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# **THE DEFICIENCY APPROPRIATION BILL, 1950**

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## **HEARINGS**

**BEFORE**

**SUBCOMMITTEES OF THE  
COMMITTEE ON APPROPRIATIONS  
HOUSE OF REPRESENTATIVES**

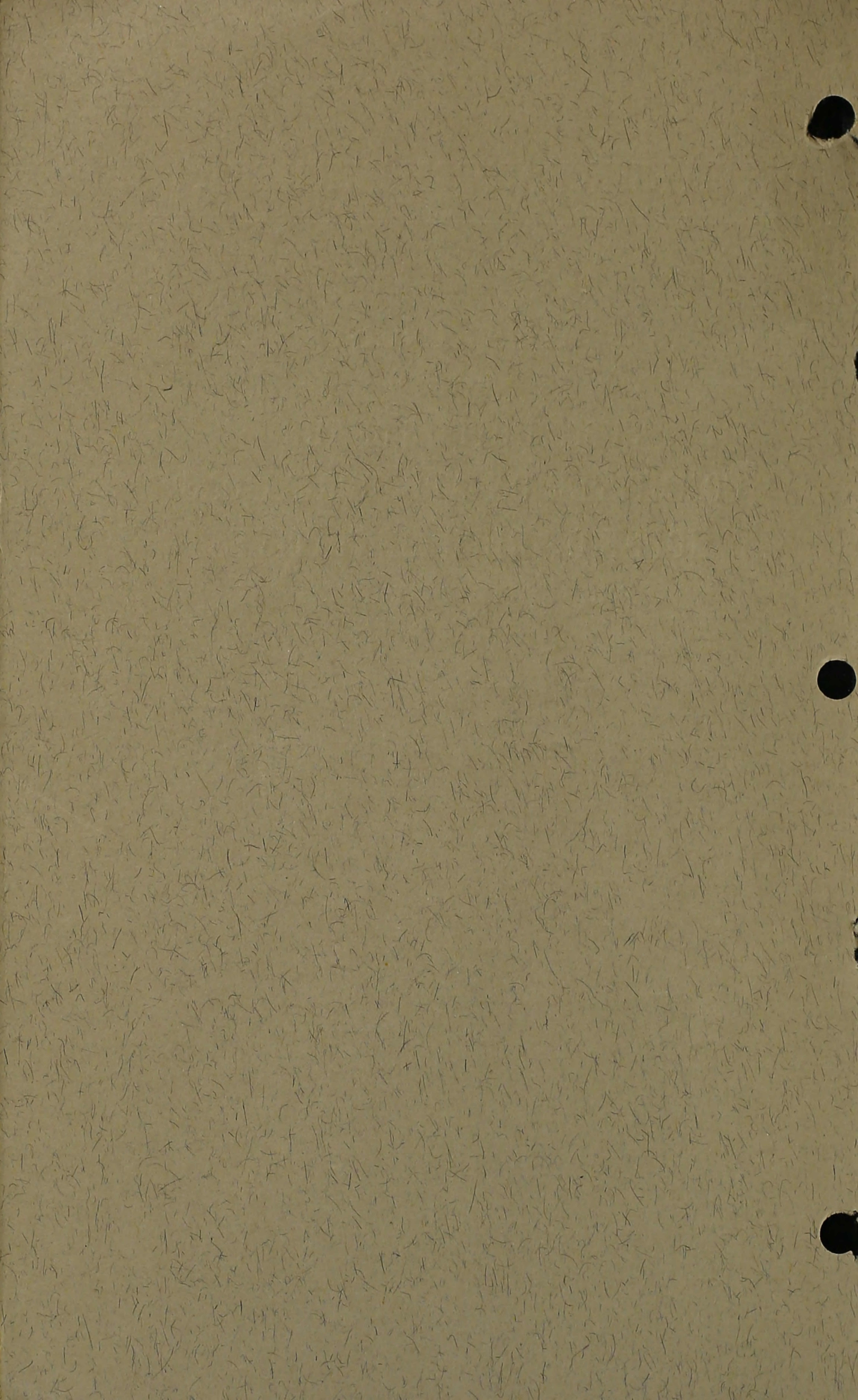
**EIGHTY-FIRST CONGRESS**

**SECOND SESSION**

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**Printed for the use of the Committee on Appropriations**





## NECESSITY FOR SUPPLEMENTAL APPROPRIATIONS

We appreciate that the Pay Act costs and the additional cost occasioned by the Travel Expense Act of 1949 should be absorbed, at least partly, under normal conditions and where it is possible to do so without impairing essential services.

On March 30, 1950, the Director of the Bureau of the Budget certified that "absorption of the increased cost resulting to the Securities and Exchange Commission during the fiscal year 1950, from the enactment of the act of October 15, 1949, Public Law 359, would impair the proper performance of the agency's functions." This certificate is required by section 8 of the Executive Pay Act. Likewise, the absorption of the cost of the Classification Act of 1949 and the Travel Expense Act of 1949 would impair the services of the Commission.

The chief reason that the Securities and Exchange Commission is unable to absorb these added costs is that the appropriation for the current fiscal year is a total of \$371,140 below last year's appropriation, which includes a reduction of \$220,000 in the Commission's budget estimate as approved by the President. When the independent offices bill for 1950 was enacted last August and the reduction was finally approved, the Commission took immediate steps to effect a staff reduction and at that time 60 employees were dropped from the rolls, which resulted in a net savings for the year of approximately \$125,000. Since then practically no vacancies have been filled and we have held to the barest minimum all other costs, such as purchasing, travel, communications, and so forth.

At the beginning of 1950 there were 1,130 employees on the rolls, as compared with employment of 1,021 as of April 26, 1950. To state the problem salary commitments, probable terminal-leave payments, and the estimated in the volume of incoming work during the year and a staff reduction of over 100 has created serious problems with respect to keeping up with the most important work of the Commission, that is, meeting statutory time limits in the examination and action on the various types of documents required to be filed with the Commission under the statutes it administers; and following through on extended and important investigations.

## OBLIGATIONS FOR THE CURRENT FISCAL YEAR

An analysis of the obligations incurred through April 15, 1950, and present salary commitments, probable terminal leave payments, and the estimated cost of other obligations for the remainder of the fiscal year shows that current obligations and commitments must be reduced by \$9,000 during the months of May and June, even if the Commission is allowed the full amount of the pending supplemental.

Mr. THOMAS. Will you please give us a break-down of this \$135,000?

Mr. RIORDAN. Yes, sir. The break-down of the \$135,000 is like this, sir: \$18,000 for the Executive Pay Act; \$91,200 for Public Law 429, the Classification Act of 1949, and \$25,800 for Public Law 92, the Travel Expense Act of 1949.

The reason that we have requested this supplemental appropriation is that we are unable to absorb the costs I just mentioned. Our appropriation was cut this year by \$371,140.

Mr. PHILLIPS. The current fiscal year?

Mr. RIORDAN. The current fiscal year. Our obligations today on the basis of the present employment, travel costs, communications costs, and so forth, are about \$9,000 in excess of the basic appropriation plus this \$135,000 supplemental appropriation which we are requesting.

Mr. ANDREWS. Is all this \$135,000 for the pay increases?

Mr. RIORDAN. All except \$25,800, which is for Public Law 92, the Travel Expense Act of 1949.

Mr. PHILLIPS. That is the increase from \$6 to \$9?

Chairman McDONALD. The per diem increase.

Mr. RIORDAN. And the increase in allowances for automobile mileage.

Mr. ANDREWS. All of this is based on the increases you have incurred due to recently passed laws?

Mr. RIORDON. Absolutely, sir.

Mr. ANDREWS. There is an increase of \$109,200 for salaries?

Chairman McDONALD. Yes, sir.

Mr. ANDREWS. And \$25,800 under Public Law 92.

Mr. RIORDON. Yes, sir.

I want to emphasize, sir, that this request is not for a deficiency appropriation. It is for a supplemental appropriation to cover costs which were not anticipated at the time our basic appropriation was approved.

If I may, I should like to present to the committee a certificate from the Director of the Bureau of the Budget which is required by section 8 of the Executive Pay Act, Public Law 359, in connection with the \$18,000 requested for the Executive Pay Act increases. He has made such a certificate over his signature. May I present it?

(The document is submitted for the information of the committee.)

Mr. ANDREWS. That is all. Thank you, gentlemen.

Mr. RIORDON. Thank you very much.

WEDNESDAY, APRIL 26, 1950.

SMITHSONIAN INSTITUTION  
NATIONAL GALLERY OF ART

WITNESSES

SMITHSONIAN INSTITUTION

ALEXANDER WETMORE, SECRETARY  
JOHN E. GRAF, ASSISTANT SECRETARY  
J. L. KEDDY, ASSISTANT SECRETARY

NATIONAL GALLERY OF ART

F. LAMMOT BELIN, PRESIDENT  
HUNTINGTON CAIRNS, SECRETARY  
GEORGE HECKERT, ASSISTANT ADMINISTRATOR  
LLOYD HAYES, BUDGET ANALYST

Mr. THOMAS. It is nice to have with us the distinguished gentlemen from the Smithsonian Institution and the National Gallery of Art.

Dr. Wetmore, all of you are very welcome. You are appearing in connection with the estimate of \$46,000 for the Smithsonian Institution, and \$27,000 for the National Gallery of Art as contained in House Document 543. If you have a prepared statement for us I wish you would put it in the record and elaborate on it as you may see fit.

You understand that we have no justifications from the Institution or from the Budget, so this will be quite informal.

Mr. WETMORE. I have a brief statement to submit.

Mr. BELIN. We have a brief statement for the National Gallery of Art, sir.

(The statements are as follows:)

**SMITHSONIAN INSTITUTION—SALARIES AND EXPENSES—JUSTIFICATION FOR SUPPLEMENTAL ESTIMATE OF \$46,000, FISCAL YEAR 1950, TO PAY COSTS OF PUBLIC LAW 429**

The Smithsonian Institution's appropriation for salaries and expenses, fiscal year 1950, is \$2,300,000. In addition, a proposed supplemental estimate of appropriation, amounting to \$46,000, fiscal year 1950, required for pay increases made under Public Law 429, was transmitted by the President to the Congress on March 31, 1950. After detailed consideration of the Institution's requirements for personal services and other obligations for the remaining 3 months of the fiscal year 1950, it is urgently recommended that the full amount of the supplemental estimate (\$46,000) be appropriated by the Congress.

In coming to this conclusion, all objects of expenditure, from personal services to equipment, have been thoroughly scrutinized, and there appears to be no possibility of making further savings under any of these objects for application to the cost of pay increases under Public Law 429, without stopping necessary operations or building maintenance, which would result in detriment to the Government. The grave need of raising our current standards of operations has been set forth in detail in both our 1950 and 1951 budget submissions.

**PERSONAL SERVICES**

For personal services, we requested in both the 1950 and 1951 budget estimates 66 additional positions for the purpose of raising our low standards of operation, but these requests have been denied. Further, in appropriating our 1950 funds, our estimate for funds required for within-grade promotions was reduced to \$12,610, whereas the actual cost of our 1950 within-grade promotions totals \$42,013. This deficiency has already forced the Institution to reduce its staff by 12 positions—a drastic cut for the relatively small and highly specialized staff of the Smithsonian. As a result the Institution has been unable to prevent large backlogs of work from piling up in the United States National Museum, the Building Services Division, and the Library. In short, funds for personal services have already had to absorb approximately \$30,000 to pay within-grade promotions. To force further absorption of increased pay costs would only cause still further reduction of urgently needed personnel. Our requirement for the full amount of \$46,000 presented in the deficiency item under Smithsonian salaries and expenses is urgent.

**OTHER OBLIGATIONS**

Our funds for travel, printing and binding, other contractual services, supplies and equipment, have for years been inadequate. To require savings from the small amounts remaining in our existing funds for other obligations would add to existing deficiencies in our current operations. We need all of our available balances for expenditure during the remainder of this fiscal year.

**NATIONAL GALLERY OF ART—STATEMENT IN JUSTIFICATION OF SUPPLEMENTAL ESTIMATE OF \$27,000, FISCAL YEAR 1950, TO PAY COSTS OF PUBLIC LAW 429**

The estimate of \$27,000 for a supplemental or deficiency appropriation for the National Gallery of Art rests in its entirety upon the increase in cost of personal services as authorized by Public Law 429 (Classification Act of 1949) which became effective last October 30.

The estimated sum to meet this increase for the period from October 30, 1949, to June 30, 1950, for the authorized positions of the Gallery is \$31,200.

In addition to this increase, there have been other increases beyond administrative control amounting to approximately \$10,000. By the exercise of strict economy throughout the year in the operations of the Gallery, it has been possible to absorb these other increases as well as \$4,200 of the cost of Public Law 429. The remaining \$27,000 is the additional amount required to meet the full cost of Public Law 429 for the current year.

Without a supplemental appropriation in this amount the Gallery officials will not be able to maintain and operate the Gallery at its present level. In the

absence of this appropriation there appears to be no alternative but to furlough without pay the employees of the Gallery for a sufficient number of days—approximately seven—to make up the deficit. However, such a furlough plan to absorb this deficit would require closing the Gallery one or more days a week for the remainder of the fiscal year or for the last 7 days of that period.

Mr. THOMAS. I notice that you are asking \$46,000 in a deficiency for salaries and expenses for the Smithsonian Institution and \$27,000 for salaries and expenses for the National Gallery of Art.

Will you please break down those two items for us?

Dr. WETMORE. Mr. Chairman, both the items of \$46,000 and \$27,000, the total required being \$73,000, are concerned with the funds necessary for Public Law 429, the pay increase act of last year. There is nothing else concerned.

Mr. THOMAS. There is no travel in it at all?

Mr. WETMORE. No, sir.

Mr. THOMAS. By virtue of the organization of the Gallery and of the Institution there is no executive pay increase money here, is there?

Mr. WETMORE. No, sir.

#### COST PER EMPLOYEE

Mr. THOMAS. First, for the Institution, for the 8 months of the fiscal year, what does that figure out per employee?

Mr. WETMORE. We have 520 persons on the pay roll. Do you want the average per employee, Mr. Chairman?

Mr. THOMAS. Yes.

Mr. PHILLIPS. Do you mean you have 520 on the roll for both the Smithsonian Institution and the Gallery of Art, or just the Smithsonian Institution?

Mr. WETMORE. That is the number carried under the appropriation "Smithsonian salaries and expenses," sir. The amount of \$46,000 is to cover increases for 520 positions.

Mr. THOMAS. Do you have an approximate figure of what it is? Is it between \$95 and \$100?

Mr. PHILLIPS. Eighty-eight dollars.

Mr. WETMORE. The average, as Mr. Phillips states is approximately \$88 per position.

#### NUMBER OF EMPLOYEES

Mr. THOMAS. How many people did you have on the pay roll in the Smithsonian Institution in October, when this act went into effect, and how many did you have on April 1 of this year?

Mr. WETMORE. Our average employment runs this year at 520 positions, which is 12 less than we had last year.

Mr. THOMAS. What is the situation at the Gallery of Art?

Mr. HECKERT. Three hundred and fifteen permanent employees.

Mr. THOMAS. Do you have a figure as of November 1 of last year as to the number of people you had on the roll and the number you had as of April 1?

Mr. HECKERT. There is very little variation this year. About 311 on the rolls, and 315 authorized as permanent positions for both periods.

Mr. CAIRNS. The 315 employees are those on the roll of the National Gallery of Art.

Mr. THOMAS. You gentlemen operate by far the most popular places in Washington, and the word "popular" does not tell all the story by any means. They are two of the most worth while, certainly, and from a cultural point of view it would seem you are right up on a level with the Library of Congress and in some respects maybe a little bit higher.

Are there any further questions, Mr. Phillips?

Mr. PHILLIPS. The \$88 or \$90, which one of the witnesses has suggested, is probably due to a higher percentage of custodial force than some of the other agencies have, which would be a higher bracket classification.

Mr. WETMORE. That is true. We have a considerable guard force, cleaning force, and labor force.

Mr. PHILLIPS. It runs about the same average, if you take that into consideration.

Mr. WETMORE. Yes, sir.

Mr. THOMAS. Thank you, gentlemen.

#### VISITORS

Mr. ANDREWS. Are you having more visitors this year than last year?

Mr. KEDDY. The number is constantly increasing.

Mr. WETMORE. Yes, sir; there is a definite increase. As example, for the month of April 1949 our attendance totaled 371,871 persons. The figure for April 1950 to and including today (April 26) is 326,704, and we estimate that the remaining 4 days in this month will bring another 65,000 people or a total for the month of of about 390,000 visitors. The other morning as I walked across the Mall between two of our buildings at 9:30 I counted 26 sightseeing busses parked on the drives to allow the visitors to go into the buildings.

Mr. THOMAS. Thank you very much, gentlemen.

Mr. WETMORE. Thank you, Mr. Chairman.

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WEDNESDAY, APRIL 26, 1950.

### TARIFF COMMISSION

#### WITNESSES

**OSCAR B. RYDER, CHAIRMAN OF THE TARIFF COMMISSION**  
**SIDNEY MORGAN, SECRETARY OF THE TARIFF COMMISSION**

Mr. THOMAS. The committee will please come to order.

Gentlemen, we have with us our friends from the Tariff Commission, Chairman Ryder and Mr. Morgan.

There is an estimate before the committee of \$34,900 as it appears in House Document No. 543.

Mr. Chairman, if you have a brief prepared statement for us, we will put it into the record at this point.

Commissioner RYDER. Gentlemen of the committee, as requested, I am appearing before you to explain why the Tariff Commission needs the supplemental appropriation of \$34,900 recommended by the Bureau of the Budget to cover pay bill increases for the coming year. I shall present the facts to you very briefly.

As a result of successive staff reductions, including some made at the beginning of this fiscal year, the Commission is operating with a staff about 25 percent smaller than its normal prewar staff. Furthermore, because of a lack of funds we have been obliged thus far to leave unfilled a number of important vacancies including the chiefship of our Textile Division.

Notwithstanding its reduced staff, the Commission has been faced this year by the greatest volume of work in its history—certainly the greatest volume of work within my memory and I have been with the Tariff Commission in one capacity or another for 31 years. This year's work, moreover, is of exceptional difficulty. It was because of these considerations that the Bureau of the Budget decided not to ask the Tariff Commission to absorb the increased costs due to the pay bill increases; instead it recommended the supplemental appropriation which you have before you. The alternative was further to reduce the staff of the Commission and seriously impair its ability to do the work required of it.

Let me hastily outline the work on which the Commission is now engaged:

1. Especially heavy in recent months is the direct work of the Commission for the Congress. This work consists of preparing reports for congressional committees on pending legislation and of supplying information to individual members of Congress faced with tariff problems.

2. Extensive trade-agreement negotiations are scheduled to begin in Torquay, England, in the early fall. The existing agreements with the United Kingdom, Belgium, the Netherlands, Brazil, France, Canada, and a number of other countries are to be renegotiated with a view to granting and receiving additional concessions. New agreements are also to be negotiated with Germany, Austria, and Korea. In preparation for these negotiations the Commission is engaged in writing digests of trade information on the about 2,000 commodities which have been listed for the tariff negotiations. These digests are essential if the trade-agreement authorities are to be apprised of the necessity for caution in making tariff reductions on various of the listed items. In connection with the preparation for these negotiations, the Commission in addition to preparing the digests must supply the country committees with expert assistance. A considerable part of its expert staff is engaged in working with these committees.

3. The number of applications for action under the escape clause of trade agreements is increasing. The Commission recently ordered an investigation on fur felt hats and hat bodies and a hearing is to be held on May 9. In addition there are pending before the Commission applications for investigation on wool knit gloves and mittens, silk woven fabrics, stencil silk, beef and veal, and aluminum and alloys. The Commission is doing all it can with its limited staff to expedite action on these applications and on a number of other applications which are in the offing.

4. Recently the President directed the Tariff Commission to make an investigation under section 22 of the Agricultural Adjustment Act to determine whether imports of almonds, filberts, walnuts, brazil nuts, and cashews are being imported into the United States under such conditions and in such quantities as to render ineffective any one or more





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