

BUDGET AND ACCOUNTING PROCEDURES ACT OF 1950
81st Congress. (S. 3850)

CONGRESSIONAL RECORD - Senate

July 26, 1950

Considered and passed over

pp. 11217-11218

The bill (S. 3850) to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes, was announced as next in order.

Mr. Hendrickson. Mr. President, this seems to be a very important bill. I think the Record should contain an explanation of it.

Mr. McClellan. Mr. President, this bill Senate bill 3850, was introduced on June 29, and it was intended to take the place of Senate bill 2054 which was introduced some time ago by the Senator from Wisconsin (Mr. McCarthy) to carry out the Hoover Commission recommendation with reference to this subject matter. The Committee on Expenditures in the Executive Departments held quite extensive hearings on the original bill.

In the course of the hearings differences of opinion arose particularly with reference to title II of the bill, which proposed to set up an Accountant General's Office in the executive branch of the Government and vest in him certain powers which are now reposed in the Comptroller General. The committee is of the opinion that that provision should not be enacted into law. After working out all the differences that existed at that time with reference to the original bill the committee drafted this bill and introduced it, with 11 members of the Committee on Expenditures in the Executive Departments cosponsoring the bill.

Mr. President, this is a piece of highly technical legislation. I would not undertake to tell the Senate, even after all these studies, that I have a perfect understanding of it. However, I may say that about 3 years ago the Bureau of the Budget, the Comptroller General, and the Secretary of the Treasury initiated a voluntary program dealing with all the accounting phases of the Government. The Hoover Commission recommended that an Office of Accountant General be established in the executive branch of the Government. That recommendation is opposed by these three agencies that are definitely involved. This bill primarily enacts into law the procedures and practices which are now being followed in this voluntary system. After all the work on the bill it has the enthusiastic endorsement and support of these three agencies. Their letters and comments are contained in the report.

I may say, too, that with the one exception, the omission of the establishment of the Accountant General's Office, the bill implements the

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Hoover Commission recommendations. I do not think there is another provision in the bill which is any way contrary to the Hoover Commission recommendations. It is designed to implement those recommendations. In my judgment and in the judgment of others, who have carefully studied the bill, it goes 90 percent of the way so far as the Hoover Commission recommendations on this subject are concerned.

The Citizens Committee supporting the Hoover Commission, while not wholly satisfied with the bill, because it does not establish the Office of Accountant General, does give its approval in language, which I shall be very glad to read to the Senate. I hope if I run over the allotted 5 minutes I shall be granted another few minutes. The Citizens Committee says:

Certain definite operating improvements and economies in line with the recommendations of the Hoover Commission should result from the accounting provisions of the bill, despite the variance from major policy proposals.

That has reference to the establishment of the Office of Accountant General.

The powers given to the Comptroller General would center responsibility for accounting to an extent that is lacking at present. These powers would be such as to make possible the implementation of accounting reforms developed in the Hoover report and in the present joint voluntary program of the Comptroller General, the Secretary of the Treasury, and the Director of the Budget. Progress can be made toward elimination of duplicative and cumbersome procedures, and inconsistent and improper application of accounting principles and practices.

I shall not take further time in explanation of the bill unless it is necessary to read the comments of the Honorable Lindsay C. Warren, the Comptroller General, the Honorable John W. Snyder, Secretary of the Treasury, and the Honorable Frederick J. Lawton, Director of the Budget Bureau, all of whom enthusiastically support the bill.

Mr. Langer. Mr. President, will the Senator yield?

Mr. McClellan. I yield.

The Presiding Officer. The time of the Senator from Arkansas has expired. Does the Senator wish additional time in order to yield to the Senator from North Dakota for a question?

Mr. McClellan. If I may.

The Presiding Officer. Without objection, it is so ordered.

Mr. Langer. What would the bill do aside from changing the method of accounting?

Mr. McClellan. I shall read the general description:

The bill is in full accord with S. 2054 as it relates to performance budgeting and amendments to existing law in the auditing fields, but it does not implement the recommendation relative to the creation of an Accountant General, in whom would have been vested powers over the prescription of principles, standards, and related requirements for accounting. These functions involve long-established policies and powers of the Congress now vested in the Comptroller General. These provisions are designed to insure proper legislative controls over appropriations and Federal expenditures. It was the view of the committee that the Congress is not willing to surrender these legislative prerogatives to the Executive, and is willing to depart from the practice established by Congress with relation to controls over appropriations so long and so well exercised by its agency, the General Accounting Office.

Mr. President, S. 3850 covers three major subjects of budgeting, of accounting, and of appropriations, and then repeals a total of 106 out-moded or obsolete financial provisions of law. In the field of budgeting and of appropriation reforms, the proposal follows directly the meritorious recommendations of the Hoover Commission. Its adoption will achieve worth-while results such as modernization of budget practices, notably the adoption of performance budgeting which is designed to indicate not only what the Government is to spend each year, but also what results are to be obtained from those expenditures.

The remaining subject covered by S. 3850 is that of improved accounting in the Government. This is a subject which is highly technical, and with which few of us are fully informed, yet it is the very essence of achieving good administration and good management controls over the far-flung and exceedingly complex operations of the Federal Government.

Mr. McCarran. Mr. President, will the Senator yield for a question?

Mr. McClellan. I am glad to yield.

Mr. McCarran. I should like to have the Senator state in what way this bill would affect the present Comptroller General's set-up.

Mr. McClellan. To the extent that it affects the Comptroller General's set-up, it strengthens his power and control in connection with the general accounting system of the Government.

Mr. McCarran. The Comptroller General's Office is set up as an agency of Congress.

Mr. McClellan. It is, and that is why the committee felt that it could not support the recommendation of the Hoover Commission that a part of those powers should be divested from the Comptroller General, from the legislative agency, and transferred to the executive branch.

I may say that the Secretary of the Treasury and the Budget Bureau do not want to assume the authority proposed to be created. So the bill gives the Comptroller General more power over prescribing the system of accounting, and places the responsibility on the heads of the various agencies to conform to the general standards set up by the Comptroller General. Then they are to be channeled through the Secretary of the Treasury so that he can coordinate them to the point that any information about accounting can be obtained through that direct channel. The general principles and standards are set up by the Comptroller General.

The Presiding Officer. Is there objection?

Mr. Langer. Mr. President, will the Senator yield?

Mr. McClellan. I yield.

Mr. Langer. As I understand, the work for the Federal Government in connection with the State wildlife and game associations is all done through the States.

Mr. McClellan. This bill relates to the accounting of the Government.

Mr. Langer. I understand, but, as a matter of fact, the Government works through the various States, where the legislatures adopt statutes providing for taking care of the matter, and all that sort of thing. The question I wanted particularly answered is whether this proposed new law would in any manner whatsoever change the relationship between the States and the Federal Government.

Mr. McClellan. It does not change the relationship with the States. It deals with agencies under the Federal Government, setting up an accounting system which will give the Comptroller General the power of general supervision.

I wonder if the Senator is not referring to another bill. Did he have in mind Calendar No. 2040, House bill 3906? Is that the one the Senator asked me about?

The Presiding Officer. Let the Chair make an observation, while the Chair is not making the point, the Senate must decide whether to debate the bill extensively. The Senator's time has expired.

Mr. McCarran. Mr. President, if the Senator will yield, I am wondering if a bill of this magnitude and importance should be passed under the 5-minute rule.

Mr. McClellan. Mr. President, I am not insisting upon that. I was asked for an explanation of the bill, and I was trying to give it.

Mr. McCarran. I am going to ask that the bill go over.

The Presiding Officer. The Chair was not making a point of order on the Senator from Arkansas. But the bill is so important that the Chair was impressed by the gravity of it.

Mr. McClellan. Mr. President, if I may have one more minute, I tried to state that this is highly technical legislation. As I said in the very beginning notwithstanding all the study of it, and the effort to work over it for a long period of time, the agencies working together in consultation with the staff of the committee, in order to frame a bill upon which everyone could be in general agreement, it is still a bill whose consideration is of major importance. This is regarded as one of the most advanced and important steps that have been proposed possibly for the past 30 years with reference to legislation affecting the general accounting system and fiscal system of the Government. I very earnestly urge Senators to read the report, and let us try to enact the bill at this session.

The Presiding Officer. The bill will go over.

Mr. Hendrickson. Mr. President, I wanted to say, regarding this bill, that it is obvious from the remarks of the distinguished Senator from Arkansas that it proposes excellent legislation, which should be seriously considered by the Senate at the earliest possible moment. I wish to associate myself with the bill, and I am sorry it cannot be passed today.

The Presiding Officer. The Senator from Nevada objected, as the Chair understood.

Mr. McCarran. I asked that the bill go over.

The Presiding Officer. The bill will go over.