

Calendar No. 7.

67TH CONGRESS,
1ST SESSION.

S. 1084.

IN THE SENATE OF THE UNITED STATES.

APRIL 25, 1921.

Mr. McCORMICK introduced the following bill; which was read twice and referred to the Committee on Expenditures in the Executive Departments.

APRIL 25, 1921.

Reported by Mr. McCORMICK, with amendments.

[Omit the part struck through and insert the part printed in italic.]

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 That this Act may be cited as the "Budget and Accounting
4 Act, 1921."

5 TITLE 1.—DEFINITIONS.

6 SEC. 2. That 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

1 municipal government of the District of Columbia, but do
2 not include the legislative branch of the Government or the
3 Supreme Court of the United States;

4 The term "the Budget" means the Budget required by
5 section 201 to be transmitted to Congress;

6 The term "bureau" means the Bureau of the Budget;

7 The term "director" means the Director of the Bureau
8 of the Budget; and

9 The term "assistant director" means the Assistant
10 Director of the Bureau of the Budget.

11 TITLE 2.—THE BUDGET.

12 SEC. 201. That the President shall transmit to Con-
13 gress on the first day of each regular session, the Budget,
14 which shall set forth in summary and in detail:

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

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

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

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

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

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

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

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

21 Sec. 202. (a) That if the estimated receipts for the en-
22 suing fiscal year contained in the Budget, on the basis of laws
23 existing at the time the Budget is transmitted, plus the esti-
24 mated amounts in the Treasury at the close of the fiscal year
25 in progress, available for expenditure in the ensuing fiscal

1 year, are less than the estimated expenditures for the ensuing
2 fiscal year contained in the Budget, the President in the
3 Budget shall make recommendations to Congress for new
4 taxes, loans, or other appropriate action to meet the
5 deficiency.

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

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

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

24 SEC. 204. (a) Except as otherwise provided in this
25 Act, the contents, order, and arrangement of the estimates

1 of appropriations and the statements of expenditures and
2 estimated expenditures contained in the Budget or trans-
3 mitted under section 203, and the notes and other data sub-
4 mitted therewith, shall conform to the requirements of
5 existing law.

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

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

23 SEC. 206. No estimate or request for an appropriation
24 and no request for an increase in an item of any such esti-
25 mate or request, and no recommendation as to how the

1 revenue needs of the Government should be met, shall be
2 submitted to Congress or any committee thereof by any
3 officer or employee of any department or establishment, un-
4 less at the request of either House of Congress.

5 SEC. 207. That there is hereby created in the Treasury
6 Department a bureau to be known as the Bureau of the
7 Budget. There shall be in the bureau a director and an
8 assistant director, who shall be nominated by the President
9 and appointed by him, by and with the advice and con-
10 sent of the Senate, and shall receive salaries of \$10,000 and
11 \$9,000 a year, respectively. The assistant director shall
12 perform such duties as the director may designate, and dur-
13 ing the absence or incapacity of the director or during a
14 vacancy in the office of director he shall act as director. The
15 bureau, under the direction of the Secretary of the Treasury,
16 shall prepare the Budget, the alternative budget, and any
17 supplemental deficiency estimates, and to this end shall have
18 authority to assemble, correlate, revise, reduce, or increase
19 the estimates of the several departments or establishments.

20 SEC. 208. (a) That the director, with the approval
21 of the Secretary of the Treasury, shall appoint and fix the
22 compensation of such attorneys and other employees and
23 make such expenditures for rent in the District of Columbia,
24 printing, binding, telegrams, telephone service, law books,
25 books of reference, periodicals, stationery, furniture, office

1 equipment, other supplies, and necessary expenses of the
2 office, as Congress may from time to time provide.

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

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

10 (d) The provisions of law prohibiting the transfer of
11 employees of executive departments and independent estab-
12 lishments until after service of three years and the provision
13 that no civil employee in any department or establishment
14 shall be employed and paid from a lump-sum appropriation
15 in any other department or establishment at an increased
16 rate of compensation as provided in section 7 of the Urgent
17 Deficiency Act of October 6, 1917, shall not apply during
18 the fiscal years ending June 30, 1921, and June 30, 1922,
19 to the bureau.

20 (e) The bureau shall not be construed to be a bureau
21 or office created since January 1, 1916, so as to deprive
22 employees therein of the additional compensation allowed
23 civilian employees under the provisions of section 6 of the
24 Legislative, Executive, and Judicial Appropriation Act for

1 the fiscal years ending June 30, 1921, and June 30, 1922,
2 if otherwise entitled thereto.

3 SEC. 209. That the bureau shall from time to time
4 make a detailed study of the departments and establishments
5 for the purpose of enabling the President to determine what
6 changes (with a view of securing greater economy and
7 efficiency in the conduct of the public service) should be
8 made in (1) the existing organization, activities, and
9 methods of business of such departments or establishments,
10 (2) the appropriations therefor, (3) the assignment of par-
11 ticular activities to particular services, or (4) the regroup-
12 ing of services. The results of such study shall be embodied
13 in a report or reports to the President, who may transmit
14 to Congress such report or reports or any part thereof with
15 his recommendations on the matters covered thereby.

16 SEC. 210. That the bureau shall prepare for the
17 President a codification of all laws or parts of laws relating
18 to the preparation and transmission to Congress of state-
19 ments of receipts and expenditures of the Government and
20 of estimates of appropriations. The President shall transmit
21 the same to Congress on or before the first Monday in
22 December, 1921, with a recommendation as to the changes
23 which, in his opinion, should be made in such laws or parts
24 of laws.

1 SEC. 211. That the powers and duties relating to the
2 compiling of estimates now conferred and imposed upon the
3 Division of Bookkeeping and Warrants of the office of the
4 Secretary of the Treasury are transferred to the bureau.

5 SEC. 212. That the bureau shall, at the request of any
6 committee of either House of Congress having jurisdiction
7 over revenue or appropriations, furnish the committee such
8 aid and information as it may request.

9 SEC. 213. That under such regulations as the President
10 may prescribe, (1) every department and establishment
11 shall furnish to the bureau such information as the bureau
12 may from time to time require, and (2) the director and
13 the assistant director, or any employee of the bureau when
14 duly authorized, shall, for the purpose of securing such in-
15 formation, have access to, and the right to examine, any
16 books, documents, papers, or records of any such department
17 or establishment.

18 SEC. 214. (a) That the head of each department and
19 establishment shall designate an official thereof as budget
20 officer therefor, who, in each year under his direction and on
21 or before a date fixed by him, shall prepare the departmental
22 estimates.

23 (b) Such budget officer shall also prepare, under the
24 direction of the head of the department or establishment,

1 such supplemental and deficiency estimates as may be re-
2 quired for its work.

3 SEC. 215. That the head of each department and estab-
4 lishment shall revise the departmental estimates and submit
5 them to the bureau on or before September 15 of each
6 year. In case of his failure so to do, the President shall
7 cause to be prepared such estimates and data as are neces-
8 sary to enable him to include in the budget estimates and
9 statements in respect to the work of such department or
10 establishment.

11 SEC. 216. That the departmental estimates and any
12 supplemental or deficiency estimates submitted to the bureau
13 by the head of any department or establishment shall be pre-
14 pared and submitted in such form, manner, and detail as the
15 President may prescribe.

16 SEC. 217. That for expenses of the establishment and
17 maintenance of the bureau there is appropriated, out of any
18 money in the Treasury not otherwise appropriated, the sum
19 of \$225,000, to continue available during the fiscal year
20 ending June 30, 1922.

21 TITLE 3.—GENERAL ACCOUNTING OFFICER.

22 SEC. 301. That there is created an establishment of the
23 Government to be known as the General Accounting Office,
24 which shall be independent of the executive departments
25 and under the control and direction of the Comptroller Gen-

1 eral of the United States. The offices of Comptroller of the
2 Treasury and Assistant Comptroller of the Treasury are
3 abolished, to take effect July 1, 1921. All other officers and
4 employees of the office of the Comptroller of the Treasury
5 shall become officers and employees in the General Account-
6 ing Office at their grades and salaries on July 1, 1921, and
7 all books, records, documents, papers, furniture, office equip-
8 ment and other property of the office of the Comptroller of
9 the Treasury shall become the property of the General Ac-
10 counting Office. The Comptroller General is authorized to
11 adopt a seal for the General Accounting Office.

12 SEC. 302. That there shall be in the General Account-
13 ing Office a Comptroller General of the United States and
14 an Assistant Comptroller General of the United States, who
15 shall be nominated by the President and appointed by him
16 by and with the advice and consent of the Senate, and shall
17 receive salaries of \$10,000 and \$7,500 a year, respectively.
18 The Assistant Comptroller General shall perform such duties
19 as may be assigned to him by the Comptroller General, and
20 during the absence or incapacity of the Comptroller General,
21 or during a vacancy in that office, shall act as Comptroller
22 General.

23 SEC. 303. That the Comptroller General and the Assist-
24 ant Comptroller General shall hold office ~~during good behavior~~
25 *for seven years*, but may be removed at any time by joint

1 resolution of Congress after notice and hearing, when, in their
2 the judgment of Congress, the Comptroller General or Assist-
3 ant Comptroller General has been inefficient, or guilty of
4 neglect of duty, or of malfeasance in office, or of any felony or
5 conduct involving moral turpitude, and for no other cause and
6 in no other manner except by impeachment. Any Comptrol-
7 ler General or Assistant Comptroller General removed in the
8 manner herein provided shall be ineligible for reappointment
9 to that office. When a Comptroller General or Assistant
10 Comptroller General attains the age of seventy years, he shall
11 be retired from his office.

12 SEC. 304. That all powers and duties now conferred or
13 imposed by law upon the Comptroller of the Treasury or
14 the six auditors of the Treasury Department, and the duties
15 of the Division of Bookkeeping and Warrants of the Office
16 of the Secretary of the Treasury relating to keeping the
17 personal ledger accounts of disbursing and collecting officers,
18 shall, so far as not inconsistent with this Act, be vested in
19 and imposed upon the General Accounting Office and be
20 exercised without direction from any other officer. The
21 balances certified by the Comptroller General shall be final
22 and conclusive upon the executive branch of the Government.
23 The revision by the Comptroller General of settlements made
24 by the six auditors shall be disconti... 1 except as to settle-
25 ments made before July 1, 1921.

1 SEC. 305. That section 236 of the Revised Statutes is
2 amended to read as follows:

3 “SEC. 236. All claims and demands whatever by the
4 United States or against them, and all accounts whatever
5 in which the United States are concerned, either as debtors
6 or creditors, shall be settled and adjusted in the General
7 Accounting Office.”

8 SEC. 306. That all laws relating generally to the ad-
9 ministration of the departments and establishments shall, so
10 far as applicable, govern the General Accounting Office.
11 Copies of any books, records, papers, or documents, and
12 transcripts from the books and proceedings of the General
13 Accounting Office, when certified under its seal, shall be
14 admitted as evidence with the same effect as the copies and
15 transcripts referred to in sections 882 and 886 of the
16 Revised Statutes.

17 SEC. 307. That the Comptroller General may provide for
18 the payment of accounts or claims adjusted and settled in the
19 General Accounting Office, through disbursing officers of the
20 several departments and establishments, instead of by
21 warrant.

22 SEC. 308. That the duties now appertaining to the Divi-
23 sion of Public Moneys of the Office of the Secretary of the
24 Treasury, so far as they relate to the covering of revenues
25 and repayments into the Treasury, the issue of duplicate

1 checks and warrants, and the certification of outstanding
2 liabilities for payment, shall be performed by the Division of
3 Bookkeeping and Warrants of the Office of the Secretary of
4 the Treasury.

5 SEC. 309. That the Comptroller General shall prescribe
6 the forms, systems, and procedure for administrative appro-
7 priation and fund accounting in the several departments and
8 establishments, and for the administrative examination of
9 fiscal officers' accounts and claims against the United States.

10 SEC. 310. That the offices of the six auditors shall be
11 abolished, to take effect July 1, 1921. All other officers and
12 employees of these offices shall become officers and employees
13 in the General Accounting Office at their grades and salaries
14 on July 1, 1921. All books, records, documents, papers,
15 furniture, office equipment, and other property of these
16 offices, and of the Division of Bookkeeping and Warrants, so
17 far as they relate to the work of such division transferred by
18 section 304, shall become the property of the General Ac-
19 counting Office. The General Accounting Office shall occupy
20 temporarily the rooms now occupied by the office of the
21 Comptroller of the Treasury and the six auditors.

22 SEC. 311. (a) That the Comptroller General shall
23 appoint, remove, and fix the compensation of such attorneys
24 and other employees in the General Accounting Office as
25 may from time to time be provided for by Congress.

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

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

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

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

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

21 SEC. 312. (a) That the Comptroller General shall
22 investigate, at the seat of government or elsewhere, all
23 matters relating to the receipt and disbursement of public
24 funds, and shall make to the President when requested by
25 him, and to Congress at the beginning of each regular ses-

1 sion, a report in writing of the work of the General Account-
2 ing Office, containing recommendations concerning the legis-
3 lation he may deem necessary to facilitate the prompt and
4 accurate rendition and settlement of accounts and concerning
5 such other matters relating to the receipt and disbursement
6 of public funds as he may think advisable. In such regular
7 report, or in special reports at any time when Congress is
8 in session, he shall make recommendations looking to greater
9 economy or efficiency in public expenditures.

10 (b) He shall make such investigations and reports as
11 shall be ordered by either House of Congress or by any
12 committee of either House having jurisdiction over revenue,
13 appropriations, or expenditures. The Comptroller General
14 shall also, at the request of any such committee, direct as-
15 sistants from his office to furnish the committee such aid and
16 information as it may request.

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

20 (d) He shall submit periodically to Congress reports
21 upon the adequacy and effectiveness of the administrative
22 examination of accounts and claims in the respective depart-
23 ments and establishments and upon the adequacy and effec-
24 tiveness of departmental inspection of the offices and accounts
25 of fiscal officers.

1 (e) He shall furnish such information relating to ex-
2 penditures and accounting to the Bureau of the Budget as it
3 may request from time to time.

4 SEC. 313. That all departments and establishments
5 shall furnish to the Comptroller General such information
6 regarding the powers, duties, activities, organization, finan-
7 cial transactions, and methods of business of their respective
8 offices as he may from time to time require of them; and
9 the Comptroller General, or any of his assistants or em-
10 ployees, when duly authorized by him, shall, for the pur-
11 pose of securing such information, have access to and the
12 right to examine any books, documents, papers, or records
13 of any such department or establishment. The authority
14 contained in this section shall not be applicable to expendi-
15 tures made under the provisions of section 291 of the
16 Revised States.

17 SEC. 314. That the Civil Service Commission shall
18 establish an eligible register for accountants for the General
19 Accounting Office, and the examinations of applicants for
20 entrance upon such register shall be based upon questions
21 approved by the Comptroller General.

22 SEC. 315. (a) That all appropriations for the fiscal
23 year ending June 30, 1922, for the offices of the Comptroller
24 of the Treasury and the six auditors, are transferred to and
25 made available for the General Accounting Office.

1 (b) During such fiscal year the Comptroller General,
2 within the limit of the total appropriations available for the
3 General Accounting Office, may make such changes in the
4 number and compensation of officers and employees ap-
5 pointed by him or transferred to the General Accounting
6 Office under this Act as may be necessary.

7 (c) There shall also be transferred to the General
8 Accounting Office such portions of the appropriations for
9 rent and contingent and miscellaneous expenses, including
10 allotments for printing and binding, made for the Treasury
11 Department for the fiscal year ending June 30, 1922, as
12 are equal to the amounts expended from similar appropria-
13 tions during the fiscal year ending June 30, 1921, by the
14 Treasury Department for the offices of the Comptroller of
15 the Treasury and the six auditors.

16 (d) During the fiscal year ending June 30, 1922, the
17 appropriations and portions of appropriations referred to in
18 this section shall be available for salaries and expenses of
19 the General Accounting Office, including payment for rent
20 in the District of Columbia, traveling expenses, the pur-
21 chase and exchange of law books, books of reference, and
22 for all necessary miscellaneous and contingent expenses.

23 SEC. 316. That the General Accounting Office shall
24 not be construed to be a bureau or office created since Janu-
25 ary 1, 1916, so as to deprive employees therein of the addi-

1 tional compensation allowed civilian employees under the
2 provisions of section 6 of the Legislative, Executive, and
3 Judicial Appropriation Act for the fiscal year ending June
4 30, 1922, if otherwise entitled thereto.

5 SEC. 317. That the provisions of law prohibiting the
6 transfer of employees of executive departments and inde-
7 pendent establishments until after service of three years and
8 the provision that no civil employee in any department or
9 establishment shall be employe and paid from a lump-
10 sum appropriation in any other department or establishment
11 at an increased rate of compensation as provided in section
12 7 of the Urgent Deficiency Act of October 6, 1917, shall
13 not apply during the fiscal year ending June 30, 1922, to
14 the General Accounting Office.

15 SEC. 318. That this Act shall take effect upon its ap-
16 proval by the President: *Provided*, That sections 301 to
17 317, inclusive, relating to the General Accounting Office,
18 shall take effect July 1, 1921.

67TH CONGRESS,
1st Session.

S. 1084.

A BILL

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

By Mr. McCORMICK.

APRIL 25, 1921.—Read twice and referred to the Committee on Expenditures in the Executive Departments.

APRIL 25, 1921.—Reported with amendments.