

[Committee Print with Annotations.]

66TH CONGRESS,
2D SESSION.

S.

2/13/20

IN THE SENATE OF THE UNITED STATES.

A BILL

To provide for the establishment of a national budget system, 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 That when used in this Act—

4 The term “department” means one of the executive
5 departments.

6 The term “establishment” means every independent
7 commission, board, bureau, office, agency, or other establish-
8 ment of the Government, including the District of Columbia,
9 which obtains support from moneys appropriated out of the
10 Treasury of the United States; and

11 The term “budget estimates” means all estimates of
12 appropriations needed or requested by any department or
13 establishment.

1 SEC. 2. That there is hereby created in the Treasury
2 Department a Budget Bureau. The President, with the
3 advice and consent of the Senate, shall appoint a director
4 and two assistant directors of the Budget Bureau, each of
5 whom shall serve for a term of five years. The director
6 shall receive an annual salary of \$10,000 and the assistant
7 directors shall each receive an annual salary of \$9,000.
8 The assistant directors shall perform such duties as the
9 director may designate, and in the absence or incapacity of
10 the director or during a vacancy in the office of director,
11 the Secretary of the Treasury shall designate one of the
12 assistant directors to act as director.

13 SEC. 3. That the director shall employ and fix the
14 compensation of such attorneys, economists, accountants,
15 special experts, examiners, clerks, and other employees and
16 make such expenditures for rent, printing, books, periodicals,
17 office equipment and supplies, and other expenses of the
18 bureau as he may find necessary to carry out the provisions
19 of this Act, and as may from time to time be provided for
20 by Congress: *Provided*, That not more than ten persons
21 shall be employed by the director at a salary of \$5,000
22 per annum, and no person shall be employed by him at a
23 salary in excess of that sum. All employees of the bureau,
24 except the director and the two assistant directors,
25 shall be appointed from a list of eligibles to be supplied by

1 the Civil Service Commission and in accordance with the
2 civil-service law and regulations.

3 SEC. 4. That the head of each organization unit in each
4 department and establishment shall be the budget officer
5 thereof for the purposes of this Act and shall prepare in the
6 first instance all budget estimates, including supplemental
7 and deficiency estimates, for such unit.

SEC. 4. Revises Act of June 23, 1913 (38 Stat. L., 75 Sec. 3).

8 SEC. 5. That the head of each establishment shall desig-
9 nate an officer or employee of such establishment who shall
10 supervise the classification and compilation of all budget
11 estimates, including supplemental and deficiency estimates,
12 for such establishment.

SEC. 5. Revises Act of June 23, 1913.

13 SEC. 6. That the head of each department shall appoint
14 a financial secretary who shall receive an annual salary of
15 \$5,000 and who shall supervise the classification and com-
16 pilation of all budget estimates, including supplemental and
17 deficiency estimates for such departments, and perform such
18 other duties as the head of the department may prescribe.

SEC. 6. Supplements Act of June 23, 1913.

19 SEC. 7. That the head of each department and estab-
20 lishment shall study, analyze, and revise the budget estimates
21 of his department or establishment and shall submit to the
22 Secretary of the Treasury on or before the 15th day of Octo-
23 ber in each year his final revised budget estimates for the

1 ensuing fiscal year, and in case of the failure of such officer
2 to furnish such estimates as herein required, the Secretary of
3 the Treasury shall cause to be prepared on or before the 1st
4 day of November of each year budget estimates for such
5 appropriations as in his judgment shall be requisite for such
6 department or establishment.

SEC. 7. Revises Act of March 3, 1901 (31 Stat. L., 1009, Sec. 5).

7 SEC. 8. That after the head of a department or estab-
8 lishment has submitted to the Secretary of the Treasury the
9 regular budget estimates of such department for the ensuing
10 fiscal year, he shall not submit for such year any special,
11 supplementary, or additional budget estimates or other
12 request for appropriations except to carry out laws subse-
13 quently enacted, or such as he may deem necessary for the
14 public service. Such special, supplementary, or additional
15 estimates shall be accompanied by a full statement of their
16 imperative necessity and reasons for their omission from the
17 regular budget estimates.

SEC. 8. Revises Act of June 22, 1906 (34 Stat. L., 448, Sec. 4).

18 SEC. 9. That the head of each department or establish-
19 ment in communicating budget estimates to the Secretary
20 of the Treasury shall give references to any law or treaty by
21 which the proposed expenditures are, respectively, author-
22 ized, specifying the date of each and the volume and page of
23 the Statutes at Large or of the Revised Statutes, as the case
24 may be, and the section of the Act in which the authority is
25 to be found.

SEC. 9. Revises Revised Statutes 3660 (Aug. 26, 1842; 5 Stat. L.,
p. 525).

1 SEC. 10. That no budget estimate for a purpose for
2 which no appropriation was made for the current fiscal
3 year, or for an increase of expenditures over the amount
4 allowed in the current appropriation Act for the same item,
5 shall be incorporated in the final revised budget estimates of
6 any department or establishment unless a formal written
7 sanction for such new item or increase shall have been ob-
8 tained from the Secretary of the Treasury before the final
9 submission to him of the budget estimates of such department
10 or establishment; but this provision shall not apply to the
11 budget estimates for those services of the War and Navy
12 Departments herein excepted from revision by the Secretary
13 of the Treasury.

SEC. 10. Revises Revised Statutes 3664 (Acts of June 17, 1844; 5 Stat. L., p. 693; and Mar. 3, 1855, 10 Stat. L., p. 670).

14 SEC. 11. That the Secretary of the Treasury shall
15 prepare and prescribe a uniform system of rules and regu-
16 lations which he may change from time to time, providing
17 for the form and the method of the preparation and sub-
18 mission of budget estimates: *Provided, however,* That the
19 Secretary of the Treasury and the Secretary of War and the
20 Secretary of the Treasury and the Secretary of the Navy,
21 respectively, shall jointly formulate such rules and regula-
22 tions for the preparation of such budget estimates for the
23 War and Navy Departments, respectively, as are not subject
24 to revision by the Secretary of the Treasury.

1 SEC. 12. That the Budget Bureau shall have and per-
2 form all of the powers and duties now held and performed
3 by the Division of Bookkeeping and Warrants of the Treas-
4 ury Department, in so far as they relate to the budget
5 estimates, and the Secretary of the Treasury is authorized
6 to effect such reorganization of such division as he may deem
7 necessary or desirable.

SEC. 12. Revises Act of July 7, 1884 (23 Stat. L., 254, Sec. 2); and
Act of July 31, 1894 (28 Stat. L., 205, Sec. 10).

8 SEC. 13. That the Secretary of War shall annually sub-
9 mit budget estimates in detail for river and harbor improve-
10 ments required for the ensuing fiscal year to the Secretary
11 of the Treasury, to be incorporated by him, without change,
12 into the budget which he submits to the President. The
13 Secretary of War shall submit with such estimates for each
14 project contained therein a statement giving facts and
15 statistics bearing on the prospective military and commer-
16 cial value of such projects.

SEC. 13. Revises Act of June 4, 1897 (30 Stat. L., Sec. 48).

17 SEC. 14. That the Secretary of the Treasury shall, ex-
18 cept as otherwise provided herein, revise, consolidate, unify,
19 coordinate, reduce, or otherwise change any item or items of
20 the budget estimates submitted to him by the several depart-
21 ments and establishments, including any special deficiency or
22 supplemental budget estimates, in such manner as he may
23 deem necessary to effect economies and to prevent waste,

1 extravagance, loss, or duplication. The Secretary of the
2 Treasury shall, however, make no change in any such esti-
3 mate until after he has made a detailed investigation of the
4 reasons for the submission of such estimates. Any head of a
5 department or establishment whose budget estimates have
6 been changed by the Secretary may appeal from the decision
7 of the Secretary to the President for final decision.

SEC. 14. Reenacts and revises Act of September 2, 1789 (1 Stat. L., c. 12, Sec. 2); Act of March 10, 1800 (2 Stat. L., c. 58); Act of August 26, 1842 (5 Stat. L., c. 207, Secs. 1 and 2); and Act January 7, 1846 (9 Stat. L., p. 108).

8 SEC. 15. That the Secretary of the Treasury shall not
9 have or exercise any power of revision over the budget esti-
10 mates for the War or Navy Departments, except the esti-
11 mates for their civil establishments, including those for public
12 buildings and grounds in charge of the Chief of Engineers,
13 or over the budget estimates for the Library of Congress, the
14 Supreme Court of the United States, or the legislative branch
15 of the Government, but shall submit them to the President in
16 the form and for the amounts in which they are transmitted
17 to him.

18 SEC. 16. That every department and establishment,
19 except the Library of Congress, the Supreme Court of the
20 United States, and the legislative branch of the Government,
21 shall furnish to the Secretary of the Treasury such informa-
22 tion regarding its powers, duties, activities, organization,
23 financial transactions, and methods of business as he may
24 from time to time require of them, and the Director of the

1 Budget Bureau, or any of his assistants or employees, when
2 duly authorized by such Director, shall, for the purpose of
3 securing such information, have access to, and have the right
4 to examine, any books, documents, papers, or records of
5 any such department or establishment.

6 SEC. 17. That the Secretary of the Treasury shall not
7 transmit to the President budget estimates for the District
8 of Columbia greater than twice the estimated revenues of
9 the District, including charges under all appropriation bills.

SEC. 17. Revises Act of March 3, 1909 (35 Stat. L., 728, Sec. 7).

10 SEC. 18. That the Secretary of the Treasury shall, on
11 or before the 15th day of November in each year, submit to
12 the President the budget, which shall contain a revised state-
13 ment in summary and in detail of the budget estimates for
14 the ensuing fiscal year submitted to him by the heads of the
15 various departments and establishments; a statement show^{ing}
16 the estimated revenues of the Government for the ensuing
17 fiscal year, and if such estimated revenues are less than the
18 estimated expenditures his recommendations for new taxes,
19 loans, or other appropriate action to meet the deficiency;
20 if such estimated revenues are greater than the estimated ex-
21 penditures, his recommendations for a reduction in taxation;
22 and a statement showing the condition of the Treasury.
23 Such statements and recommendations shall be prepared
24 in such form and according to such system of classification

1 and itemization, and shall be accompanied with such ex-
 2 planatory notes, tables, comparative figures of estimates, ap-
 3 propriations, and expenditures for previous years, and other
 4 data as the Secretary may deem necessary or desirable or
 5 as the President may require: *Provided*, That the general
 6 scheme of classification shall be by organization units. At
 7 the same time the Secretary shall transmit, without change,
 8 to the President as a part of the budget those budget esti-
 9 mates submitted to him which under the provisions of this
 10 Act are not subject to revision by him. The Secretary of
 11 the Treasury shall from time to time submit in like manner
 12 to the President such supplemental, deficiency, or other
 13 budget estimates as may be submitted to him by the head
 14 of any department or establishment, as herein provided.

SEC. 18. Repeals Revised Statutes 3669 (a revision of several prior Acts from 1846 to 1875). Revises Act of March 4, 1909 (35 Stat. L., 1027, Sec. 7). Repeals Act of August 23, 1912 (37 Stat. L., 415, Sec. 9); Rev. Stat. 257; Act of July 7, 1884. (Stat. L. 370 Sec. 3); Act of Mar. 4, 1909, 35 Stat. 907 Sec. 4; Act of Sept. 8, 1916 (39 Stat., L. 530, Sec. 4); and Revises Rev. Stat. 3670; Act of Feb. 26, 1907 (34 Stat. 949).

15 SEC. 19. That on or before the 10th of December in
 16 each year the President shall transmit to Congress, with his
 17 approval, the budget for the ensuing fiscal year, submitted
 18 to him by the Secretary of the Treasury under the provisions
 19 of this Act, *and from time to time the Secretary of the Treasury shall submit to the President such supplemental, deficiency, or other budget estimates as may be submitted to him by the head of any department or establishment, as herein provided.*

20 SEC. 20. That after June 30, 1920, no budget estimate
 21 or request for any increase in any item of the budget as
 22 submitted by the President to Congress, and no recommen-

1 dation as to how the revenue needs of the Government should
2 be met, shall be submitted to Congress or to any Member or
3 committee thereof by any officer of, or person employed in,
4 any department or establishment unless at the request of
5 either House of Congress or a committee thereof having juris-
6 diction over appropriations or revenues.

7 SEC. 21. That the Bureau of the Public Health Serv-
8 ice, the Office of the Supervising Architect, the Bureau of
9 War Risk Insurance, and the General Supply Committee and
10 all the officers and employees thereof, and all the official
11 records and papers on file in and pertaining exclusively to the
12 business thereof, and the furniture ^{and equipment} now in use thereby, are
13 hereby transferred to the Department of the Interior.

14 SEC. 22. That the Secretary of the Treasury shall, at
15 the request of any committee of either House of Congress,
16 direct appropriate officials from the Budget Bureau to furnish
17 such committee such aid and information, in person or other-
18 wise, as the committee may request.

19 SEC. 23. That the Secretary of the Treasury shall pre-
20 pare a codification of all the laws now in force relating to the
21 administration of the finances of the Government, and shall,
22 ^{as soon as practicable} ~~on or before April 15, 1920,~~ transmit the same to the
23 President with a statement showing which of such laws in
24 his judgment should be repealed in whole or in part, and
25 what new provisions, if any, should be added. The Presi-

1 dent shall transmit such codification and accompanying state-
 2 ments, together with his recommendations, to Congress.

3 *not to be taken from the date of the Act and*
 4 SEC. 24. That ~~for the fiscal year ending June 30, 1921,~~
and available
 5 the sum of \$225,000 is hereby appropriated, out of any
 6 money in the Treasury not otherwise appropriated, for the
 7 purpose of defraying the expenses of the establishment and
 8 maintenance of the Budget Bureau, including the payment of
 9 salaries herein authorized.

10 SEC. 25. That this Act may be cited as the "National
 11 Budget Act," *and*

12 ~~Sec. 26. That this Act shall take effect on July 1,~~
 1920.