be binding upon all executive officers of the Government: *Provided further*, That no payments authorized by this Act shall be made to any officers, enlisted men, or employees for periods during which their checks or drafts were

converted into foreign currencies under the arrangement hereinbefore referred to: *Provided further*, That allowances and expenditures pursuant to this Act shall not be subject to income taxes: *And provided further*, That the Director of the Budget shall report all expenditures made for this purpose to Congress annually [with the Budget estimates].

(88) Foreign trade and treaty relations: For defraying the necessary expenses incurred in connection with foreign trade relations which come within the jurisdiction of the Department of State, under tariff legislation and otherwise, and in the negotiation and preparation of treaties, arrangements, and agreements for the advancement of commercial and other interests of the United States, and for the maintenance of a division of far eastern affairs in the Department of State, including the payment of necessary employees, at the seat of government or elsewhere, to be selected, and their compensation fixed, by the Secretary of State and to be expended under his direction, fiscal year nineteen hundred and ten, one hundred thousand dollars. A detailed statement showing expenditures, including salaries or rates of compensation paid, under this appropriation shall be reported to Congress by the Secretary of State on the first day of each regular session; and estimates for further appropriations hereunder shall include in detail salaries for all persons to be employed and paid in the Department of State at Washington, District of Columbia].

## (89) DEPARTMENT OF AGRICULTURE

\* \* \* \* \*  
WORKING CAPITAL FUND

For the establishment of a working capital fund, \$400,000, without fiscal year limitation, for the payment of salaries and other expenses necessary to the maintenance and operation of (1) central duplicating, photographic, and tabulating services, (2) a central motor-transport service for the maintenance, repair, and operation of motor-transport vehicles and other equipment, (3) a central supply service for the purchase, storage, handling, issuance, packing, or shipping of stationery, supplies, equipment, blank forms, and miscellaneous materials, for which stocks thereof, not to exceed \$200,000 in value (except for the value of blank forms) at the close of any fiscal year, may be maintained sufficient to meet, in whole or in part, requirements of the bureaus and offices of the Department in the city of Washington and elsewhere, and (4) such other services as the Secretary, with the approval of the Director of the Bureau of the Budget, determines may be performed more advantageously as central services; said fund to be reimbursed from applicable funds of bureaus, offices, and agencies for which services are performed on the basis of rates which shall include estimated or actual charges for personal services, materials, equipment (including maintenance, repairs, and depreciation) and other expenses: *Provided*, That such central services shall, to the fullest extent practicable, be used to make unnecessary the maintenance of separate like services in the bureaus, offices, and agencies of the department [; *Provided further*, That a separate schedule of expenditures and reimbursements, and a statement of the current assets and liabilities of the working capital fund as of the close of the last completed fiscal year, shall be included in the annual Budget].

(90) The Civil Service Commission shall submit [annually to the Bureau of the Budget] estimates of the appropriations necessary to finance the retirement and disability fund and to continue this Act in full force and effect.

(91) [Sec. 31. That the commission shall submit annually to the Secretary of the Treasury estimates of the appropriations necessary for the work of the commission.]

(92) Sec. 35. That there is hereby authorized to be appropriated, from any money in the Treasury not otherwise appropriated, the sum of \$500,000, to be set aside as a separate fund in the Treasury, to be known as the employees' compensation fund. To this fund there shall be added such sums as Congress may from time to time appropriate for the purpose. Such fund, including all additions that may be made to it, is hereby authorized to be permanently appropriated for the payment of the compensation provided by this Act, including the medical, surgical, and hospital services and supplies provided by section nine, and the transportation and burial expenses provided by sections nine and eleven. [The commission shall submit annually to the Secretary of the Treasury estimates of the appropriations necessary for the maintenance of the fund.]



(93) [and the Signal Corps of the Army shall remain a part of the Military Establishment under the direction of the Secretary of War, and all estimates for its support shall be included with other estimates for the support of the Military Establishment.]

(94) Sec. 4. The net proceeds of the sale of the surplus War Department real property hereinbefore designated, and the net proceeds of the sale of surplus War Department real property, including net proceeds derived from the sale of surplus buildings heretofore authorized and not heretofore covered into the Treasury, shall be deposited in the Treasury to the credit of a fund to be known as the Military Post Construction Fund, to be and remain available until expended for permanent construction at military posts in such amounts as may be authorized by law from time to time by the Congress: *Provided*, That where the lands sold were originally reserved from the public domain for military or other public purposes of the United States, before the deposit of the net proceeds of the sale, into the Treasury there shall be deducted from the net proceeds of the sale, and paid to the State in which the land is situated in each case the 5 per centum as provided by the Act of March 3, 1845 (Fifth Statutes, page 788), and similar Acts, of the net proceeds of the sale of all such lands as were reserved subsequently to the passage of such Act or Acts, but excepting and excluding, however, from such deduction the appraised value of any buildings or improvements that may have been constructed by the United States upon the said lands: *And provided further*, That estimates of the moneys to be expended from the said Military Post Construction Fund, including a statement of the specific construction projects embraced in such estimates, shall be submitted annually to Congress in the Budget.]

(95) [and the Secretary of the Interior is directed to submit, for the fiscal year nineteen hundred and nineteen and annually thereafter, estimates of the amounts required for the care, maintenance, and development of the said parks.]

(96) The Director of National Park Service shall provide for the care and maintenance of the national military cemeteries [and for this purpose shall submit an estimate with his annual estimates to the Bureau of the Budget.]

(97) [The aggregate of all estimates of appropriations from the "reclamation fund" contained in the Budget for any fiscal year shall be included in the totals of the Budget for that year.]

(98) [The estimates for the support of the navy shall hereafter show, under the head of Pay of the Navy, the sums allowed for pay of officers belonging to the line, to the several departments of the staff, and to the retired list; the estimates to show under each head the amount allowed for pay proper, for increases due to longevity and foreign service, and for pay at sea rates to officers employed on shore; together with the total number of warrant and petty officers and seamen of the several grades and designations, including as to each class the amount allowed for pay proper and for longevity or service increases. The estimates shall include a list giving the rates of pay for all petty officers and other enlisted men of the navy.]

(99) [The Postmaster-General shall for the fiscal year eighteen hundred and ninety-eight, and annually thereafter, submit in the annual estimates to Congress estimates in detail for all expenses of the money-order branch of the postal service.]

(100) \* \* \* [Provided further, That it shall be the duty of the managers of said Home, on or before the first day of October, in each year, to furnish to the Secretary of War estimates, in detail, for the support of said Home for the fiscal year commencing on the first day of July thereafter, and the Secretary of War shall annually include such estimates in his estimates for his Department.]

(101) [SEC. 119. ANNUAL ESTIMATES REQUIRED.—The Secretary of War shall cause to be estimated annually the amount necessary for carrying out the provisions of so much of this Act as relates to the militia, and no money shall be expended under said provisions except as shall from time to time be appropriated for carrying them out.]

(102) Hereafter such amount may be expended annually for pay of drafting, technical, and inspection force from the several lump sum appropriations in which specific authority for such expenditure is given, as the Secretary of the Navy may deem necessary within the limitation of appropriation provided for such service in said lump sum appropriations at such rates of compensation as the Secretary of the Navy may prescribe; and the Secretary of the Navy shall each year, in the annual estimates, report to Congress the number of persons so employed, their duties, and the amount paid to each.]

(103) Salaries, force employed on work of the Postal Savings System in the office of the Treasurer of the United States (reimbursable): The Secretary of the Treasury may employ such number of clerks and employees of the several classes and at the several rates of compensation recognized by law, and expend such sums for contingent and miscellaneous items, as may be necessary, in his judgment, to transact the business of the Postal Savings System in the office of the Treasurer of the United States: *Provided*, That the money required to pay such clerks and employees, and contingent and miscellaneous items, not exceeding \$18,000 for the fiscal year nineteen hundred and thirteen, shall be advanced to the Secretary of the Treasury at regular intervals out of any available appropriation for the establishment, maintenance, and extension of postal savings depositories **]: *Provided further*, That estimates hereunder shall be submitted in detail for the fiscal year nineteen hundred and fourteen, and annually thereafter.]**

(104) **[Sec. 27. He shall prepare and submit to the Secretary of the Treasury, annually, in time to have the same embraced in the estimates from that Department, detailed estimates of the sums which will be required for salaries, wages, printing, engraving, lithographing, binding, materials, and other necessary expenses of said Printing Office for the ensuing fiscal year.]**

(105) **[The Public Printer shall submit for the fiscal year nineteen hundred and ten, and annually thereafter, estimates for all clerks and other employees additional to the foregoing who may be required in the executive or administrative offices of the Government Printing Office; and no funds other than those specifically appropriated under said estimates shall be used during said fiscal year for services in the Government Printing Office of the character specified in said estimates and appropriated for thereunder.]**

(106) **[and hereafter it shall be the duty of the secretary of each Territory to furnish estimates in detail for the lawful expenses thereof, to be presented to the Secretary of the Treasury on or before the first day of October of every year.]**