

Senate.

May 25, 1921

Consideration of Conference Report

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By Mr. SANDERS of Iowa: A bill (H. R. 6624) granting a pension to Martin L. Stokesberry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6624) granting a pension to John A. Kirkham; to the Committee on Invalid Pensions.

By Mr. SCOTT of Michigan: A bill (H. R. 6635) granting a pension to Christine Schusser; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6634) granting a pension to Reuben G. Levyni; to the Committee on Pensions.

Also, a bill (H. R. 6635) granting a pension to Laura A. Hayner; to the Committee on Invalid Pensions.

By Mr. TAYLOR of New Jersey: A bill (H. R. 6636) authorizing the Secretary of War to donate to the seventh ward of Jersey City, N. J., one German cannon or salivator; to the Committee on Military Affairs.

By Mr. TEN EyCK: A bill (H. R. 6637) for the relief of the estate of Sarah H. Flack, deceased; to the Committee on Claims.

By Mr. TILSON: A bill (H. R. 6628) granting a pension to Gustav R. Kaschubey; to the Committee on Pensions.

By Mr. TREADWAY: A bill (H. R. 6639) granting an increase of pension to Rose E. Cain; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

947. By Mr. CHALMERS: Petition of the Woolumer Brewery Co., Toledo, Ohio, protesting against continuance of excess tax on cereal beverages; to the Committee on Ways and Means.

948. Also, petition of Women's Auxiliary, John A. Fader Post, No. 114, American Legion, Oak Harbor, Ohio; to the Committee on Ways and Means.

949. By Mr. DYER: Telegrams and letters in support of House joint resolution 116, relative to newspaper correspondents in Ireland; to the Committee on Foreign Affairs.

950. Also, petitions from citizens of St. Louis, Mo., in favor of beer and light wines; to the Committee on the Judiciary.

951. By Mr. FULLER: Petition of the Rockford, Ill., Kiwanis Club, urging relief for the disabled soldiers of the World War; also petition of the Traffic Club, of Chicago, Ill., relative to the railroad legislation, etc.; to the Committee on Interstate and Foreign Commerce.

952. Also, petition of H. Hotelling, Rural Letter Carriers, No. 4, Rockford, Ill., favoring revision and increase of compensation for the rural letter carriers; to the Committee on the Post Office and Post Roads.

953. By Mr. SINCLAIR: Petition of high school principals, teachers, and superintendents of schools in conference at Grand Forks, N. Dak., favoring passage of Towne-Stirling bill; to the Committee on Education.

954. By Mr. CURLY: Petition of Young Men's Christian Association, of Sacramento, Calif., in favor of certain legislation relative to rehabilitation of ex-soldiers and sailors; to the Committee on Interstate and Foreign Commerce.

#### SENATE.

THURSDAY, May 26, 1921.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we bless Thee for another day and its privileges. We desire Thy guidance to help us in the understanding of duty, to recognize Thy claims as well as those of our country. Be pleased to be with us always. For Christ Jesus' sake. Amen.

The reading clerk proceeded to read the Journal of the proceedings of the legislative day of Friday, May 20, 1921, when, on request of Mr. Lodge and by unanimous consent, the further reading was dispensed with and the Journal was approved.

#### EXECUTIVE SESSION.

Mr. LODGE, Mr. President, under the unanimous-consent agreement, it becomes my duty to move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 4 hours and 35 minutes spent in executive session the doors were reopened.

NATIONAL BUDGET SYSTEM—CONFERENCE REPORT—S. DOC. NO. 151.

While the doors were closed, Mr. McCORMACK, as in legislative session, called up the report of the committee of conference on

the disagreeing votes of the two Houses on the amendment of the House of Representatives to the bill (S. 1084) to provide a national budget system and an independent audit of Government accounts, and for other purposes, and the report was agreed to. The report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1084) to provide a national budget system and an independent audit of Government accounts, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows. In lieu of the matter inserted by the amendment of the House insert the following:

#### "TITLE I.—DEFINITIONS.

"SECTION 1. This act may be cited as the 'budget and accounting act, 1921.'

"SEC. 2. When used in this act—

"The terms 'department and establishment' and 'department or establishment' mean any executive department, independent commission, board, bureau, office, agency, or other establishment of the Government, including the municipal government of the District of Columbia, but do not include the legislative branch of the Government or the Supreme Court of the United States;

"The term 'the budget' means the budget required by section 201 to be transmitted to Congress;

"The term 'bureau' means the bureau of the budget;

"The term 'director' means the director of the bureau of the budget; and

"The term 'assistant director' means the assistant director of the bureau of the budget.

#### "TITLE II.—THE BUDGET.

"SEC. 201. The President shall transmit to Congress on the first day of each regular session the budget, which shall set forth in summary and in detail:

"(a) Estimates of the expenditures and appropriations necessary, in his judgment, for the support of the Government for the ensuing fiscal year; except that the estimates 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;

"(b) His estimates of the 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;

"(c) The expenditures and receipts of the Government during the last completed fiscal year;

"(d) Estimates of the expenditures and receipts 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;

"(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;

"(g) All essential facts regarding the bonded and other indebtedness of the Government; and

"(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.

"SEC. 202. (a) If the estimated receipts for the ensuing fiscal year contained in the budget, on the basis of laws existing at the time the budget is transmitted, plus the estimated amounts in the Treasury at the close of the fiscal year in progress, available for expenditure in the ensuing fiscal year, are less than the estimated expenditures for the ensuing fiscal year contained in the budget, the President, in the budget, shall make recommendations to Congress for new taxes, loans, or other appropriate action to meet the estimated deficiency.

"(b) If the aggregate of such estimated receipts and such estimated amounts in the Treasury is greater than such estimated expenditures for the ensuing fiscal year, he shall make such recommendations as in his opinion the public interests require.

"SEC. 203. (a) The President from time to time may transmit to Congress supplemental or deficiency estimates for such appropriations or expenditures as in his judgment (1) are nec-

the existing law, and the mission of the budget office shall be to secure the most efficient use of the public money. He shall cooperate with the several departments of the persons thereon, and shall report to the President for their approval the budget.

Sec. 202. The estimates of appropriations for the fiscal year 1922, if they had been contained in the budget, would have required the President to make a recommendation under subdivision (a) of section 202; he shall thereupon make such recommendation.

Sec. 203. (a) Except as otherwise provided in this act, the notes, orders, and arrangements of the estimates of 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.

(b) Estimates for impromptu 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 amount 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.

Sec. 205. The President, in addition to the budget, shall transmit to Congress on the first Monday in December, 1921, for the review of the fiscal year ending June 30, 1923, only, an alternative budget, which shall be prepared in such form and contents and according to such system of classification and organization as, in his opinion, most appropriate, with such explanatory notes and tables as may be necessary to show where the various items contained in the budget are contained in such alternative budget.

Sec. 206. No estimate or request for an appropriation and request for an increase in an item of any such estimate or request and no recommendation as to how the revenue needs of the Government should be met shall be submitted to Congress or any committee thereof by any official or employee of any department or establishment unless at the request of either House of Congress.

Sec. 207. There is hereby created in the Treasury Department a bureau to be known as the bureau of the budget. There shall be in the bureau a director and an assistant director, who shall be appointed by the President and receive salaries of \$10,000 and \$7,500 a year, respectively. The assistant director shall perform such duties as the director may designate, and during the absence or incapacity of the director or during a vacancy in the office of director he shall act as director. The bureau, under such rules and regulations as the President may prescribe, shall prepare for him the budget, the alternative budget, and any supplemental or deficiency estimates, and to this end shall have authority to assemble, correlate, revise, reduce, or increase the estimates of the several departments or establishments.

Sec. 208. (a) The director, under such rules and regulations as the President may prescribe, shall appoint and fix the compensation of attorneys and other employees and make expenditures for rent in the District of Columbia, printing, binding, telegrams, telephone service, law books, books of reference, periodicals, stationery, furniture, office equipment, other supplies, and necessary expenses of the office, within the appropriations made therefor.

(b) No person appointed by the director shall be paid a salary at a rate in excess of \$6,000 a year, and not more than four persons so appointed shall be paid a salary at a rate in excess of \$5,000 a year.

(c) All employees in the bureau whose compensation is at a rate of \$5,000 a year or less shall be appointed in accordance with the civil service laws and regulations.

(d) The provisions of law prohibiting the transfer of employees of executive departments and independent establishments until a term of three years shall not apply during the fiscal years ending June 30, 1921, and June 30, 1922, to the transfer of employees to the bureau.

(e) The bureau shall not be construed to be a bureau or office created since January 1, 1916, so as to deprive employees therein of the additional compensation allowed civilian employees under the provisions of section 6 of the legislative, executive, and judicial appropriation act for the fiscal years ending June 30, 1921, and June 30, 1922, if otherwise entitled thereto.

Sec. 209. The bureau, when directed by the President, shall make a detailed study of the departments and establishments for the purpose of enabling the President to determine what changes (with a view of securing greater economy and efficiency in the conduct of the public service) should be made in (1)

the existing law, and the mission of the budget office shall be to secure the most efficient use of the public money. He shall cooperate with the several departments of the persons thereon, and shall report to the President for their approval the budget. The results of such study shall be embodied in a report or report to the President, who may transmit to Congress such report or reports or any part thereof with his recommendations on the matters covered thereby.

Sec. 210. The bureau shall prepare for the President a collection of all laws or parts of laws relating to the preparation and transmission to Congress of statements of receipts and expenditures of the Government and of estimates of appropriations. The President shall transmit the same to Congress on or before the first Monday in December, 1921, with a recommendation as to the changes which, in his opinion, should be made in such laws or parts of laws.

Sec. 211. The powers and duties relating to the compiling of estimates now conferred and imposed upon the Division of Bookkeeping and Warrants of the office of the Secretary of the Treasury are transferred to the bureau.

Sec. 212. The bureau shall, at the request of any committee of either House of Congress having jurisdiction over revenue or appropriations, furnish the committee such aid and information as it may request.

Sec. 213. Under such regulations as the President may prescribe, (1) every department and establishment shall furnish to the bureau such information as the bureau may from time to time require, and (2) the director and the assistant director, or any employee of the bureau when duly authorized shall, for the purpose of securing such information, have access to, and the right to examine, any books, documents, papers, or records of any such department or establishment.

Sec. 214. (a) The head of each department and establishment shall 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.

(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 his work.

Sec. 215. The head of each department and establishment shall revise the departmental estimates and submit them to the bureau on or before September 15 of each year. In case of his failure so to do the President shall cause to be prepared such estimates and data as are necessary to enable him to include in the budget estimates and statements in respect to the work of such department or establishment.

Sec. 216. The departmental estimates and any supplemental or deficiency estimates 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 prescribe.

Sec. 217. For expenses of the establishment and maintenance of the bureau there is appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$225,000, to continue available during the fiscal year ending June 30, 1922.

TITLE III.—GENERAL ACCOUNTING OFFICE.

Sec. 301. There is created an establishment of the Government to be known as the general accounting office, which shall be independent of the executive departments and under the control and direction of the comptroller general of the United States. The offices of Comptroller of the Treasury and Assistant Comptroller of the Treasury are abolished, to take effect July 1, 1921. All other officers and employees of the office of the Comptroller of the Treasury shall become officers and employees in the general accounting office at their grades and salaries on July 1, 1921, and all books, records, documents, papers, furniture, office equipment, and other property of the office of the Comptroller of the Treasury shall become the property of the general accounting office. The comptroller general is authorized to adopt a seal for the general accounting office.

Sec. 302. There shall be in the general accounting office a comptroller general of the United States and an assistant comptroller general of the United States, who shall be appointed by the President, with the advice and consent of the Senate, and shall receive salaries of \$10,000 and \$7,500 a year, respectively. The assistant comptroller general shall perform such duties as may be assigned to him by the comptroller general, and during the absence or incapacity of the comptroller general, or during a vacancy in that office, shall act as comptroller general.

Sec. 303. Except as hereinafter provided in this section, the comptroller general and the assistant comptroller general shall hold office for five years. The comptroller general shall not be

eligible for reappointment. The comptroller general or the assistant comptroller general may be removed at any time by joint resolution of Congress after notice and hearing, when, in the judgment of Congress, the comptroller general or assistant comptroller general has become permanently incapacitated or has been inefficient, or guilty of neglect of duty, or of malfeasance in office, or of any felony or other act involving moral turpitude, and for no other cause and in no other manner except by impeachment. Any comptroller general or assistant comptroller general removed in the manner here provided shall be ineligible for reappointment to that office. When a comptroller general or assistant comptroller general attains the age of 70 years he shall be retired from his office.

"Sec. 304. All powers and duties now conferred or imposed by law upon the Comptroller of the Treasury or the six auditors of the Treasury Department, and the duties of the Division of Bookkeeping and Warrants of the office of the Secretary of the Treasury relating to keeping the personal ledger accounts of disbursing and collecting officers, shall, so far as not inconsistent with this act, be vested in and imposed upon the general accounting office and be exercised without direction from any other officer. The balances certified by the comptroller general shall be final and conclusive upon the executive branch of the Government. The revision by the comptroller general of settlements made by the six auditors shall be discontinued, except as to settlements made before July 1, 1921.

"The administrative examination of the accounts and vouchers of the Postal Service now imposed by law upon the Auditor for the Post Office Department shall be performed on and after July 1, 1921, by a bureau in the Post Office Department to be known as the bureau of accounts, which is hereby established for that purpose. The bureau of accounts shall be under the direction of a comptroller, who shall be appointed by the President, with the advice and consent of the Senate, and shall receive a salary of \$5,000 a year. The comptroller shall perform the administrative duties now performed by the Auditor for the Post Office Department and such other duties as relation thereto as the Postmaster General may direct. The appropriation of \$5,000 for the salary of the Auditor for the Post Office Department for the fiscal year 1922 is transferred and made available for the salary of the comptroller, bureau of accounts, Post Office Department. The officers and employees of the office of the Auditor for the Post Office Department engaged in the administrative examination of accounts shall become officers and employees of the bureau of accounts at their grades and salaries on July 1, 1921. The appropriations for salaries and for contingent and miscellaneous expenses and tabulating equipment for such office for the fiscal year 1922, and all books, records, documents, papers, furniture, office equipment, and other property shall be apportioned between, transferred to, and made available for the bureau of accounts and the general accounting office, respectively, on the basis of duties transferred.

"Sec. 305. Section 236 of the Revised Statutes is amended to read as follows:

"SEC. 236. All claims and demands whatever by the Government of the United States or against it, and all accounts whatever in which the Government of the United States is concerned, either as debtor or creditor, shall be settled and adjusted in the general accounting office."

"Sec. 306. All laws relating generally to the administration of the departments and establishments shall, so far as applicable, govern the general accounting office. Copies of any books, records, papers, or documents, and transcripts from the books and proceedings of the general accounting office, when certified by the comptroller general or the assistant comptroller general, under its seal, shall be admitted as evidence with the same effect as the copies and transcripts referred to in sections 882 and 886 of the Revised Statutes.

"Sec. 307. The comptroller general may provide for the payment of accounts or claims adjusted and settled in the general accounting office, through disbursing officers of the several departments and establishments, instead of by warrant.

"Sec. 308. The duties now appertaining to the Division of Public Moneys of the Office of the Secretary of the Treasury, so far as they relate to the covering of revenues and repayments into the Treasury, the issue of duplicate checks and warrants, and the certification of outstanding liabilities for payment, shall be performed by the Division of Bookkeeping and Warrants of the Office of the Secretary of the Treasury.

"Sec. 309. The comptroller general shall prescribe the forms, systems, and procedure for administrative appropriation and fund accounting in the several departments and establishments, and for the administrative examination of fiscal officers' accounts and claims against the United States.

"Sec. 310. The offices of the six auditors shall be abolished, to take effect July 1, 1921. All other officers and employees of these offices except as otherwise provided herein shall become officers and employees of the general accounting office at their grades and salaries on July 1, 1921. All books, records, documents, papers, furniture, office equipment, and other property of these offices, and of the Division of Bookkeeping and Warrants, so far as they relate to the work of such division transferred by section 304, shall become the property of the general accounting office. The general accounting office shall occupy temporarily the rooms now occupied by the office of the Comptroller of the Treasury and the six auditors.

"Sec. 311. (a) The comptroller general shall appoint, remove, and fix the compensation of such attorneys and other employees in the general accounting office as may from time to time be provided for by law.

"(b) All such appointments, except to positions carrying a salary at a rate of more than \$5,000 a year, shall be made in accordance with the civil-service laws and regulations.

"(c) No person appointed by the comptroller general shall be paid a salary at a rate of more than \$6,000 a year, and not more than four persons shall be paid a salary at a rate of more than \$5,000 a year.

"(d) All officers and employees of the general accounting office, whether transferred thereto or appointed by the comptroller general, shall perform such duties as may be assigned to them by him.

"(e) All official acts performed by such officers or employees specially designated therefor by the comptroller general shall have the same force and effect as though performed by the comptroller general in person.

"(f) The comptroller general shall make such rules and regulations as may be necessary for carrying on the work of the general accounting office, including rules and regulations concerning the admission of attorneys to practice before such office."

"Sec. 312. (a) The comptroller general shall investigate, at the seat of government or elsewhere, all matters relating to the receipt, disbursement, and application of public funds, and shall make to the President when requested by him, and to Congress at the beginning of each regular session, a report in writing of the work of the general accounting office, containing recommendations concerning the legislation he may deem necessary to facilitate the prompt and accurate rendition and settlement of accounts and concerning such other matters relating to the receipt, disbursement, and application of public funds as he may think advisable. In such regular report, or in special reports at any time when Congress is in session, he shall make recommendations looking to greater economy or efficiency in public expenditures.

"(b) He shall make such investigations and reports as shall be ordered by either House of Congress or by any committee of either House having jurisdiction over revenue, appropriations, or expenditures. The comptroller general shall also, at the request of any such committee, direct assistants from his office to furnish the committee such aid and information as it may request.

"(c) The comptroller general shall specially report to Congress every expenditure or contract made by any department or establishment in any year in violation of law.

"(d) He shall submit to Congress reports upon the adequacy and effectiveness of the administrative examination of accounts and claims in the respective departments and establishments and upon the adequacy and effectiveness of departmental inspection of the offices and accounts of fiscal officers.

"(e) He shall furnish such information relating to expenditures and accounting to the bureau of the budget as it may request from time to time.

"Sec. 313. All departments and establishments shall furnish to the comptroller general such information regarding the powers, duties, activities, organization, financial transactions, and methods of business of their respective offices as he may from time to time require of them; and the comptroller general, or any of his assistants or employees, when duly authorized by him, shall for the purpose of securing such information have access to and the right to examine any books, documents, papers, or records of any such department or establishment. The authority contained in this section shall not be applicable to expenditures made under the provisions of section 291 of the Revised Statutes.

"Sec. 314. The Civil Service Commission shall establish an eligible register for accountants for the general accounting office, and the examinations of applicants for entrance upon such register shall be based upon questions approved by the comptroller general.