

208

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HOUSE OF REPRESENTATIVES

{ REPORT
No. 879

THIRD DEFICIENCY APPROPRIATION BILL, 1949

JUNE 23, 1949.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. KERR, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 5300]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

The estimates upon which the bill is based are contained in House Documents Nos. 17, 217, 218, 229, 230, 231, and 237.

SCOPE AND PURPOSE OF THE BILL

The total of budget estimates considered by the committee in connection with the accompanying bill is \$162,691,073.75. The committee recommends the amount of \$127,032,243.75, a reduction of \$35,658,830 in the budget estimates. Included in the bill are funds to supply certain deficiencies in the fiscal year 1949 as well as supplemental appropriations for the fiscal year 1950 as contained in amendments to the budget. Of the total amount of \$127,032,243.75 contained in the bill, \$4,553,922.31 is for the payment of claims and judgments. In addition to this latter amount, the bill contains \$268,807 for damage claims under the Federal Airport Act and \$679,854.44 for certified salary claims under the Immigration and Naturalization Service, or a total for claims in the bill of \$5,502,583.75.

In addition to the amount for claims, \$5,502,583.75, deficiencies for 1949 are \$51,273,100 against estimates of \$51,627,000, and appropriations for 1950 are \$67,055,560, against estimates of \$102,360,490.

THE JUDICIARY

Court of Claims, repairs and improvements.—The supplemental estimate for fiscal 1950 in the amount of \$130,000 for repairs and improvements, Court of Claims, is disallowed. It is believed that the additional improvements contemplated are not of sufficient urgency to necessitate their immediate construction. The committee is not convinced of the propriety of spending \$130,000 for the repair and improvement of a \$35,000 structure. The request, however, will be made a basis of further study by the committee and pending that study the expenditure of funds previously appropriated for repairs to the rear building is deemed inadvisable.

FUNDS APPROPRIATED TO THE PRESIDENT

CARE, HANDLING, AND DISPOSAL OF SURPLUS PROPERTY ABROAD

The bill includes a reappropriation of \$7,500,000 of the unobligated balance of \$18,300,000 previously appropriated for this purpose. This amount is to be used for the reconditioning, packing, and shipping of certain surplus military equipment to the Government of Iran in pursuance of an agreement entered into between that country and the Department of State. The contract price as well as the cost of handling and shipping this property is to be repaid to the United States over a period of years at a specified rate of interest. It was anticipated that this transaction would have been completed by the end of the current fiscal year but unforeseen obstacles encountered in the gathering, reconditioning, and shipping this equipment make the reappropriation necessary.

DEFENSE AID, LIQUIDATION LEND-LEASE PROGRAM

The amount of \$100,000, a reduction of \$100,000 below the budget estimate of \$200,000, is recommended for the continued liquidation by the Treasury Department of accounts and activities under the original lend-lease program. Testimony before the committee last year indicated some possibility that the entire liquidation would be completed by the end of the current fiscal year. However, an unexpectedly sustained volume of freight and other claims as well as General Accounting Office exceptions make it necessary to extend this program into the ensuing fiscal year. The committee does not feel that sufficient effort has been exerted in this activity and wishes to impress upon the Treasury Department the necessity of completing this liquidation at the earliest possible date. The necessary procedures for the handling of these claims have been firmly established, the bulk of the claims have been disposed of, and the gradually diminishing number of claims can, in the opinion of the committee, be handled with the \$100,000 appropriation recommended in the accompanying bill. Moreover, it would seem that rather than maintaining a separate unit for the handling of these claims much of the

work can and should be integrated with the regular work of the Treasury Department.

The bill also includes a reappropriation of \$1,000,000 for the payment of claims under a patent interchange agreement entered into by this country and the United Kingdom under provisions of the Lend-Lease Act. It was testified that, at the present time, there is a total of approximately \$1,600,000 in pending claims which, after adjustments, can be settled within the reappropriation of \$1,000,000 being recommended.

INDEPENDENT OFFICES

DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

The committee has disallowed the budget request of \$2,180,000 for this agency for use in the assembly of real property by purchase or condemnation for redevelopment of the Marshall Heights area in accordance with a plan approved by the National Capital Park and Planning Commission and the District Commissioners. The committee heard the opponents and proponents of the development program and was impressed by the divergence of opinions and the conflicting information expressed by those who favored and disapproved the project. For instance, proponents of the plan estimated that the ratio in favor of it was 65 to 35, while opponents reported that disapproval was practically unanimous. There must be a middle ground between these conflicting opinions.

Testimony was given to the committee that 90 percent of the property was in the hands of individual home owners and that these homes were largely paid for. Representatives of the Park and Planning Commission testified that many of the existing homes are located on lots 25 feet wide and about 100 feet deep, that the assessed value was 3 cents per square foot, and in general, would bring two times the assessed valuation, or about \$150. It is obvious that this sum would not be sufficient for the dispossessed home owner to make a down payment on a new home either in the new development or elsewhere. It necessarily follows that many of these unfortunate people would be dispossessed without any prospect of securing a home.

It is the recommendation of the committee that the District Commissioners withdraw their approval of the Marshall Heights plan and proceed to assist the residents of the area through development and improvement of the community by providing essential services. The Commissioners should extend every assistance such as the grading of streets, and the installation of water and sewer and other improvements in the same manner that other areas have been developed. The Engineer Commissioner of the District testified that where a new subdivision is being developed the District is automatically required to provide such facilities. The same recognition should be given to the Marshall Heights area.

Finally, the committee urges that the Commissioners lift a freeze order which has been in effect for several years as to utilities and now prohibits all repairs and improvements in the area. This order has stifled and retarded development and should be lifted immediately. Also, testimony was given that there are substantial acreages in this

locality already owned by the Government which are not in use and which could be used for a development program in the event such a plan is essential.

FEDERAL MEDIATION AND CONCILIATION SERVICE

Salaries and expenses.—For expenses of this agency during fiscal year 1950, the committee recommends \$2,700,000, a reduction of \$40,000 below the budget estimate. The 1949 appropriation was \$2,940,000 but approximately \$179,000 will not be spent due to savings attributable largely to a reorganization effectuated by the Director of the agency early in fiscal year 1949.

This agency functions independently pursuant to authority of and for the purposes set out in title II of the Labor-Management Relations Act of 1947. Budgetary provision for the agency is normally made in the Labor-Federal Security appropriation bill but was omitted when that bill for 1950 was reported to the House on account of the then-existing legislative situation with respect to the basic law under which the service operates. Although the legislative situation is substantially unchanged, it is necessary to make provision for operation of the service in the year beginning July 1. As far as the committee can determine at this time, the amount recommended should be adequate for the coming fiscal year.

Boards of inquiry.—The bill includes \$25,000 for expenses of boards of inquiry appointed to work on labor disputes in which the national health or safety is imperiled. This item rests on section 206 of the Labor-Management Relations Act of 1947. This appropriation is nothing more than a stand-by fund for expenses of such boards as may be appointed by the President; no one is in position accurately to forecast what the requirements will be. The 1949 appropriation was \$150,000 of which only about \$10,000 will be expended. The budget included an arbitrarily determined amount of \$75,000 for 1950. The amount of money needed is a case of one guess against another and that is the sole reason for the reduction below the estimate.

FEDERAL SECURITY AGENCY

For the various items under the Federal Security Agency a total of \$33,350,000 is recommended as supplemental to appropriations pending for fiscal year 1950 in the regular Labor-Federal Security bill. The total recommended is a reduction of \$8,146,500 below estimates of \$41,496,500. Comments on the individual items are set forth in the following paragraphs.

Office of Education, salaries and expenses.—Against the supplemental estimate of \$60,000 for 1950 for this item, the committee recommends \$50,000. This will provide for continuation on a reduced basis during 1950 of the surplus property donation program for educational institutions as authorized by Public Law 889, Eightieth Congress. Approximately \$140,000 was expended for this program in fiscal year 1949. There is pending in the regular 1950 bill \$75,600 which together with the \$50,000 now recommended by the committee would provide a total of \$125,600. This is a worth-while program and should have the funds necessary for its implementation. The committee

reduction of \$10,000 is based in part on the belief that the Washington office staff can be reduced even more than proposed.

Grants to States for employment security program.—For administration of the unemployment compensation and employment service programs in the States during 1950, the committee recommends an additional appropriation of \$33,000,000, of which \$8,000,000 is earmarked as a contingency reserve to provide for increases in work loads or State costs unforeseeable at the present time. This is in accord with the budget recommendation except that the contingency fund has been reduced from \$16,000,000 to the afore-mentioned figure of \$8,000,000. When added to the \$135,000,000 now pending for these grants in the regular appropriation bill for 1950, the \$25,000,000 additional recommended for basic State allocations will provide a total of \$160,000,000 for immediate allocation. This compares with \$150,000,000 adopted by the House and Senate in the regular bill for 1950 based on estimated work loads and costs as they appeared in February. The evidence now available convinces the committee that a total basic allocation of \$160,000,000 should be made available. On the other hand, while there is no doubt that some provision should be made for dealing swiftly with such emergency situations in State operations as may arise out of unforeseeable work load or cost changes, there is no magic in the 10 percent contingency heretofore suggested and again proposed in the instant budget estimate. Under present conditions it is impossible to accurately forecast for this program but under all the circumstances, the committee believes that no more than \$8,000,000 should be set aside at this time as an emergency fund.

Salaries and expenses, Bureau of Employment Security.—The committee recommends \$300,000, a reduction of \$136,500, as a supplement to the regular 1950 appropriation for this Bureau which administers the Federal position of the joint Federal-State employment-security program. Of the amount recommended, \$160,000 is for operating interstate information stations as a part of the migratory agricultural labor program. That particular function has heretofore been handled by the States but for various reasons can be better handled by the Federal agency and in the revised estimate has been deducted from the State grants appropriation.

The remaining \$140,000 allowed will enable the Bureau to make some increases in staff—though not to the extent proposed—to intensify its work with the States in formulating and reviewing the make-up of State operating budgets to the end that a more equitable distribution of funds to the States, within the total Federal appropriation available, can be achieved. The matter of equitable distribution has for some time been a subject of controversy. It will also permit the Bureau to concentrate attention on working with the States in reexamining certain aspects of their operations which loom as more important and pressing under the current upswing in demands on the State services and benefit funds.

MOTOR CARRIER CLAIMS COMMISSION

The bill contains \$150,000 for salaries and expenses of this Commission, which is \$50,000 less than the budget estimate. At the time of hearings on the item, June 17, the committee was advised that

members of the Commission had not been appointed or confirmed and that no office organization had been set up. Furthermore, no definite information was available as to when the Commission would be organized. The budget estimate was set up on the basis of approximately 11 months' operation. In view of this uncertainty the committee feels justified in effecting the reduction of \$50,000 in the estimate of \$200,000 for this purpose.

NATIONAL LABOR RELATIONS BOARD

For salaries and expenses of the Board, the bill includes \$8,550,000, a reduction of \$450,000 in the budget estimate of \$9,000,000. The 1949 appropriation for the Board was \$9,400,000 for administration of functions assigned under the Labor-Management Relations Act of 1947. Because of the many imponderables inherent in the situation at that time, the 1949 appropriation was necessarily based on a highly speculative case-load forecast—so much so that in addition to absorbing approximately \$500,000 Public Law 900 pay increases there will be an unexpended balance of about \$800,000. The committee is recommending approximately the same amount as the agency will use in 1949.

Provision for this agency is normally made in the regular Labor-Federal Security appropriation bill but on account of the legislative situation then existing with respect to the basic law under which the agency operates, it was omitted when that bill was reported to the House last March. The exact scope and status of the functions of the agency in the future are still pending legislative determination but in the meantime provision must be made for its financing as now constituted. Although fiscal year 1949 work load experience affords a more reliable basis for forecasting requirements for 1950 than was possible a year ago when the 1949 appropriation was made, experience in administration of the Labor-Management law is still somewhat limited. Evidence presented to the committee reflects an estimated over-all decrease in the number of cases presently expected to be filed in 1950 as compared in 1949 and within these totals, the volume for some categories of cases is expected to decline while others are estimated to increase. A number of uncertainties are in the picture at this point and in all the circumstances, the committee believes that the amount recommended should prove to be adequate.

NATIONAL MEDIATION BOARD

National Railroad Adjustment Board, salaries and expenses.—The bill includes the full amount of the supplemental estimate of \$207,700 to provide for servicing two supplemental boards established in May 1949 under the Railway Labor Act to assist the Adjustment Board in working off more than a 2-year backlog of grievance cases pending before the Board involving the railroads and certain branches of organized railroad labor. The division of the Board handling this category of dispute cases has had a work backlog for several years which has been a source of threatened tie-ups of important railroads

and a complicating factor in an otherwise comparatively peaceful labor relations situation in this field.

Officials of the Board testified that it might well be possible to bring the work of this division up to date within 2 years and in approving the full budget estimate the committee urges officials of the Board to get the program under way with all possible dispatch and wishes to underscore the importance of winding it up at the earliest possible date. As a matter of fact, it probably should have been cleaned up by this time and the committee stands ready to give sympathetic consideration to any proposal to expedite the matter. A detailed report on the status of the program will be expected when the 1951 budget is considered.

SURPLUS PROPERTY DISPOSAL

In the Supplemental Independent Offices Appropriation Act for 1949 the Congress provided for liquidation of the War Assets Administration as of February 28, 1949, and that act provided for disposition of the residual functions and property of that administration. Subsequently that act was amended to extend the authority of the War Assets Administration and postpone the liquidation of that agency and disposal of its functions until June 30, 1949. The budget estimate for 1950, submitted on June 9, 1949, proposed continuation of the agency through the fiscal year 1950 and recommended an appropriation of \$26,500,000 for expenses during such fiscal year.

After considering the matter the committee has concluded that there is no advantage in continuing the agency and that, in order to provide for the orderly disposal of any remaining surplus as well as the liquidation of the affairs of this last remaining wartime agency, it should provide only for liquidation of its affairs. Therefore, the accompanying bill recommends the following appropriations:

To the Treasury Department, \$3,500,000, of which not less than \$2,500,000 shall be available for accrued annual leave due to the employees of the War Assets Administration.

To the Reconstruction Finance Corporation, \$4,000,000 for care and protection and other expenses incident to the management of real property transferred to the RFC from the War Assets Administration.

The Department of the Air Force will receive any remaining aircraft and components thereof and the appropriations for such Department will be adequate to pay all costs incident to the handling of such property.

The remainder of personal property, other than aircraft and components, will be transferred to the Bureau of Federal Supply, the appropriations of which should be adequate to cover such costs as may be incurred.

UNITED STATES MARITIME COMMISSION

Vessel-operating functions.—Funds for the continuation of this activity were not included in the regular bill (Independent Offices) for the fiscal year 1950 because the authorization for continued operation during the fiscal year 1950 had not been approved by the Congress. However, under the terms of House Joint Resolution 235,

approved by the House of Representatives on May 16, 1949, and now pending in the Senate, the Commission's authority for the program would be extended from June 30, 1949, to June 30, 1950. Funds for passenger-vessel operations by the Maritime Commission, a major portion of the 1949 appropriation, were not requested for the fiscal year 1950.

The committee considered an estimate of \$4,910,000 for placing vessels in the reserve fleet and withdrawal therefrom, miscellaneous repairs, tug services, sundry expenses and a reserve for contingencies. In allowing a total of \$4,036,570, the committee has effected a reduction of \$873,430 in the budget estimate. The committee has specifically disallowed \$17,500 for inspections of vessels by the American Bureau of Shipping, it being of the opinion that inspections being performed by the Office of Merchant Marine Safety of the Coast Guard provide adequate protection insofar as compliance with safety requirements are concerned. In connection with the estimate of \$148,590 for maintenance of immobilized vessels in United States ports, the committee has effected a reduction of 50 percent, with the understanding that substantial savings will be made by the Commission in requiring in its contracts with the charterers that vessels being returned from charter shall be delivered to the most convenient point as specified by the Commission. The committee has effected further savings under the heading sundry expenses by denying funds for bunker fuel and other consumer goods and expenses in connection therewith where a vessel is returned from charter, and has inserted in the bill a provision prohibiting the commission from taking over an undue amount of consumer goods and supplies on the return of vessels by charterers. Substantial savings should be effected under this procedure. Additional savings have been applied proportionately by the committee.

WAR CLAIMS COMMISSION

The committee considered an estimate of \$525,000 for the administrative expenses of the Commission, regarded by the budget as necessary for its operations during the fiscal year 1950. Hearings held by the committee on June 17 disclosed that the members of the Commission had not been appointed or confirmed and no definite information was available as to when such appointments would be made or when the organization of the staff was contemplated. While the committee is not opposed to the general purpose of the act, it does not believe that the amount proposed in the budget estimate will be required, in view of the delay in organization, and that a substantial saving can be effected. For this reason it has recommended a total of \$281,250 for this purpose during the next fiscal year.

DEPARTMENT OF AGRICULTURE

BUREAU OF ANIMAL INDUSTRY

Inspection and quarantine: For cattle tick eradication in Florida and Georgia the budget request is in the sum of \$68,000. The committee has allowed \$60,000. This appropriation is made to meet the emergency situation which has developed since the transmission of the regular budget for the fiscal year 1950. It had been believed that the

tick situation was under control in this area, in view of which the regular budget indicated a substantial reduction for 1950. Since then a new outbreak involving nine counties in Florida and one county in Georgia has threatened to spread to other Southern States. Approximately \$500,000 has been appropriated by the Florida Legislature for cooperation with the Federal Government in the eradication program. The Federal appropriation will provide suitable technical supervision. Tick eradication work has been carried on by the Department over a long period of years and has resulted in the all but complete eradication of this pest which has been a serious obstacle to the cattle industry of the South, at one time causing annual losses estimated as high as \$40,000,000. The suppression of the current outbreak in Florida and Georgia is of vital importance to the southern cattle industry.

Eradication of foot-and-mouth and other contagious diseases of animals.—The Department of Agriculture Appropriation Act, fiscal year 1949, permits the Secretary of Agriculture to transfer from other appropriations or funds available to the Department such sums as may be necessary to cope with emergency conditions threatening the livestock industry of the country. The amount of \$34,000,000 recommended in the accompanying bill is for the purpose of reimbursing the Commodity Credit Corporation for amounts transferred and expenses incurred in pursuance of this authority. Specifically, the funds have been expended in Mexico in connection with the joint effort of that Government and the United States presently being made to eradicate and control the foot-and-mouth disease. It was testified that the operations in Mexico to date have included more than 16,000,000 vaccinations and slaughter and burial of more than 900,000 infected and exposed cattle. Considerable progress is being made as evidenced by the fact that the quarantine line is gradually being pushed southward and the area under quarantine has been reduced from about 250,000 to 200,000 square miles. During the past 2 months only 58 diseased cattle have been discovered. The total estimated cost of this operation during current fiscal year is estimated at something over \$66,000,000. The \$34,000,000 included in the bill represents the net due the Commodity Credit Corporation after giving consideration to the proceeds from the sale of canned meat and the estimated inventory of canned meat as of June 30, 1949.

While this program is of vital concern to the United States and its cattle industry, it would seem that costs in the succeeding fiscal year should be considerably less than those of the current year, not only for the reason that the disease is rather well under control but also because of greater operating efficiency. It is recognized that when the Department first embarked on this program, little was known as to conditions or as to what might be expected in the way of work load and every precaution was taken to prevent the spread of the disease into the United States. This undoubtedly was an extravagant operation and perhaps could not be avoided. Now that the work has been organized and minimized, the committee expects the Department to become more cognizant of the ultimate cost of this operation and to make a more concerted effort toward economy. Hearings before the committee disclosed that additional economies are possible and will be expected.

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

Citrus blackfly.—The bill includes \$175,000 for investigations of the citrus blackfly and for cooperation with the Government of Mexico or local Mexican authorities in connection with the suppression, control, and prevention or retardation of spread of this pest. The amount carried in the bill is a reduction of \$30,000 below the budget estimate of \$205,000. The citrus blackfly is now prevalent in parts of Mexico less than 300 miles south of the Mexican border opposite the citrus-producing areas of the lower Rio Grande Valley and of southern California. This pest has caused excessive losses in the citrus-growing areas of Mexico and the Mexican Government has provided approximately \$750,000 annually to carry on the suppression program. Methods of control have not yet been developed to a point of satisfactory effectiveness. Additional research on methods of control and suppression is needed. The Urgent Deficiency Appropriation Act for 1948 provided \$100,000 for research on this problem which was made available until June 30, 1949. This money has been used to carry on studies (1) for securing natural enemies of the citrus blackfly from areas where the pest is native and prevalent, and (2) for conducting investigations to develop effective insecticides that could be safely used in Mexico on various hosts of the fly and testing them on a large-scale basis to demonstrate how they could be applied and the benefits that might be obtained from their use. Under the appropriation recommended in the accompanying bill, this research will be continued at substantially the same level of expenditure as in the current fiscal year and the balance of the appropriation will be available for cooperation with Mexico in actual suppression and eradication programs. It is believed desirable that the pest be eradicated in Mexico rather than wait for its invasion of United States territory.

DEPARTMENT OF COMMERCE

OFFICE OF THE SECRETARY

Liquidation of war agencies transferred to commerce.—The committee recommends the amount of \$15,000 for this purpose for the fiscal year 1950, to be used for accrued annual leave. While there still is a small amount of work to be done, it is believed that it can be absorbed within the regular activities of the Department. The committee can see no justification for the retention of a separate organization with a number of high-salaried employees for the comparatively small and well-defined work load still remaining.

Voluntary agreements.—The bill includes \$60,000 for this activity, a reduction of \$25,000 in the budget estimate. The purpose of this appropriation is to administer voluntary agreements for the allocation of steel under Public Law 395, Eightieth Congress, which expired March 1, 1949, but which has been extended to September 30, 1949. In view of the fact that no agreements are to be entered into and the activity is merely one of following through the agreements presently in effect, it is deemed that \$60,000 including necessary amounts for accrued annual leave, should suffice.

CIVIL AERONAUTICS ADMINISTRATION

Foreign air-navigation facilities.—The request for \$270,000 for the establishment, maintenance, and operation of a communication station, control tower, and radio beacon at Tocumen Airport, Panama, is disallowed. In addition to the initial cost, it was testified that the annual cost of operation would be approximately \$100,000 per year. The cost to the Federal Government of the establishment and operation of air navigation facilities has been increasing steadily. There are a large number of airports in this country, many of which qualify under the CAA standards, for which control towers and other facilities have been requested but have not been granted. The civil air operations into the Panama area are now directed into Allbrook Field which is a United States Air Force base and which is adequately equipped to handle the present traffic.

Claims, Federal Airport Act.—The committee recommends \$268,807 for an additional amount for this item, the amount submitted by the Bureau of the Budget. Groups of claims totaling \$1,659,524 were included in the first and second deficiency bills. The committee was advised that there are approximately 40 additional claims pending and that the total cost of the program will approximate \$6,000,000. While the committee has recommended the amounts for the various airports as certified by the CAA, it is expected that every possible precaution be taken by CAA to see to it that all claims are fully justified. Section 17 of the Federal Airport Act, as amended, now provides that, in case of a request relating to damage caused by operations of a military nature during time of war, such request may be submitted within 6 months after the termination of such war. The committee recommends language clarifying procedures for the filing of claims resulting from operations of a military nature.

DEPARTMENT OF JUSTICE

Fees of witnesses.—The committee recommends \$382,000, the full amount of the budget estimate, for an additional amount for fees of witnesses, 1950. This additional amount is necessitated by the passage of Public Law 59, approved May 10, 1949, which increased to \$4 the previous \$2 per day attendance fee payable to witnesses in the United States courts and before United States Commissioners. It also increased to \$5 the previous \$3 per day allowance for expenses of subsistence and increased to 7 cents the previous 5 cents per mile for going from and returning to places of residence.

Immigration and naturalization service.—The amount of \$679,854.44 contained in the bill for this service is the result of a Court of Claims decision of May 6, 1946, establishing liabilities of the Government for the payment of claims for extra pay for Sunday and holiday services for immigration inspectors under the act of March 2, 1931. Approximately \$1,800,000 has already been paid or is in the process of payment. It is estimated that an additional amount of approximately \$520,000 is still to be paid. All of the claims have been reviewed by the Immigration and Naturalization Service and have been certified by the Comptroller General.

DEPARTMENT OF LABOR

Bureau of Labor Statistics, revision of consumers' price index.—The budget estimate before the committee was for a 3-year appropriation of \$4,326,000 (including \$126,000 already pending in the regular 1950 appropriation bill) to make a complete revision of the consumers' price index, more commonly known as the cost-of-living index. The committee recommends \$1,126,000, including the \$126,000 above referred to, for expenses of the project in fiscal year 1950.

The index is used extensively for general economic planning and for manufacturing and marketing purposes. Wages of several million workers depend on the index either directly or indirectly in connection with determination of wage rates. The present index is based on income, expenditure, and consumption patterns of moderate-income urban families during the years 1934–36. It is known that those patterns have changed markedly in the past 12 years. Because of the wide usage of the index, the committee agrees that it is of first importance that the index be maintained on as sound a basis as possible. On the other hand, the committee believes that it would be more appropriate in the first year to provide only the amount necessary for preliminary plans for the project and for those parts of the over-all program which can be undertaken immediately. The budget was set up on a 3-year basis but the Secretary of Labor testified that it was his desire to have the project completed in a shorter period of time, and the committee hopes that will be possible. The project as proposed involves a number of future cost factors which appear to be somewhat speculative at this point and that is an added reason for granting only a portion of the funds at this time. The committee expects to review carefully the status and further requirements of the project when the 1951 budget is submitted.

POST OFFICE DEPARTMENT

FIELD SERVICE

The bill provides new appropriations in the amount of \$20,301,000, a reduction of \$386,000 in the amount requested, of which \$19,301,000 is to pay for increased rates authorized by the Civil Aeronautics Board for the air mail carriers. The remaining amount recommended for appropriation, \$1,000,000, is for an additional amount for the star route service, 1949, made necessary as a result of the enactment of Public Law 669 (80th Cong.) which authorized the Postmaster General to adjust the terms and rates of star-route contracts. The committee, in making a reduction of \$386,000 in the amount requested for this purpose, is expressing its belief that there has been an entirely too rapid rise in the rate of obligations incurred for this purpose and believes that the Department should be a bit more cautious in passing on applications for relief under the above-mentioned act.

In addition to the amounts appropriated, the committee has approved requests for the transfer of a total of \$1,482,200 from balances of amounts previously appropriated. Of this amount, \$1,257,200 is to provide for rate increases granted to carriers by the Interstate Commerce Commission and the Civil Aeronautics Board. — The committee is approving a requested transfer of \$225,000 in 1950 appropriations from domestic air-mail service to the railway-

mail service to enable the Department to put into effect its plan for coordination of air and surface transportation of the mail. The committee was somewhat hesitant to approve this request as it felt that the proposal was only a piecemeal attempt at reorganization rather than a bold approach by the Department to come forth with a plan to improve the entire postal service at one time. The officials of the Department have assured the committee that this plan, when put into effect, will result in considerable improvement in efficiency. Such aims are most laudable and the committee hopes to see savings result from its adoption. The results which flow from the operation of this plan will undoubtedly have considerable bearing on whether or not approval is given to future requests for reorganization. The committee would like to see the Department, in the presentation of its 1951 estimates, be in a position to lay before the Congress a complete set of plans for whatever changes it might contemplate in the near future, rather than coming in with such requests one at a time on a supplemental basis.

DEPARTMENT OF STATE

United States participation in international organizations.—The committee recommends that not to exceed \$1,595,000 of the amount made available under this head in the Second Deficiency Appropriation Act, 1948, for the International Civil Aviation organization shall remain available until June 30, 1950. Of the amount of \$3,750,000 appropriated in the Second Deficiency Appropriation Act, 1948, it is estimated that \$1,450,000 will be obligated by the end of the fiscal year 1949, leaving a balance of \$2,300,000, which is the amount the Bureau of the Budget recommended be continued available until June 30, 1950. The reduction of \$705,000 by the committee is recommended since no international action has yet been taken with respect to that amount. It was testified that requests for the full amount might materialize in the future. If and when they do materialize, they will be considered by the committee.

International information and educational activities.—The committee recommends the additional amount of \$1,800,000, a decrease of \$155,000 in the budget estimate for the fiscal year 1950 for this item. This amount will provide for a continuation of the information and educational program in Korea, the responsibility for which was transferred from the Army to the Department of State on January 1, 1949. During the 6-month period from January 1 through June 30, 1949, funds for the program have come from the appropriation for "Government and relief in occupied areas." Although the amount recommended for the Korean program is somewhat larger than that provided for the information and educational program in many other countries, it is believed justified since Korea has become a testing ground in which the validity of democratic principles is being matched against the practices of communism. It is important that the continued United States interest in, and the support of, the Korean Republic be publicized throughout Korea. It is to be noted that approximately one-third of the amount of this appropriation represents the dollar equivalent of the Korean won to be spent in Korea. The appropriated funds covering this local currency will be paid into the Treasury as miscellaneous receipts.

TREASURY DEPARTMENT

The requests considered by the committee for the Treasury Department totaled \$5,492,400 against which the committee has approved \$4,992,400.

Refunds under Renegotiation Act.—A request was made for an additional amount of \$4,500,000 for the fiscal year 1950. The sum of \$1,800,000 is carried for this purpose in the regular 1950 supply bill and the committee believes that the sum of \$4,000,000, which it recommends in the accompanying bill, will be sufficient to provide the necessary payments until a further review of the matter can be made at the next session of Congress. Payments under this program are made pursuant to title VII of the Revenue Act of 1943 and during the course of the hearings it was developed that there is no terminal date under the law for filing of claims. The committee recommends to the Department that it initiate legislation to establish a terminal date at as early a date as practicable after the Bureau of Internal Revenue closes its accounts with the taxpayers for the years in question.

Bureau of Accounts.—A request was made for \$257,000 to reimburse the Federal Reserve banks for expenses incident to handling deposits of taxes collected under the Federal Insurance Contributions Act. The witnesses before the committee indicated that a considerable saving in money will accrue to the Federal Treasury as a result of this new plan for handling these collections. At the time the estimate was submitted it was thought that the program would start on October 1, 1949, but subsequent planning has resulted in a delay until January 1, 1950. It is therefore apparent that \$175,000 will be sufficient to inaugurate the program and carry it for the last half of the fiscal year 1950, and the committee recommends this amount.

Two additional estimates for 1950 totaling \$735,400 were made and approved for the disbursement and issuance of checks in connection with the program of the Veterans' Administration for paying refunds of excess premiums on national service life insurance. Testimony indicated that this additional work load will fall upon the Division of Disbursement and the Office of the Treasurer sometime between November 1, 1949, and the end of this calendar year. The employees will be hired on a temporary basis and will probably be needed for about 4 months.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in any appropriation act are included:

On page 9, beginning in line 4, under the United States Maritime Commission:

: Provided further, That no part of the foregoing appropriation shall be available for surveys and inspections of vessels by the American Bureau of Shipping.

No additional vessels shall be allocated under charter, nor shall any vessel be continued under charter by reason of any extension of chartering authority beyond June 30, 1949, unless the charterer shall agree that the Commission shall have no obligation upon redelivery to accept or pay for consumable stores, bunkers, and slop chest items, except with respect to such minimum amounts of bunkers as the Commission considers advisable to be retained on the vessel and that prior to such redelivery all consumable stores, slop chest items, and bunkers over and above such minimums shall be removed from the vessel by the charterer at his own expense.

On page 10, beginning in line 12, under the War Claims Commission:
: *Provided, That no part of the foregoing appropriation shall be available for carrying out the provisions of section 8 of said War Claims Act of 1948.*

On page 13, beginning in line 18, under Claims, Federal Airport Act:
: *Provided, That for the purposes of section 17 of the Federal Airport Act, as amended, the date of enactment hereof shall be considered as the date of termination of war as contemplated by such section.*

On page 14, beginning in line 15, under General Provision, Department of Justice:

After the date of enactment hereof any claim (not in excess of \$500), settled for payment by the Comptroller General, for fees, storage or other items of expense, related to litigation, which is beyond the control of the Department may be paid out of the appropriation currently available for such purpose at the time of settlement of such claim.

THIRD DEFICIENCY APPROPRIATION BILL, 1949

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill

H. Doc. No.	Department or agency	Amount of budget estimate	Amount recommended in the bill	Increase (+) or decrease (-), bill compared with budget estimate
	TITLE I—GENERAL APPROPRIATIONS			
	LEGISLATIVE BRANCH			
	HOUSE OF REPRESENTATIVES			
230	Clerk hire, 1950-----	\$2, 022, 000. 00	\$2, 022, 000. 00	-----
230	Contingent expenses, stationery, 1949-----	500. 00	88, 100. 00	+\$87, 600
	Total, House of Representatives-----	2, 022, 500. 00	2, 110, 100. 00	+\$87, 600
	ARCHITECT OF THE CAPITOL			
230	Capitol Buildings and Grounds: House Office Buildings, 1950-----	21, 890. 00	21, 890. 00	-----
	Total, legislative branch-----	2, 044, 390. 00	2, 131, 990. 00	+\$87, 600
	THE JUDICIARY			
231	Court of Claims: Repairs and improvements, 1950-----	130, 000. 00	-----	-\$130, 000
	FUNDS APPROPRIATED TO THE PRESIDENT			
218	Defense aid, liquidation lend-lease program, 1950-----	200, 000. 00	100, 000. 00	-\$100, 000
	INDEPENDENT OFFICES			
218	District of Columbia Redevelopment Land Agency, 1950-----	2, 180, 000. 00	-----	-\$2, 180, 000

237	Commission on Renovation of the Executive Mansion, 1950	50,000.00	50,000.00	
	FEDERAL MEDIATION AND CONCILIATION SERVICE			
17	Salaries and expenses, 1950	2,740,000.00	2,700,000.00	-40,000
17	Boards of inquiry, 1950	75,000.00	25,000.00	-50,000
	Total, Federal Mediation and Conciliation Service	2,815,000.00	2,725,000.00	-90,000
	FEDERAL SECURITY AGENCY			
218	Office of Education: Salaries and expenses, 1950	60,000.00	50,000.00	-10,000
	<i>Social Security Administration</i>			
218	Grants to States for Unemployment Compensation and Employment Service administration, 1950	41,000,000.00	33,000,000.00	-8,000,000
218	Salaries and expenses, Bureau of Employment Security, 1950	436,500.00	300,000.00	-136,500
	Total, Federal Security Agency	41,496,500.00	33,350,000.00	-8,146,500
218	Motor Carrier Claims Commission: Salaries and expenses, 1950	200,000.00	150,000.00	-50,000
17	National Labor Relations Board: Salaries and expenses, 1950	9,000,000.00	8,550,000.00	-450,000
	NATIONAL MEDIATION BOARD			
218	National Railroad Adjustment Board: Salaries and expenses, 1950	207,700.00	207,700.00	
	Surplus Property Disposal, 1950		7,500,000.00	+7,500,000

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill—Continued

H. Doc. No.	Department or agency	Amount of budget estimate	Amount recommended in the bill	Increase (+) or decrease (-), bill compared with budget estimate
	TITLE I—GENERAL APPROPRIATIONS—Continued			
	INDEPENDENT OFFICES—Continued			
218	United States Maritime Commission: Vessel operating functions, 1950	\$4,910,000.00	\$4,036,570.00	—\$873,430
218	War Assets Administration: Salaries and expenses, special fund, 1950	26,500,000.00	-----	—26,500,000
218	War Claims Commission: Administrative expenses, 1950	(525,000.00)	(281,250.00)	—(243,750)
	Total, independent offices	87,359,200.00	56,569,270.00	—30,789,930
	DEPARTMENT OF AGRICULTURE			
	BUREAU OF ANIMAL INDUSTRY			
218	Inspection and quarantine, 1950	68,000.00	60,000.00	—8,000
217	Eradication of foot-and-mouth disease, 1949	34,000,000.00	34,000,000.00	-----
	BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE			
218	Salaries and expenses, citrus blackfly, 1950	205,000.00	175,000.00	—30,000
	Total, Department of Agriculture	34,273,000.00	34,235,000.00	—38,000

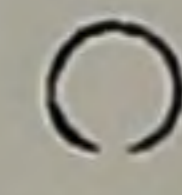
DEPARTMENT OF COMMERCE				
OFFICE OF THE SECRETARY				
218	Liquidation of war agencies transferred to Commerce, 1950-----	55,000.00	15,000.00	-40,000
218	Voluntary agreements, 1949-----	85,000.00	60,000.00	-25,000
CIVIL AERONAUTICS ADMINISTRATION				
218	Foreign air-navigation facilities, 1950-----	270,000.00		-270,000
218	Claims, Federal Airport Act, 1950-----	268,807.00	268,807.00	
	Total, Department of Commerce-----	678,807.00	343,807.00	-335,000
DEPARTMENT OF JUSTICE				
217	Fees of witnesses, 1949-----	55,500.00	25,000.00	-30,500
218	Fees of witnesses, 1950-----	382,000.00	382,000.00	
217	Immigration and Naturalization Service: Payment of claims-----	679,854.44	679,854.44	
	Total, Department of Justice-----	1,117,354.44	1,086,854.44	-30,500
DEPARTMENT OF LABOR				
218	Bureau of Labor Statistics: Consumers' Price Index, 1950-----	1,420,000.00	1,100,000.00	-3,200,000

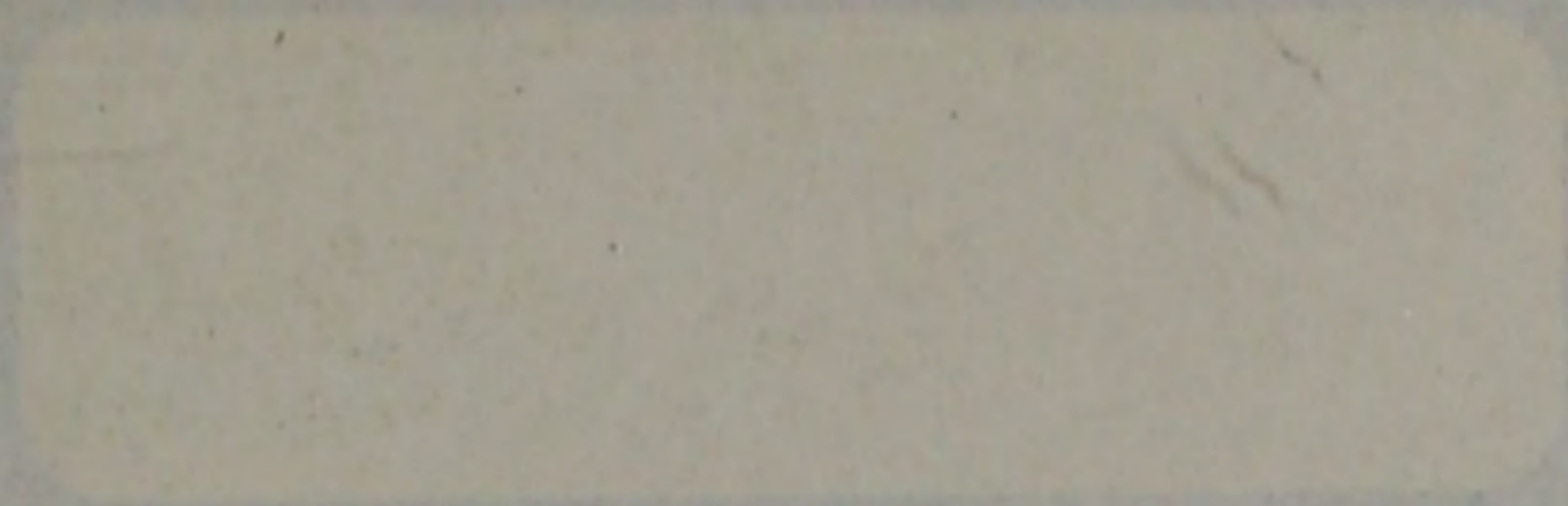
¹ In addition \$126,000 derived from transfer.

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill—Continued

H. Doc. No.	Department or agency	Amount of budget estimate	Amount recommended in the bill	Increase (+) or decrease (-), bill compared with budget estimate
	TITLE I—GENERAL APPROPRIATIONS—Continued			
	POST OFFICE DEPARTMENT			
	FIELD SERVICE			
	<i>Office of the Second Assistant Postmaster General</i>			
217	Star route service, 1949-----	\$1,386,000.00	\$1,000,000.00	-\$386,000
218	Salaries, railway mail service, 1950-----	(225,000.00)	(225,000.00)	-----
217	Electric car service, 1949-----	(59,000.00)	(59,000.00)	-----
217	Electric car service, 1948-----	(97,200.00)	(97,200.00)	-----
217	Foreign air mail transportation-----	(1,101,000.00)	(1,101,000.00)	-----
217	Domestic air mail service, 1949-----	16,100,000.00	16,100,000.00	-----
217	Domestic air mail service, 1948-----	3,201,000.00	3,201,000.00	-----
	Total, Post Office Department-----	20,687,000.00	20,301,000.00	-----
	DEPARTMENT OF STATE			
	INTERNATIONAL ACTIVITIES			
217	United States participation in international organizations, 1949-----	(800.00)	(800.00)	-----

218	International information and educational activities, 1950-----	1, 955, 000. 00	1, 800, 000. 00	-155, 000
	Total, Department of State-----	1, 955, 000. 00	1, 800, 000. 00	-155, 000
	TREASURY DEPARTMENT			
	OFFICE OF THE SECRETARY			
218	Refunds under Renegotiation Act, 1950-----	4, 500, 000. 00	4, 000, 000. 00	-500, 000
	BUREAU OF ACCOUNTS			
218	Salaries and expenses, 1950-----	257, 000. 00	175, 000. 00	-82, 000
	DIVISION OF DISBURSEMENT			
218	Salaries and expenses, 1950-----	637, 900. 00	637, 900. 00	-----
	OFFICE OF THE TREASURER			
218	Salaries and expenses, 1950-----	97, 500. 00	97, 500. 00	-----
	Total, Treasury Department-----	5, 492, 400. 00	4, 910, 400. 00	-582, 000
	Total, Title I-----	158, 137, 151. 44	122, 478, 321. 44	-35, 658, 830
	TITLE II.—CLAIMS FOR DAMAGES, AUDITED CLAIMS, AND JUDGMENTS			
229	Claims for damages, audited claims, and judgments-----	4, 553, 922. 31	4, 553, 922. 31	-----
	Grand total-----	162, 691, 073. 75	127, 032, 243. 75	-35, 658, 830





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