

Calendar No. 621.
H. R. 14441.

IN THE SENATE OF THE UNITED STATES.

JUNE 2 (calendar day, JUNE 5), 1920.

Read twice and referred to the Select Committee on a National Budget.

JUNE 2 (calendar day, JUNE 5), 1920.

Reported by Mr. SMOOT, without amendment.

AN ACT

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 I.—DEFINITIONS.**

4 **SECTION 1.** This Act may be cited as the “Budget and
5 Accounting Act, 1920.”

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;

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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 II.—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 they reach an aggregate which, if they
18 had been contained in the Budget, would have required the
19 President to make a recommendation under subdivision (a)
20 of section 202, he shall thereupon make such recommenda-
21 tion as he may deem necessary.

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. The Secretary of the
6 Treasury shall be the Director and the Assistant Director
7 shall be appointed by the President. The Assistant Director
8 shall receive an annual salary of \$10,000 and shall perform
9 such duties as the President may designate. During the
10 absence or incapacity of the Director or during a vacancy in
11 the office of Director the President shall designate the Acting
12 Secretary of the Treasury or the Assistant Director to act as
13 Director. The Bureau, as may be directed by the President,
14 shall prepare for him the Budget, the alternative Budget, and
15 any supplemental or deficiency estimates, and to this end
16 shall have authority to assemble, correlate, revise, reduce,
17 or increase the estimates of the several departments or
18 establishments.

19 SEC. 208. (a) The Director or Assistant Director, as
20 may be determined by the President, shall appoint and fix
21 the compensation of such attorneys and other employees and
22 make such expenditures for rent in the District of Columbia,
23 printing, binding, telegrams, telephone service, law books,
24 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 or Assistant
4 Director shall be paid a salary at a rate in excess of \$5,000 a
5 year, and not more than four persons so appointed shall be
6 paid a salary at the rate of \$5,000 a year.

7 (c) All employees in the Bureau whose compensation
8 is at a rate less than \$5,000 a year 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 shall not apply
13 during the fiscal year ending June 30, 1921, to the transfer
14 of employees to the Bureau.

15 SEC. 209. The Bureau shall make a detailed study of
16 the departments and establishments for the purpose of en-
17 abling the President to determine what changes (with a
18 view of securing greater economy and efficiency in the con-
19 duct of the public service) should be made in (1) the
20 existing organization, activities, and methods of business
21 of such departments or establishments, (2) the appropria-
22 tions therefor, (3) the assignment of particular activities
23 to particular services, or (4) the regrouping of services.
24 The results of such study shall be embodied in a report
25 or reports to the President, who may transmit to Congress

1 such report or reports or any part thereof with his recom-
2 mendations on the matters covered thereby.

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

11 SEC. 211. The powers and duties relating to the com-
12 piling of estimates now conferred and imposed upon the
13 Division of Bookkeeping and Warrants of the office of the
14 Secretary of the Treasury are transferred to the Bureau. The
15 Secretary of the Treasury may transfer to the Bureau, at the
16 rate of compensation received by them when this Act takes
17 effect, any officers or employees of such division who, in his
18 opinion, are essential to the work of the Bureau. The posi-
19 tions thus vacated shall not be filled, and the appropriations
20 therefor for the fiscal year ending June 30, 1921, shall lapse.

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

1 SEC. 213. Under such regulations as the President may
2 prescribe, (1) every department and establishment shall
3 furnish to the Bureau such information as the Bureau may
4 from time to time require, and (2) the Director and the
5 Assistant Director, or any employee of the Bureau when
6 duly authorized, shall, for the purpose of securing such in-
7 formation, have access to, and the right to examine, any
8 books, documents, papers, or records of any such department
9 or establishment.

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

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

19 SEC. 215. The head of each department and establish-
20 ment shall revise the departmental estimates and submit
21 them to the Bureau on or before September 15 of each
22 year. In case of his failure so to do, the President shall
23 cause to be prepared such estimates and data as are neces-
24 sary to enable him to include in the Budget, estimates and

1 statements in respect to the work of such department or
2 establishment.

3 SEC. 216. The departmental estimates and any supple-
4 mental or deficiency estimates submitted to the Bureau by
5 the head of any department or establishment, shall be pre-
6 pared and submitted in such form, manner, and detail as the
7 President may prescribe.

8 SEC. 217. For expenses of the establishment and main-
9 tenance of the Bureau there is appropriated, out of any
10 money in the Treasury not otherwise appropriated, the sum
11 of \$225,000, to continue available during the fiscal year
12 ending June 30, 1921.

13 TITLE III.—GENERAL ACCOUNTING OFFICE.

14 SEC. 301. There is created an establishment of the Gov-
15 ernment to be known as the General Accounting Office,
16 which shall be independent of the executive departments
17 and under the control and direction of the Comptroller Gen-
18 eral of the United States. The offices of Comptroller of the
19 Treasury and Assistant Comptroller of the Treasury are
20 abolished, to take effect July 1, 1920. All other officers and
21 employees of the office of the Comptroller of the Treasury
22 shall become officers and employees in the General Account-
23 ing Office at their grades and salaries on July 1, 1920, and
24 all books, records, documents, papers, furniture, office equip-
25 ment and other property of the office of the Comptroller of

1 the Treasury shall become the property of the General Ac-
2 counting Office. The Comptroller General is authorized to
3 adopt a seal for the General Accounting Office.

4 SEC. 302. There shall be in the General Accounting
5 Office a Comptroller General of the United States and an
6 Assistant Comptroller General of the United States, who
7 shall be appointed by the President with the advice and con-
8 sent of the Senate, and shall receive salaries of \$10,000 and
9 \$7,500 a year, respectively. The Assistant Comptroller Gen-
10 eral shall perform such duties as may be assigned to him by
11 the Comptroller General, and during the absence or in-
12 capacity of the Comptroller General, or during a vacancy in
13 that office, shall act as Comptroller General.

14 SEC. 303. The Comptroller General and the Assistant
15 Comptroller General shall hold office during good behavior.
16 When a Comptroller General or Assistant Comptroller Gen-
17 eral attains the age of seventy years, he shall be retired from
18 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,

1 shall, so far as not inconsistent with this Act, be vested in
2 and imposed upon the General Accounting Office and be
3 exercised without direction from any other officer. The
4 balances certified by the Comptroller General shall be final
5 and conclusive upon the executive branch of the Government.
6 The revision by the Comptroller General of settlements made
7 by the six auditors shall be discontinued, except as to settle-
8 ments made before July 1, 1920.

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

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

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

24 SEC. 307. The Comptroller General may provide for
25 the payment of accounts or claims adjusted and settled in the

1 General Accounting Office, through disbursing officers of the
2 several departments and establishments, instead of by
3 warrant.

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

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

23 SEC. 310. The offices of the six auditors shall be
24 abolished, to take effect July 1, 1920, but the then incum-
25 bents of those offices shall be transferred, at their present

1 salaries, to become officers of the General Accounting Office.
2 All other officers and employees of these offices shall become
3 officers and employees in the General Accounting Office at
4 their grades and salaries on July 1, 1920. All books,
5 records, documents, papers, furniture, office equipment, and
6 other property of these offices, and of the Division of Book-
7 keeping and Warrants so far as they relate to the work
8 of such division transferred by section 304, shall become
9 the property of the General Accounting Office. The Gen-
10 eral Accounting Office shall occupy temporarily the rooms
11 now occupied by the office of the Comptroller of the Treas-
12 ury and the six auditors.

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

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

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

1 (d) Until March 5, 1921, no person who at the time
2 of the passage of this Act holds office as one of the six audi-
3 tors, and who in pursuance of section 310 is transferred to
4 the General Accounting Office, shall be removed from office
5 or have his compensation reduced, except for cause.

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

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

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

18 SEC. 312. (a) The Comptroller General shall investi-
19 gate, at the seat of government or elsewhere, all matters
20 relating to the receipt and disbursement of public funds, and
21 shall make to the President when requested by him, and to
22 Congress at the beginning of each regular session, a report
23 in writing of the work of the General Accounting Office,
24 containing recommendations concerning the legislation he

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

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

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

18 SEC. 313. All departments and establishments shall
19 furnish to the Comptroller General such information regard-
20 ing the powers, duties, activities, organization, financial
21 transactions, and methods of business of their respective
22 offices as he may from time to time require of them; and
23 the Comptroller General, or any of his assistants or em-
24 ployees, when duly authorized by him, shall, for the purpose

1 of securing such information, have access to and the right to
2 examine any books, documents, papers, or records of any
3 such department or establishment. The authority con-
4 tained in this section shall not be applicable to expenditures
5 made under the provisions of section 291 of the Revised
6 Statutes.

7 SEC. 314. The Civil Service Commission shall estab-
8 lish an eligible register for accountants for the General
9 Accounting Office, and the examinations of applicants for
10 entrance upon such register shall be based upon questions
11 approved by the Comptroller General.

12 SEC. 315. (a) All appropriations for the fiscal year
13 ending June 30, 1921, for the offices of the Comptroller of
14 the Treasury and the six auditors, are transferred to and made
15 available for the General Accounting Office.

16 (b) During such fiscal year the Comptroller General,
17 within the limit of the total appropriations available for the
18 General Accounting Office, may make such changes in
19 the number and compensation of officers and employees
20 appointed by him or transferred to the General Accounting
21 Office under this Act as may be necessary.

22 (c) There shall also be transferred to the General Ac-
23 counting Office such portions of the appropriations for rent
24 and contingent and miscellaneous expenses, including allot-

1 ments for printing and binding, made for the Treasury De-
2 partment for the fiscal year ending June 30, 1921, as are
3 equal to the amounts expended from similar appropriations
4 during the fiscal year ending June 30, 1920, by the Treasury
5 Department for the offices of the Comptroller of the Treasury
6 and the six auditors.

7 (d) During the fiscal year ending June 30, 1921, the
8 appropriations and portions of appropriations referred to in
9 this section shall be available for salaries and expenses of
10 the General Accounting Office, including payment for rent
11 in the District of Columbia, traveling expenses, the pur-
12 chase and exchange of law books, books of reference, and
13 for all necessary miscellaneous and contingent expenses.

14 SEC. 316. The General Accounting Office shall not be
15 construed to be a bureau or office created since January 1,
16 1916, so as to deprive employees therein of the additional
17 compensation allowed civilian employees under the provi-
18 sions of section 6 of the Legislative, Executive, and Judicial
19 Appropriation Act for the fiscal year ending June 30, 1921,
20 if otherwise entitled thereto.

21 SEC. 317. The provisions of law prohibiting the transfer
22 of employees of executive departments and independent es-
23 tablishments until after service of three years shall not apply
24 during the fiscal year ending June 30, 1921, to the transfer
25 of employees to the General Accounting Office.

- 1 SEC. 318. This Act shall take effect July 1, 1920, but
2 appointments to offices herein created may be made prior to
3 that date, to take effect July 1, 1920.

Passed the House of Representatives June 4 (calendar
day, June 5), 1920.

Attest:

WM. TYLER PAGE,

Clerk.

CALENDAR NO. 621.

66TH CONGRESS,
2D Session.

H. R. 14441.

AN ACT

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

JUNE 2 (calendar day, JUNE 5), 1920.—Read twice and referred to the Select Committee on a National Budget.

JUNE 2 (calendar day, JUNE 5), 1920.—Reported without amendment.