

Union Calendar No. 7.

67TH CONGRESS,
1ST SESSION.

H. R. 30.

[Report No. 14.]

IN THE HOUSE OF REPRESENTATIVES.

APRIL 11, 1921.

Mr. Good introduced the following bill; which was referred to the Select Committee on the Budget and ordered to be printed.

APRIL 25, 1921.

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

A BILL

To provide a national budget system and an independent audit of Government accounts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE 1.—DEFINITIONS.

4 SECTION 1. This Act may be cited as the "Budget and
5 Accounting Act, 1921."

6 SEC. 2. When used in this Act—

7 The terms "department and establishment" and "de-
8 partment or establishment" mean any executive depart-
9 ment, independent commission, board, bureau, office, agency,
10 or other establishment of the Government, including the
11 municipal government of the District of Columbia, but do
12 not include the Legislative Branch of the Government or the
13 Supreme Court of the United States;

1 The term "the Budget" means the Budget required by
2 section 201 to be transmitted to Congress;

3 The term "Bureau" means the Bureau of the Budget;

4 The term "Director" means the Director of the Bureau
5 of the Budget; and

6 The term "Assistant Director" means the Assistant
7 Director of the Bureau of the Budget.

8 TITLE 2.—THE BUDGET.

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

12 (a) Estimates of the expenditures and appropriations
13 necessary in his judgment for the support of the Government
14 for the ensuing fiscal year; except that the estimates for such
15 year for the Legislative Branch of the Government and the
16 Supreme Court of the United States shall be transmitted to
17 the President on or before October 15th of each year, and
18 shall be included by him in the Budget without revision;

19 (b) His estimates of the receipts of the Government
20 during the ensuing fiscal year, under (1) laws existing at
21 the time the Budget is transmitted and also (2) under the
22 revenue proposals, if any, contained in the Budget;

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

1 (d) Estimates of the expenditures and receipts of the
2 Government during the fiscal year in progress;

3 (e) The amount of annual, permanent, or other
4 appropriations, including balances of appropriations for
5 prior fiscal years, available for expenditure during the fiscal
6 year in progress, as of November 1 of such year;

7 (f) Balanced statements of (1) the condition of the
8 Treasury at the end of the last completed fiscal year, (2)
9 the estimated condition of the Treasury at the end of the
10 fiscal year in progress, and (3) the estimated condition of
11 the Treasury at the end of the ensuing fiscal year if the
12 financial proposals contained in the Budget are adopted;

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

15 (h) Such other financial statements and data as in his
16 opinion are necessary or desirable in order to make known
17 in all practicable detail the financial condition of the Gov-
18 ernment.

19 SEC. 202. (a) If the estimated receipts for the ensu-
20 ing fiscal year contained in the Budget, on the basis of laws
21 existing at the time the Budget is transmitted, plus the esti-
22 mated amounts in the Treasury at the close of the fiscal year
23 in progress, available for expenditure in the ensuing fiscal
24 year, are less than the estimated expenditures for the ensuing
25 fiscal year contained in the Budget, the President in the

1 Budget shall make recommendations to Congress for new
2 taxes, loans, or other appropriate action to meet the de-
3 ficiency.

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

9 SEC. 203. (a) The President from time to time may
10 transmit to Congress supplemental or deficiency estimates
11 for such appropriations or expenditures as in his judgment
12 (1) are necessary on account of laws enacted after the trans-
13 mission of the Budget, or (2) are otherwise in the public
14 interest. He shall accompany such estimates with a state-
15 ment of the reasons therefor, including the reasons for their
16 omission from the Budget.

17 (b) Whenever such supplemental or deficiency esti-
18 mates reach an aggregate which, if they had been contained
19 in the Budget, would have required the President to make
20 a recommendation under subdivision (a) of section 202,
21 he shall thereupon make such recommendation.

22 SEC. 204. (a) Except as otherwise provided in this
23 Act, the contents, order, and arrangement of the estimates
24 of appropriations and the statements of expenditures and
25 estimated expenditures contained in the Budget or trans-

1 mitted under section 203, and the notes and other data sub-
2 mitted therewith, shall conform to the requirements of
3 existing law.

4 (b) Estimates for lump-sum appropriations contained
5 in the Budget or transmitted under section 203 shall be
6 accompanied by statements showing, in such detail and form
7 as may be necessary to inform Congress, the manner of ex-
8 penditure of such appropriations and of the corresponding
9 appropriations for the fiscal year in progress and the last
10 completed fiscal year. Such statements shall be in lieu of
11 statements of like character now required by law.

12 SEC. 205. The President, in addition to the Budget,
13 shall transmit to Congress on the first Monday in December,
14 1921, for the service of the fiscal year ending June 30, 1923,
15 only, an alternative budget, which shall be prepared in such
16 form and amounts and according to such system of classifi-
17 cation and itemization as is, in his opinion, most appropriate,
18 with such explanatory notes and tables as may be necessary
19 to show where the various items embraced in the Budget are
20 contained in such alternative budget.

21 SEC. 206. No estimate or request for an appropriation
22 and no request for an increase in an item of any such esti-
23 mate or request, and no recommendation as to how the
24 revenue needs of the Government should be met, shall be
25 submitted to Congress or any committee thereof by any

1 officer or employee of any department or establishment, un-
2 less at the request of either House of Congress.

3 SEC. 207. There is created a Bureau to be known as
4 the Bureau of the Budget. There shall be in the Bureau
5 a Director and an Assistant Director, who shall be appointed
6 by the President and receive salaries of \$10,000 and \$7,500
7 a year, respectively. The Assistant Director shall perform
8 such duties as the Director may designate, and during the
9 absence or incapacity of the Director or during a vacancy in
10 the office of Director he shall act as Director. The Bureau,
11 under the direction of the President, shall prepare for him the
12 Budget, the alternative Budget, and any supplemental or
13 deficiency estimates, and to this end shall have authority to
14 assemble, correlate, revise, reduce, or increase the estimates
15 of the several departments or establishments.

16 SEC. 208. (a) The Director, with the approval of the
17 President, shall appoint and fix the compensation of such
18 attorneys and other employees and make such expenditures
19 for rent in the District of Columbia, printing, binding, tele-
20 grams, telephone service, law books, books of reference,
21 periodicals, stationery, furniture, office equipment, other
22 supplies, and necessary expenses of the office, as Congress
23 may from time to time provide.

24 (b) No person appointed by the Director shall be
25 paid a salary at a rate in excess of \$6,000 a year, and not

1 more than four persons so appointed shall be paid a salary at
2 a rate in excess of \$5,000 a year.

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

6 (d) The provisions of law prohibiting the transfer of
7 employees of executive departments and independent estab-
8 lishments until after service of three years shall not apply
9 during the fiscal years ending June 30, 1921, and June 30,
10 1922, to the transfer of employees to the Bureau.

11 SEC. 209. The Bureau, when directed by the Presi-
12 dent, shall make a detailed study of the departments and
13 establishments for the purpose of enabling the President to
14 determine what changes (with a view of securing greater
15 economy and efficiency in the conduct of the public service)
16 should be made in (1) the existing organization, activities,
17 and methods of business of such departments or establish-
18 ments, (2) the appropriations therefor, (3) the assignment
19 of particular activities to particular services, or (4) the
20 regrouping of services. The results of such study shall be
21 embodied in a report or reports to the President, who may
22 transmit to Congress such report or reports or any part
23 thereof with his recommendations on the matters covered
24 thereby.

1 SEC. 210. The Bureau shall prepare for the President a
2 codification of all laws or parts of laws relating to the prepa-
3 ration and transmission to Congress of statements of receipts
4 and expenditures of the Government and of estimates of
5 appropriations. The President shall transmit the same to
6 Congress on or before January 1, 1922, with a recom-
7 mendation as to the changes which, in his opinion, should
8 be made in such laws or parts of laws.

9 SEC. 211. The powers and duties relating to the com-
10 piling of estimates now conferred and imposed upon the
11 Division of Bookkeeping and Warrants of the office of the
12 Secretary of the Treasury are transferred to the Bureau.

13 SEC. 212. The Bureau shall, at the request of any com-
14 mittee of either House of Congress having jurisdiction over
15 revenue or appropriations, furnish the committee such aid
16 and information as it may request.

17 SEC. 213. Under such regulations as the President may
18 prescribe, (1) every department and establishment shall
19 furnish to the Bureau such information as the Bureau may
20 from time to time require, and (2) the Director and the
21 Assistant Director, or any employee of the Bureau when
22 duly authorized, shall, for the purpose of securing such in-
23 formation, have access to, and the right to examine, any
24 books, documents, papers, or records of any such department
25 or establishment.

1 SEC. 214. (a) The head of each department and estab-
2 lishment shall designate an official thereof as budget officer
3 therefor, who, in each year under his direction and on or be-
4 fore a date fixed by him, shall prepare the departmental
5 estimates.

6 (b) Such budget officer shall also prepare, under the
7 direction of the head of the department or establishment,
8 such supplemental and deficiency estimates as may be re-
9 quired for its work.

10 SEC. 215. The head of each department and establish-
11 ment shall revise the departmental estimates and submit
12 them to the Bureau on or before September 15 of each
13 year. In case of his failure so to do, the President shall
14 cause to be prepared such estimates and data as are neces-
15 sary to enable him to include in the Budget estimates and
16 statements in respect to the work of such department or
17 establishment.

18 SEC. 216. The departmental estimates and any supple-
19 mental or deficiency estimates submitted to the Bureau by
20 the head of any department or establishment shall be pre-
21 pared and submitted in such form, manner, and detail as the
22 President may prescribe.

23 SEC. 217. For expenses of the establishment and main-
24 tenance of the Bureau there is appropriated, out of any

1 money in the Treasury not otherwise appropriated, the sum
2 of \$225,000, to continue available during the fiscal year
3 ending June 30, 1922.

4 TITLE 3.—GENERAL ACCOUNTING OFFICE.

5 SEC. 301. There is created an establishment of the Gov-
6 ernment to be known as the General Accounting Office,
7 which shall be independent of the executive departments
8 and under the control and direction of the Comptroller Gen-
9 eral of the United States. The offices of Comptroller of the
10 Treasury and Assistant Comptroller of the Treasury are
11 abolished, to take effect July 1, 1921. All other officers and
12 employees of the office of the Comptroller of the Treasury
13 shall become officers and employees in the General Account-
14 ing Office at their grades and salaries on July 1, 1921, and
15 all books, records, documents, papers, furniture, office equip-
16 ment and other property of the office of the Comptroller of
17 the Treasury shall become the property of the General Ac-
18 counting Office. The Comptroller General is authorized to
19 adopt a seal for the General Accounting Office.

20 SEC. 302. There shall be in the General Accounting
21 Office a Comptroller General of the United States and an
22 Assistant Comptroller General of the United States, who
23 shall be appointed by the President with the advice and con-
24 sent to the Senate, and shall receive salaries of \$10,000 and
25 \$7,500 a year, respectively. The Assistant Comptroller Gen-

1 eral shall perform such duties as may be assigned to him by
2 the Comptroller General, and during the absence or in-
3 capacity of the Comptroller General, or during a vacancy in
4 that office, shall act as Comptroller General.

5 SEC. 303. The Comptroller General and the Assistant
6 Comptroller General shall hold office during good behavior,
7 but may be removed at any time by concurrent resolution of
8 Congress after notice and hearing, when, in their judg-
9 ment, the Comptroller General or Assistant Comptroller
10 General has been inefficient, or guilty of neglect of duty, or
11 of malfeasance in office, or of any felony or conduct involv-
12 ing moral turpitude, and for no other cause and in no other
13 manner except by impeachment. Any Comptroller General
14 or Assistant Comptroller General removed in the manner
15 herein provided shall be ineligible for reappointment to that
16 office. When a Comptroller General or Assistant Comp-
17 troller General attains the age of seventy years, he shall be
18 retired from his office.

19 SEC. 304. All powers and duties now conferred or
20 imposed by law upon the Comptroller of the Treasury or
21 the six auditors of the Treasury Department, and the duties
22 of the Division of Bookkeeping and Warrants of the Office
23 of the Secretary of the Treasury relating to keeping the
24 personal ledger accounts of disbursing and collecting officers,
25 shall, so far as not inconsistent with this Act, be vested in

1 and imposed upon the General Accounting Office and be
2 exercised without direction from any other officer. The
3 balances certified by the Comptroller General shall be final
4 and conclusive upon the executive branch of the Government.
5 The revision by the Comptroller General of settlements made
6 by the six auditors shall be discontinued, except as to settle-
7 ments made before July 1, 1921.

8 SEC. 305. Section 236 of the Revised Statutes is
9 amended to read as follows:

10 "SEC. 236. All claims and demands whatever by the
11 United States or against them, and all accounts whatever
12 in which the United States are concerned, either as debtors
13 or creditors, shall be settled and adjusted in the General
14 Accounting Office."

15 SEC. 306. All laws relating generally to the adminis-
16 tration of the departments and establishments shall, so far as
17 applicable, govern the General Accounting Office. Copies
18 of any books, records, papers, or documents, and transcripts
19 from the books and proceedings of the General Accounting
20 Office, when certified under its seal, shall be admitted as
21 evidence with the same effect as the copies and transcripts
22 referred to in sections 882 and 886 of the Revised Statutes.

23 SEC. 307. The Comptroller General may provide for
24 the payment of accounts or claims adjusted and settled in the
25 General Accounting Office, through disbursing officers of the

1 several departments and establishments, instead of by
2 warrant.

3 SEC. 308. The duties now appertaining to the Division
4 of Public Moneys of the Office of the Secretary of the Treas-
5 ury, so far as they relate to the covering of revenues and
6 repayments into the Treasury, the issue of duplicate checks
7 and warrants, and the certification of outstanding liabilities
8 for payment, shall be performed by the Division of Book-
9 keeping and Warrants of the Office of the Secretary of the
10 Treasury.

11 SEC. 309. The Comptroller General shall prescribe the
12 forms, systems, and procedure for administrative appropria-
13 tion and fund accounting in the several departments and
14 establishments, and for the administrative examination of
15 fiscal officers' accounts and claims against the United States.
16 He shall submit periodically to Congress reports upon the
17 adequacy and effectiveness of the administrative examination
18 of accounts and claims in the respective departments and
19 establishments and upon the adequacy and effectiveness of
20 departmental inspection of the offices and accounts of fiscal
21 officers. (2)

22 SEC. 310. The offices of the six auditors shall be
23 abolished, to take effect July 1, 1921. All other officers and
24 employees of these offices shall become officers and employees
25 in the General Accounting Office at their grades and salaries

1 on July 1, 1921. All books, records, documents, papers,
2 furniture, office equipment, and other property of these
3 offices, and of the Division of Bookkeeping and Warrants, so
4 far as they relate to the work of such division transferred by
5 section 304, shall become the property of the General Ac-
6 counting Office. The General Accounting Office shall occupy
7 temporarily the rooms now occupied by the office of the
8 Comptroller of the Treasury and the six auditors.

9 SEC. 311. (a) The Comptroller General shall appoint,
10 remove, and fix the compensation of such attorneys and
11 other employees in the General Accounting Office as may
12 from time to time be provided for by Congress.

13 (b) All such appointments, except to positions carry-
14 ing a salary at a rate of more than \$5,000 a year, shall be
15 made in accordance with the civil-service laws and regu-
16 lations.

17 (c) No person appointed by the Comptroller General
18 shall be paid a salary at a rate of more than \$6,000 a year,
19 and not more than four persons shall be paid a salary at a
20 rate of more than \$5,000 a year.

21 (d) All officers and employees of the General Account-
22 ing Office, whether transferred thereto or appointed by the
23 Comptroller General, shall perform such duties as may be
24 assigned to them by him.

1 (e) All official acts performed by such officers or em-
2 ployees specially designated therefor by the Comptroller
3 General shall have the same force and effect as though per-
4 formed by the Comptroller General in person.

5 (f) The Comptroller General shall make such rules
6 and regulations as may be necessary for carrying on the work
7 of the General Accounting Office, including rules and regula-
8 tions concerning the admission of attorneys to practice.

9 SEC. 312. (a) The Comptroller General shall investi-
10 gate, at the seat of government or elsewhere, all matters
11 relating to the receipt and disbursement of public funds, and
12 shall make to the President when requested by him, and to
13 Congress at the beginning of each regular session, a report
14 in writing of the work of the General Accounting Office,
15 containing recommendations concerning the legislation he
16 may deem necessary to facilitate the prompt and accurate
17 rendition and settlement of accounts and concerning such
18 other matters relating to the receipt and disbursement of
19 public funds as he may think advisable. In such regular
20 report, or in special reports at any time when Congress is
21 in session, he shall make recommendations looking to greater
22 economy or efficiency in public expenditures.

23 (b) He shall make such investigations and reports as
24 shall be ordered by either House of Congress or by any
25 committee of either House having jurisdiction over revenue,

1 appropriations, or expenditures. The Comptroller General
2 shall also, at the request of any such committee, direct as-
3 sistants from his office to furnish the committee such aid and
4 information as it may request.

5 (c) The Comptroller General shall specially report to
6 Congress every expenditure or contract made by any depart-
7 ment or establishment in any year in violation of law.

8 SEC. 313. All departments and establishments shall
9 furnish to the Comptroller General such information regard-
10 ing the powers, duties, activities, organization, financial
11 transactions, and methods of business of their respective
12 offices as he may from time to time require of them; and
13 the Comptroller General, or any of his assistants or em-
14 ployees, when duly authorized by him, shall, for the purpose
15 of securing such information, have access to and the right to
16 examine any books, documents, papers, or records of any
17 such department or establishment. The authority con-
18 tained in this section shall not be applicable to expenditures
19 made under the provisions of section 291 of the Revised
20 Statutes.

21 SEC. 314. The Civil Service Commission shall estab-
22 lish an eligible register for accountants for the General
23 Accounting Office, and the examinations of applicants for
24 entrance upon such register shall be based upon questions
25 approved by the Comptroller General.

1 SEC. 315. (a) All appropriations for the fiscal year
2 ending June 30, 1922, for the offices of the Comptroller of
3 the Treasury and the six auditors, are transferred to and made
4 available for the General Accounting Office.

5 (b) During such fiscal year the Comptroller General,
6 within the limit of the total appropriations available for the
7 General Accounting Office, may make such changes in
8 the number and compensation of officers and employees
9 appointed by him or transferred to the General Accounting
10 Office under this Act as may be necessary.

11 (c) There shall also be transferred to the General Ac-
12 counting Office such portions of the appropriations for rent
13 and contingent and miscellaneous expenses, including allot-
14 ments for printing and binding, made for the Treasury De-
15 partment for the fiscal year ending June 30, 1922, as are
16 equal to the amounts expended from similar appropriations
17 during the fiscal year ending June 30, 1921, by the Treasury
18 Department for the offices of the Comptroller of the Treasury
19 and the six auditors.

20 (d) During the fiscal year ending June 30, 1922, the
21 appropriations and portions of appropriations referred to in
22 this section shall be available for salaries and expenses of
23 the General Accounting Office, including payment for rent
24 in the District of Columbia, traveling expenses, the pur-

1 chase and exchange of law books, books of reference, and
2 for all necessary miscellaneous and contingent expenses.

3 SEC. 316. The General Accounting Office shall not be
4 construed to be a bureau or office created since January 1,
5 1916, so as to deprive employees therein of the additional
6 compensation allowed civilian employees under the provi-
7 sions of section 6 of the Legislative, Executive, and Judicial
8 Appropriation Act for the fiscal year ending June 30, 1922,
9 if otherwise entitled thereto.

10 SEC. 317. The provisions of law prohibiting the transfer
11 of employees of executive departments and independent es-
12 tablishments until after service of three years shall not apply
13 during the fiscal year ending June 30, 1922, to the transfer
14 of employees to the General Accounting Office.

15 SEC. 318. This Act shall take effect upon its approval
16 by the President: *Provided*, That sections 301 to 315, in-
17 clusive, relating to the General Accounting Office, shall take
18 effect July 1, 1921.

67TH CONGRESS,
1st Session.

H. R. 30.

[Report No. 14.]

A BILL

To provide a national budget system and an independent audit of Government accounts, and for other purposes.

By Mr. Good.

APRIL 11, 1921.—Referred to the Select Committee on the Budget and ordered to be printed.

APRIL 25, 1921.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.