

Calendar No. 1286

75TH CONGRESS
1ST SESSION

S. 2970

[Report No. 1236]

IN THE SENATE OF THE UNITED STATES

AUGUST 16, 1937

Mr. BYRNES introduced the following bill; which was read twice and referred to the Select Committee on Government Organization

AUGUST 16 (calendar day, AUGUST 17), 1937

Reported by Mr. BYRNES, without amendment

A BILL

To provide for reorganizing agencies of the Government, extending the classified civil service, establishing a General Auditing Office and a Department of Welfare, 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—REORGANIZATION**

4 **DECLARATION OF STANDARD**

5 SECTION 1. The President shall investigate the organi-
6 zation of the various agencies of the Government, and shall
7 determine what changes therein are necessary to accomplish
8 any of the following purposes:

9 (a) To reduce expenditures to the fullest extent con-
10 sistent with the efficient operation of the Government;

1 (b) To increase the efficiency of the operations of the
2 Government to the fullest extent practicable within the
3 revenues;

4 (c) To group, coordinate, consolidate, reorganize, and
5 segregate agencies and functions of the Government, or any
6 part thereof, as nearly as may be, according to major
7 purposes;

8 (d) To reduce the number of such agencies by re-
9 grouping or consolidating those having similar functions
10 under a single head, and by abolishing such agencies or
11 such functions, or any part thereof, as may not be necessary
12 for the efficient conduct of the Government: and

13 (e) To eliminate overlapping and duplication of effort.

POWER OF PRESIDENT

15 SEC. 2. (a) Whenever the President, after investi-
16 gation, shall find and declare that any transfer, retransfer,
17 regrouping, coordination, consolidation, reorganization,
18 segregation, or abolition of the whole or any part of
19 any agency, or the functions thereof, is necessary to
20 accomplish any of the purposes set forth in section 1 of
21 this title, he may by Executive order subject to the limi-
22 tations hereinafter provided:

23 (1) Transfer or retransfer the whole or any part
24 of any agency, or the functions thereof, to the juris-
25 diction and control of any other agency; or

9 (b) Nothing in subsection (a) shall be construed to
10 authorize the President (1) to abolish any executive depart-
11 ment or independent establishment, the municipal govern-
12 ment of the District of Columbia, the Board of Governors
13 of the Federal Reserve System, or the General Auditing
14 Office; (2) to transfer to any other agency all of the func-
15 tions of any executive department; (3) to abolish or transfer
16 to any other agency any of the functions of the municipal
17 government of the District of Columbia, the Board of Gov-
18 ernors of the Federal Reserve System, the General Auditing
19 Office, or any independent establishment; (4) to regroup,
20 coordinate, consolidate, reorganize, or segregate the whole
21 or any part of the Board of Governors of the Federal Reserve
22 System, the General Auditing Office, or any independent
23 establishment, or the functions of any of them; (5) to abolish
24 or transfer to any other agency any of the functions exer-
25 cised by the Engineer Corps of the Army or the Mississippi

1 River Commission in administering any laws relating to
2 rivers and harbors or flood control; (6) to create or estab-
3 lish any new agency to exercise any functions which are
4 not expressly authorized by law in force on the date of
5 enactment of this Act; or (7) to abolish, or to transfer to
6 any other agency, the functions of audit and settlement
7 vested in the Bureau of the Budget by section 301 of this
8 Act.

9 (c) Any Executive order issued by the President under
10 this title shall make provision for the transfer or other dis-
11 position of the records, property (including office equip-
12 ment), personnel, and unexpended balances of appropria-
13 tions of the agency or agencies affected by such Executive
14 order: *Provided*, That the transfer of personnel shall be
15 without change in classification or compensation, except that
16 this requirement shall not operate after the end of the fiscal
17 year during which the transfer is made to prevent the ad-
18 justment of classification or compensation to conform to the
19 duties to which such transferred personnel may be assigned.
20 The appropriations or portions of appropriations not so
21 transferred or disposed of shall not be used for any purpose
22 but shall be impounded and returned to the Treasury.

23 (d) In the case of the abolition of any agency or func-
24 tion pursuant to this title, the Executive order providing for

1 such abolition shall also make provision for winding up the
2 affairs of the agency abolished or the affairs of the agency
3 with respect to the function abolished, as the case may be.

4 (e) The President is authorized to make such rules and
5 regulations as may be necessary to carry out his functions
6 under this title.

7 **SAVING PROVISIONS**

8 SEC. 3. (a) All orders, rules, regulations, permits, or
9 other privileges made, issued, or granted by or in respect of
10 any agency or function transferred to any other agency
11 under the provisions of this title, and in effect at the time of
12 the transfer, shall continue in effect to the same extent as if
13 such transfer had not occurred, until modified, superseded, or
14 repealed.

15 (b) No suit, action, or other proceeding lawfully com-
16 menced by or against the head of any agency or other
17 officer of the United States, in his official capacity or in
18 relation to the discharge of his official duties, shall abate
19 by reason of any transfer of functions from one officer or
20 agency to another under the provisions of this title, but
21 the court, on motion or supplemental petition filed at any
22 time within twelve months after such transfer takes effect,
23 showing a necessity for a survival of such suit, action, or
24 other proceeding to obtain a settlement of the questions

1 involved, may allow the same to be maintained by or against
2 the head of the agency or other officer of the United States
3 to whom the functions are transferred.

4 (c) All laws relating to any agency or function trans-
5 ferred to any other agency under the provisions of this title,
6 shall, insofar as such laws are not inapplicable, remain in
7 full force and effect, and shall be administered by the head
8 of the agency to which the transfer is made.

9 EFFECTIVE DATE OF EXECUTIVE ORDER

10 SEC. 4. (a) Whenever the President issues an Executive
11 order under the provisions of this title, such Executive
12 order shall be submitted to the Congress while in session
13 and shall not become effective until after the expiration
14 of sixty calendar days after such transmission, unless Con-
15 gress shall by law provide for an earlier effective date of
16 such Executive order: *Provided*, That if Congress shall
17 adjourn before the expiration of sixty calendar days from
18 the date of such transmission such Executive order shall
19 not become effective until after the expiration of sixty calen-
20 dar days from the opening day of the next succeeding regular
21 or special session.

22 (b) No Executive order issued by the President under
23 the provisions of this title shall become effective unless

1 transmitted to the Congress within three years from the
2 date of the enactment of this Act.

3 **DEFINITIONS**

4 SEC. 5. When used in this Act, unless the context other-
5 wise requires—

6 (1) The term “agency” means any executive de-
7 partment, independent establishment, independent
8 agency, commission, board, bureau, service, office,
9 administration, authority, division, or activity in the
10 executive branch of the Government, whether in the
11 District of Columbia or elsewhere, and shall include
12 the municipal government of the District of Columbia
13 and any corporation a majority of the stock of which
14 is owned by the United States and of which no member
15 of the board of directors is elected or appointed by
16 private interests.

17 (2) The term “independent establishment” means
18 the legislative courts and the Board of Tax Appeals,
19 the Federal Communications Commission, the Federal
20 Power Commission, the Federal Trade Commission,
21 the Interstate Commerce Commission, the National
22 Bituminous Coal Commission, the National Labor
23 Relations Board, the Securities and Exchange Com-
24 mission, and the United States Maritime Commission.

1 **TITLE II—CIVIL SERVICE AND CLASSIFICATION**2 **CIVIL SERVICE ADMINISTRATION**

3 SEC. 201. (a) There is hereby established in the execu-
4 tive branch of the Government an organization to be known
5 as the Civil Service Administration (hereinafter referred to
6 as the “Administration”), at the head of which shall be a
7 Civil Service Administrator (hereinafter referred to as the
8 “Administrator”), who shall be appointed by the President,
9 by and with the advice and consent of the Senate, for a term
10 of fifteen years and shall receive a salary at the rate of
11 \$10,000 per annum. The Administrator shall be selected
12 without regard to any political affiliations, shall be a person
13 specially qualified for the office of Administrator by reason
14 of his executive and administrative qualifications, with par-
15 ticular reference to his actual experience in, or his knowledge
16 of, accepted practices in respect to the functions vested in
17 that office by law, and may be removed by the President
18 for inefficiency, neglect of duty, or malfeasance in office.

19 (b) The Administrator shall appoint a Deputy Civil
20 Service Administrator, subject to the civil-service laws, and
21 his salary shall be fixed in accordance with the Classification
22 Act of 1923, as amended. The Deputy Civil Service Ad-
23 ministrator shall perform such functions as the Administrator
24 may prescribe, and shall act as Administrator in the absence
25 of the Administrator or in the event of a vacancy in that
26 office.

1 (c) The United States Civil Service Commission and
2 the offices of Civil Service Commissioners are abolished, and
3 all functions vested in such Commission are hereby vested in
4 the Administration. The records, property (including office
5 equipment), personnel, and unexpended balances of appro-
6 priations of such Commission are hereby transferred to the
7 Administration.

8 (d) The Administrator is authorized to delegate to any
9 officer or employee of the Administration any functions
10 vested in the Administrator or the Administration by law,
11 and to make such rules and regulations as may be necessary
12 to carry out any of such functions.

13 (e) The Administrator shall cause a seal of office to be
14 made for the Administration, of such device as the Presi-
15 dent shall approve, and judicial notice shall be taken of
16 such seal.

17 SEC. 202. (a) In addition to the functions vested in the
18 Administrator by section 201 of this title the Administrator
19 shall prepare and recommend to the President plans for the
20 development and maintenance of a career service in the
21 Federal Government.

22 (b) The Administrator is further authorized to—

23 (1) Plan, establish, supervise and coordinate em-
24 ployee training programs and similar activities of the
25 various agencies of the Government, and make avail-

1 able to such agencies any employee training facilities at
2 his disposal;

3 (2) Obtain information, through the Administra-
4 tion, or in cooperation with other agencies, organiza-
5 tions, or groups, relating to personnel standards, prac-
6 tices, or policies in other governmental jurisdictions or
7 in private industry, and make such information avail-
8 able to the various agencies of the Government;

9 (3) Cooperate with the public personnel agencies
10 of States, Territories, and possessions of the United
11 States (including the Philippine Islands), and political
12 subdivisions thereof, and the District of Columbia, in
13 the adoption, development, or extension of the merit
14 system in their respective jurisdictions, and upon the
15 request of any such agency render advisory or con-
16 sultative personnel service or establish eligible registers
17 for such agency or establish or assist in the establish-
18 ment of joint eligible registers;

19 (4) At the direction of the President, or upon
20 the request of the head of any agency of the Govern-
21 ment, cooperate or assist in the installation or develop-
22 ment of personnel standards, practices, or policies for
23 any agency of the Government, or review and investi-
24 gate personnel standards, practices, or policies of such
25 agency, and report thereon to the President or the

1 officer making the request. Any agency receiving any
2 cooperation or assistance under this or the preceding
3 paragraph may be required to reimburse the Admin-
4 istration for all necessary expenses incurred in connec-
5 tion therewith, and the payments representing such
6 reimbursements shall be deposited as refunds to the
7 appropriations from which such expenses were origi-
8 nally paid, instead of being covered into the Treasury
9 as miscellaneous receipts;

10 (5) Request persons not in the service of the
11 Federal Government who are experts in some aspect
12 of personnel administration to attend conferences with
13 representatives of the Administration or to consult or
14 advise with them, in the District of Columbia or else-
15 where, and reimburse such experts for their subsistence
16 and other expenses at a rate of not to exceed \$25 per
17 day for time spent in attending and traveling to and
18 from such conferences, or in consulting or advising with
19 such representatives, plus the actual cost of trans-
20 portation.

21 (6) Purchase manuscripts from private persons,
22 corporations, or other organizations, or meet the costs
23 of special studies made by them, at the request of,
24 or in cooperation with, the Administration; and

PRESIDENTIAL APPOINTMENTS

6 SEC. 203. The President, by and with the advice and
7 consent of the Senate, shall make appointments to fill any
8 vacancy in any office or position of head of any bureau,
9 division, service, or other similar agency which is in or
10 under the jurisdiction or control of and is directly responsible
11 to the head of an executive department, independent estab-
12 lishment, or independent agency, but only if the President
13 finds that such office or position is policy determining in
14 character. Any determination by the President that any
15 such office or position is policy determining in character
16 shall be final, and the power of the President to make such
17 determinations shall expire three years after the date of
18 enactment of this Act.

EXTENSION OF CLASSIFIED CIVIL SERVICE

20 SEC. 204. (a) In addition to the authority vested in
21 the President by the civil-service laws, the President is
22 authorized to cover into the classified civil service any offices
23 or positions in any agency of the executive branch of the
24 Government, and in any corporation a majority of the stock
25 of which is owned by the United States and of which no

1 member of the board of directors is elected or appointed
2 by private interests, except offices or positions to which
3 appointments are required to be made by the President by
4 and with the advice and consent of the Senate: *Provided*,
5 That in the case of any such corporation organized under the
6 laws of any State, Territory, or possession of the United
7 States (including the Philippine Islands), or the District
8 of Columbia, the President is authorized to direct that such
9 action be taken as will require appointments to such offices
10 or positions in such corporation to be made in accordance
11 with the civil-service laws, but such action shall not be incon-
12 sistent with the laws under which such corporation was
13 organized or with the charter or articles of incorporation
14 of such corporation.

15 (b) The provisions of this title relating to the covering
16 into the classified civil service of offices and positions shall,
17 in addition to being applicable to any office or position
18 authorized by existing law, be applicable to any office or
19 position authorized by this Act, or by any subsequent Act
20 unless the Congress specifically provides otherwise.

21 SEC. 205. The incumbent of any office or position which
22 is covered into the classified civil service under the pro-
23 visions of this title shall not thereby acquire a classified civil-
24 service status, except (1) upon recommendation by the head
25 of the agency concerned within one year after such office

1 or position has been covered into the classified civil service,
2 and certification within such period by such head to the
3 Administrator that such incumbent has served with merit
4 for not less than six months prior to the date of the appro-
5 priate Executive order covering such office or position into
6 the classified civil service, and (2) upon passing such suitable
7 noncompetitive examination as the Administrator may
8 prescribe.

9 EXTENSION OF CLASSIFICATION ACT

10 SEC. 206. (a) Subject to the limitations hereinafter
11 provided, whenever the President, after such classification
12 and compensation surveys or investigations as he may direct
13 the Administrator to undertake, and after consideration of
14 the Administrator's resulting reports and recommendations,
15 shall find that an extension of the provisions of the Classifi-
16 cation Act of 1923, as amended, to any office or position
17 not at the time subject to such provisions in any agency of
18 the Government is necessary to the more efficient opera-
19 tion of the Government, he may by Executive order extend
20 the provisions of such Act to such office or position: *Pro-*
21 *vided*, That any action taken under this subsection with
22 respect to any office or position in any corporation a
23 majority of the stock of which is owned by the United
24 States and of which no member of the board of directors is
25 elected or appointed by private interests shall not be

1 inconsistent with the laws under which such corporation
2 was organized or with the charter or articles of incorporation
3 of such corporation.

4 (b) Whenever the President, upon report and recom-
5 mendation by the Administrator, shall find that one or more
6 offices or positions to which such Act as amended and ex-
7 tended is applicable may not fairly and reasonably be allo-
8 cated to any of the classification services or grades defined
9 in the compensation schedules of such Act, he may by
10 Executive order prescribe and define such additional classi-
11 fication services and grades thereof as he may deem neces-
12 sary, and he shall define and fix the ranges of compensation
13 for the grades of such services within the limits of such Act
14 so that they shall be comparable, as nearly as may be, with
15 the grades defined in such Act for offices or positions that
16 are comparable as to duties, responsibilities, qualifications
17 required, and other conditions of employment. .

18 (c) Whenever the President, upon report and recom-
19 mendation by the Administrator, shall find that the rates
20 of the compensation schedules of such Act are inadequate
21 for any office or position to which such Act as amended
22 and extended is applicable, he may by Executive order
23 establish necessary schedules of differentials in the rates
24 prescribed in such compensation schedules, but the differen-
25 tial in the compensation of any such office or position shall

1 not exceed 25 per centum of the minimum rate of the grade
2 to which such office or position is allocated under such com-
3 pensation schedules: *Provided*, That the provisions of this
4 subsection shall be applicable only to offices or positions
5 which are located at stations that are isolated, remote, or
6 inaccessible when compared with stations at which offices
7 or positions of the same character are usually located, or
8 which involve physical hardships or hazards that are ex-
9 cessive when compared with those usually involved in offices
10 or positions of the same character, or which are located
11 outside the States of the United States and the District of
12 Columbia: *Provided further*, That if the Administrator finds
13 that the factor of isolation, hardship, hazard, or foreign
14 service is uniformly applicable to each office or position in
15 any given class of offices or positions, the differential pro-
16 vided for in this subsection shall not apply to any office or
17 position in such class.

18 (d) Except as Congress may otherwise provide by law,
19 the power granted to the President by this section shall not
20 apply to the following—

21 (1) Offices or positions in the Postal Service the
22 compensation of which is fixed under the Act of Con-
23 gress, approved February 28, 1925 (43 Stat. 1033), as
24 amended;

25 (2) Offices or positions of teachers, librarians,
26 school-attendance officers, and employees of the com-

1 munity-center department under the Board of Education
2 of the District of Columbia, the compensation of
3 which is fixed under the Act of Congress, approved
4 June 4, 1924 (43 Stat. 367), as amended;

5 (3) Offices or positions in the Metropolitan Police,
6 in the Fire Department of the District of Columbia, and
7 in the United States Park Police, the compensation of
8 which is fixed under the Act of Congress, approved July
9 1, 1930 (46 Stat. 839);

10 (4) Commissioned officers and enlisted personnel in
11 the military and naval services and the Coast Guard,
12 and commissioned officers in the Public Health Service
13 and the Coast and Geodetic Survey, the compensation
14 of which is fixed under the Act of Congress, approved
15 June 10, 1922 (42 Stat. 625), as amended;

16 (5) Offices or positions in the Government Printing
17 Office the compensation of which is fixed under the
18 Act of Congress, approved June 7, 1924 (43 Stat.
19 658);

20 (6) Offices or positions of Foreign Service officers
21 in the Foreign Service of the United States the compensation
22 of which is fixed under the Act of Congress,
23 approved May 24, 1924 (43 Stat. 140), as amended;

24 (7) Offices or positions of clerks in the Foreign
25 Service of the United States the compensation of which

1 is fixed under the Act of Congress, approved February
2 23, 1931 (46 Stat. 1207) ;

3 (8) Offices or positions of commercial attachés,
4 assistant commercial attachés, trade commissioners, assist-
5 ant trade commissioners, and clerks and other assistants
6 to officers, including clerical and sub-clerical assistants,
7 in the Foreign Commerce Service of the Department
8 of Commerce, the compensation of which is fixed under
9 the Act of Congress, approved March 3, 1927 (44 Stat.
10 1394), as amended;

11 (9) Offices or positions of verifiers-openers-packers,
12 clerks, guards, inspectors, station inspectors and laborers,
13 in the Customs Service of the Treasury Department the
14 compensation of which is fixed under the Act of Con-
15 gress, approved May 29, 1928 (45 Stat. 955), as
16 amended;

17 (10) Offices or positions of inspectors in the Immi-
18 gration and Naturalization Service of the Department
19 of Labor the compensation of which is fixed under the
20 Act of Congress, approved May 29, 1928 (45 Stat.
21 954), as amended;

22 (11) Offices or positions the duties of which are
23 to serve as an officer or member of the crew of a vessel;
24 and

18 SEC. 207. The President is authorized, after suitable
19 investigation by the Administrator which shall include con-
20 sultation with representatives of the heads of the executive
21 departments, independent establishments, or independent
22 agencies in or under the jurisdiction of which the offices or
23 positions hereinafter designated are located, and upon find-
24 ing that such action is necessary to the more efficient opera-

1 tion of the Government, to exclude, by Executive order,
2 from the provisions of the Classification Act of 1923, as
3 amended and extended—

4 (1) Offices or positions the work of which is
5 financed jointly by the United States and a State, Terri-
6 tory, or possession of the United States (including the
7 Philippine Islands), or political subdivision thereof, or
8 cooperating persons or organizations outside the service
9 of the Federal Government, the pay of which is fixed
10 under a cooperative agreement with the United States;

11 (2) Offices or positions none or only part of the
12 compensation of which is paid from funds of the United
13 States;

14 (3) Offices or positions filled by inmates, patients,
15 students, or beneficiaries in Government institutions;

16 (4) Offices or positions outside the States of the
17 United States and the District of Columbia filled by
18 natives of Territories or possessions of the United States
19 (including the Philippine Islands) or foreign nationals;

20 (5) Emergency or seasonal offices or positions in
21 the field service, or other field offices or positions the
22 duties of which are of purely temporary duration or
23 which are required only for brief periods at intervals;

24 and

9 SEC. 208. Whenever an extension of the Classification
10 Act of 1923, as amended, becomes effective under this title
11 with respect to any office or position—

1 comes vacant the compensation attached thereto shall
2 be brought within the proper compensation schedule.

3 SEC. 209. Nothing herein contained shall be construed
4 to prevent the promotion of an officer or employee from an
5 office or position in one class to a vacant office or position in a
6 higher class at any time in accordance with civil-service laws,
7 and when so promoted the officer or employee shall receive
8 compensation according to the schedule established for the
9 class to which he is promoted.

10 TITLE III—ACCOUNTING AND AUDITING

11 TRANSFER OF ACCOUNTING FUNCTIONS

12 SEC. 301. (a) The General Accounting Office and the
13 offices of Comptroller General and Assistant Comptroller
14 General are hereby abolished, and all functions vested in the
15 General Accounting Office, the Comptroller General, and
16 the Assistant Comptroller General by law in force on the
17 date of enactment of this Act, except functions vested in the
18 General Auditing Office by this Act, are hereby vested in
19 the Bureau of the Budget and the Director of such Bureau.
20 Nothing in this section shall be construed to authorize the
21 Bureau of the Budget to exercise any functions vested in
22 the General Auditing Office by this Act or to direct the
23 manner in which such functions shall be exercised.

24 (b) The Attorney General of the United States shall
25 render an opinion with respect to the jurisdiction of the

1 Director of the Bureau of the Budget in connection with the
2 settlement of any public account, upon request therefor by
3 the said Director or the head of the executive department,
4 independent establishment, or independent agency concerned,
5 and any such opinion of the Attorney General shall be final
6 and conclusive upon the said Director and all other officers
7 and agencies of the Government.

8 (c) The records, property (including office equipment),
9 personnel, and unexpended balances of appropriations of
10 the General Accounting Office shall be transferred to the
11 General Auditing Office and the Bureau of the Budget upon
12 the effective date of this section as the President shall
13 prescribe by Executive order. The transfer of such personnel
14 shall be without change in classification or compensation,
15 except that this requirement shall not operate after the end
16 of the fiscal year during which the transfer is made to prevent
17 the adjustment of classification or compensation to conform
18 to the duties to which such transferred personnel may be
19 assigned.

20 (d) The Director of the Bureau of the Budget, with
21 the approval of the President, shall make such rules and
22 regulations as may be necessary to carry out the functions
23 vested in him by this section.

24 (e) Section 2 of the Budget and Accounting Act, 1921
25 (U. S. C., 1934 ed., title 31, sec. 2), is amended by inserting

1 after the word "including" the words "any independent
2 establishment as defined in section 5 of the Reorganization
3 Act of 1937".

GENERAL AUDITING OFFICE

5 SEC. 302. (a) There is hereby established a General
6 Auditing Office which shall be an agency of the Congress
7 and independent of the executive branch of the Govern-
8 ment and shall be under the direction and control of an
9 Auditor General.

10 (b) The Auditor General and an Assistant Auditor
11 General shall be appointed by the President, by and with
12 the advice and consent of the Senate. The Auditor
13 General shall receive a salary at the rate of \$10,000 per
14 annum, and the salary of the Assistant Auditor General
15 shall be fixed in accordance with the Classification Act
16 of 1923, as amended. The Assistant Auditor General shall
17 perform such functions as the Auditor General may pre-
18 scribe, and shall act as Auditor General in the absence of
19 the Auditor General or in the event of a vacancy in that
20 office.

21 (c) Except as hereinafter provided in this subsection,
22 the Auditor General and the Assistant Auditor General
23 shall hold office for fifteen years. The Auditor General
24 shall not be eligible for reappointment. The Auditor Gen-
25 eral or the Assistant Auditor General may be removed

1 at any time by joint resolution of the Congress after notice
2 and hearing, when, in the judgment of the Congress, the
3 Auditor General or the Assistant Auditor General has be-
4 come permanently incapacitated or has been inefficient, or
5 guilty of neglect of duty, or of malfeasance in office, or
6 of any felony or conduct involving moral turpitude, and
7 for no other cause and in no other manner except by im-
8 peachment. Any Auditor General or Assistant Auditor
9 General removed in the manner herein provided shall be
10 ineligible for reappointment to that office. When an
11 Auditor General or Assistant Auditor General attains the
12 age of seventy years, he shall be retired from his office.

13 SEC. 303. (a) The Auditor General shall make an
14 audit of the receipts, expenditures, money, securities, and
15 funds of the Government, and shall make a complete
16 annual report to the Congress not later than March 1 of each
17 year with respect to such audit made during the preceding
18 fiscal year. Such report shall be made as nearly as prac-
19 ticable in accordance with accepted principles of auditing,
20 and shall contain all necessary memoranda and tables,
21 together with an appropriate certificate of audit and such
22 comments as may be pertinent to the subject matter of the
23 audit.

24 (b) Claims and demands against the United States
25 shall be audited by the General Auditing Office promptly

1 after payment, but prior to final settlement of the disbursing
2 officers' accounts by the Director of the Bureau of the
3 Budget. Each such audit shall be conducted as nearly as
4 practicable in the vicinity of disbursing offices of the United
5 States in the District of Columbia and elsewhere.

6 (c) Claims which the Director of the Bureau of the
7 Budget is authorized by law to adjust and settle prior to
8 payment shall be audited by the General Auditing Office
9 after payment, and the certificates of settlement in such
10 cases shall be accompanied by a certificate of the adminis-
11 trative officer, if any, having jurisdiction over the appro-
12 priation involved in the settlement, setting forth his recom-
13 mendations thereon.

14 (d) The accountable officers of the Government shall
15 promptly transmit their accounts, together with all supporting
16 documents, to the appropriate representatives of the General
17 Auditing Office for audit. Whenever such representatives
18 take exception to any item in any account so transmitted,
19 notice thereof shall be immediately given to the accountable
20 officer concerned, to the Director of the Bureau of the Budget,
21 and to the Auditor General, together with a statement of the
22 reasons for such exception. After audit by the General
23 Auditing Office, the account shall be transmitted to the
24 Director of the Bureau of the Budget, and the Director shall

1 take all such exceptions into consideration in settling such
2 account.

3 (e) The Director of the Bureau of the Budget shall
4 furnish promptly to the General Auditing Office copies of
5 all certificates issued by him in settlement of accountable
6 officers' accounts, and the General Auditing Office shall
7 examine the copies of such certificates of settlement. The
8 Auditor General shall report promptly to the said Director
9 and to the Congress all public accounts deemed by him to
10 have been improperly settled by the said Director; but no
11 such report shall be made to the Congress with respect to
12 any disagreement between the General Auditing Office and
13 the said Director until the expiration of thirty days after
14 the said Director has been notified of such disagreement,
15 and no such report shall be made to the Congress if the said
16 Director revises his decision in accordance with the views
17 of the General Auditing Office.

18 (f) The Auditor General shall also report to the
19 Director of the Bureau of the Budget and to the Congress
20 any expenditure of public funds which the General Auditing
21 Office deems to have been unwisely or improvidently made
22 by or under the authority of the head of any agency of the
23 Government.

24 (g) The Auditor General shall make such investigations
25 and reports as shall be requested by either House of Congress,

1 or by the Joint Committee on Public Accounts, or by any
2 other committee of either House having jurisdiction over
3 expenditures, appropriations, or revenue; and the Auditor
4 General shall furnish any such committee such aid and infor-
5 mation as it may request.

6 (h) All reports required by this section to be made
7 to the Congress shall be made to the Joint Committee on
8 Public Accounts when the Congress is not in session.

9 SEC. 304. The Auditor General, or any officer or em-
10 ployee of the General Auditing Office when duly authorized
11 by him, shall, to the extent necessary to perform the func-
12 tions vested in the General Auditing Office, have access
13 to and the right to examine any books, documents, papers,
14 or records of the Bureau of the Budget or of any other
15 agency of the Government; but nothing in this section shall
16 be construed to repeal or modify the provisions of section 291
17 of the Revised Statutes (U. S. C., 1934 ed., title 31, sec.
18 107), or any other provisions of law expressly restricting the
19 audit of expenditures or receipts.

20 SEC. 305. (a) The Auditor General is authorized, sub-
21 ject to the civil-service laws, to appoint such officers and
22 employees as he deems necessary to enable the General
23 Auditing Office to exercise the functions vested in it by law;
24 and the compensation of all such officers and employees shall

1 be fixed in accordance with the Classification Act of 1923,
2 as amended.

3 (b) The Auditor General is authorized to delegate to
4 any officer or employee of the General Auditing Office any
5 functions vested in the General Auditing Office by law.

6 (c) The Auditor General is authorized to adopt an
7 official seal for the General Auditing Office, and judicial
8 notice shall be taken of such seal.

9 (d) The Auditor General is authorized to prescribe
10 such rules and regulations as may be necessary to carry out
11 the functions vested in the General Auditing Office by this
12 title.

13 SEC. 306. The General Auditing Office shall not exer-
14 cise any functions except those vested in it by this title, and
15 nothing contained in this title shall be construed to author-
16 ize the General Auditing Office to revise the settlements of
17 public accounts made by the Bureau of the Budget, or to
18 direct the manner in which the functions vested in the Bureau
19 of the Budget by this title shall be exercised.

20 **JOINT COMMITTEE ON PUBLIC ACCOUNTS**

21 SEC. 307. (a) There is hereby established a joint
22 congressional committee to be known as the Joint Committee
23 on Public Accounts (hereinafter referred to as the "joint
24 committee"), to be composed of twenty-four members as
25 follows:

1 Four members, two from the majority party and two
2 from the minority party, who are members of and are chosen
3 by each of the following committees: In the Senate, the
4 Committee on Expenditures in the Executive Departments,
5 the Committee on Appropriations, and the Committee on
6 Finance; and in the House of Representatives, the Commit-
7 tee on Expenditures in the Executive Departments, the Com-
8 mittee on Appropriations, and the Committee on Ways and
9 Means.

10 (b) No person shall continue to serve as a member
11 of the joint committee after he has ceased to be a member
12 of the committee by which he was chosen; except that any
13 such member chosen by any such Committee of the House
14 of Representatives who has been re-elected to the House
15 of Representatives may continue to serve as a member of
16 the joint committee notwithstanding the expiration of the
17 Congress.

18 (c) A vacancy in the joint committee shall not affect
19 the power of the remaining members to execute the func-
20 tions of the joint committee, and shall be filled in the same
21 manner as the original selection; except that in case of a
22 vacancy during an adjournment or recess of the Congress
23 for a period of more than two weeks, the members of the
24 joint committee who are members of the committee entitled
25 to fill such vacancy may designate a member of such

1 committee to serve until his successor is chosen by such
2 committee.

3 (d) The joint committee shall elect a chairman and a
4 vice chairman from among the members of the joint com-
5 mittee, and shall have the power to appoint and fix the
6 compensation of a clerk and such experts and clerical, sten-
7 ographic, and other assistants, as it deems advisable.

8 (e) The members of the joint committee shall serve
9 without compensation in addition to that received for their
10 services as Members of Congress; but they shall be reim-
11 bursed for travel, subsistence, and other necessary expenses
12 incurred by them in the exercise of the functions vested
13 in the joint committee, other than expenses in connection
14 with meetings of the joint committee held in the District
15 of Columbia during such times as the Congress is in session.

16 (f) It shall be the duty of the joint committee to ex-
17 aminate and study all reports submitted to the Congress and
18 to the joint committee by the Auditor General as provided
19 in section 303. The joint committee shall submit to the
20 Senate and the House as promptly as possible such findings
21 and recommendations with respect to any such reports as
22 the joint committee deems advisable.

23 (g) The joint committee, or any subcommittee thereof,
24 shall have power to hold hearings and to sit and act at such
25 places and times, to require by subpena or otherwise the

1 attendance of such witnesses and the production of such
2 books, papers, and documents, to administer such oaths, to
3 take such testimony, to have such printing and binding done,
4 and to make such expenditures, as it deems advisable. Sub-
5 penas shall be issued under the signature of the chairman
6 of said joint committee, and shall be served by any person
7 designated by him. The provisions of sections 102 to 104,
8 inclusive, of the Revised Statutes (relating to examination
9 and testimony of witnesses) shall apply with respect to any
10 person who is summoned as a witness under authority of
11 this subsection.

12 (h) Amounts appropriated for the expenses of the joint
13 committee shall be disbursed one-half by the Secretary of
14 the Senate and one-half by the clerk of the House of
15 Representatives.

16 **TITLE IV—DEPARTMENTS OF WELFARE AND**
17 **CONSERVATION AND NATIONAL RESOURCES**
18 **PLANNING BOARD**

19 **DEPARTMENT OF WELFARE**

20 SEC. 401. (a) There shall be at the seat of govern-
21 ment an executive department to be known as the Depart-
22 ment of Welfare, and a Secretary of Welfare, who shall be
23 the head thereof, and shall be appointed by the President,
24 by and with the advice and consent of the Senate, and shall
25 have a tenure of office and salary like those of the heads of

1 the other executive departments. Section 158 of the Re-
2 vised Statutes, as amended (U. S. C., 1934 ed., title 5,
3 sec. 1), is amended to include such department and the
4 provisions of title IV of the Revised Statutes, including all
5 Acts amendatory and supplementary thereto, shall be ap-
6 plicable to such department.

7 (b) There shall be in the Department of Welfare an
8 Undersecretary of Welfare and two Assistant Secretaries
9 of Welfare, who shall be appointed by the President, by
10 and with the advice and consent of the Senate, and a Solicitor,
11 who shall be appointed by the Secretary of Welfare, all of
12 whom shall exercise such functions as may be prescribed
13 by the Secretary of Welfare or required by law. The
14 Undersecretary and the Solicitor shall each receive a salary
15 of \$10,000 per annum, and the compensation of the
16 Assistant Secretaries shall be fixed in accordance with the
17 Classification Act of 1923, as amended.

18 (c) The Secretary of Welfare shall administer the
19 laws relating to the public health and sanitation; the pro-
20 tection of the consumer; education; the relief of unemploy-
21 ment and of the hardship and suffering caused thereby; the
22 relief of the needy and distressed; the assistance of the aged;
23 and the relief and vocational rehabilitation of the physically
24 disabled.

1 (d) The Secretary of Welfare shall cause a seal of
2 office to be made for the Department of Welfare, of such
3 device as the President shall approve, and judicial notice
4 shall be taken of such seal.

5 (e) The Secretary of Welfare shall annually, at the
6 close of each fiscal year, make a report in writing to the
7 Congress, giving an account of all money received and
8 expended by the Department of Welfare and describing the
9 work done by that Department. He shall also from time
10 to time make such special investigations and reports as he
11 may deem necessary, or as he may be required to make
12 by the President, or by either House of Congress.

13 DEPARTMENT OF CONSERVATION

14 SEC. 402. The Department of the Interior shall here-
15 after be known as the "Department of Conservation", and
16 the Secretary of the Interior shall be known as the "Secre-
17 tary of Conservation", and all the provisions of titles IV
18 and XI of the Revised Statutes, including all Acts amend-
19 tory and supplementary thereto, and all other Acts referring
20 to the Department of the Interior, the Secretary of the
21 Interior, or any other officers or employees of that Depart-
22 ment, are amended accordingly.

23 NATIONAL RESOURCES PLANNING BOARD

24 SEC. 403. (a) There is hereby established in the execu-
25 tive branch of the Government a National Resources Plan-

1 ning Board (hereinafter referred to as the "Board") which
2 shall be composed of five members to be appointed by the
3 President, by and with the advice and consent of the Senate.
4 One of the members of the Board shall be designated by the
5 President as chairman, and one of such members shall be
6 designated by the President as vice chairman. The vice
7 chairman shall act as chairman in the absence of the chair-
8 man or in the event of a vacancy in that office. The mem-
9 bers of the Board shall be compensated at the rate of \$50
10 per day for time spent in attending and traveling to and
11 from meetings, or in otherwise exercising the functions of
12 the Board, plus the actual cost of transportation: *Provided*,
13 That in no case shall a member be entitled to receive com-
14 pensation for more than thirty days' services in any two
15 consecutive months.

16 (b) The Board shall cause a seal of office to be made for
17 such Board, of such device as the President shall approve,
18 and judicial notice shall be taken of such seal.

19 (c) The Board shall determine the rules of its own pro-
20 ceedings, and a majority of its members in office shall con-
21 stitute a quorum for the transaction of business, but the Board
22 may function notwithstanding vacancies.

23 SEC. 404. The Board is authorized to—

24 (1) Investigate, examine, study, analyze, assemble,
25 and coordinate and periodically to review and revise

1 basic information and materials appropriate to plans
2 or planning policies for the development and utilization
3 of the resources of the Nation, both natural and
4 human, and on the basis thereof, to initiate and propose
5 in an advisory capacity such plans and planning
6 policies;

7 (2) To obtain data and reports from, to cooperate
8 and participate in the work of, and to consult with,
9 any agencies of the Federal Government and of any
10 State, Territory, or possession of the United States
11 (including the Philippine Islands), or political subdivisions
12 thereof, as well as any public planning or
13 research agencies and institutions; and

14 (3) Prepare and submit studies, reports, and
15 recommendations upon matters within its jurisdiction
16 under this Act for presentation to the President or upon
17 the request of the President.

18 SEC. 405. (a) The Board is authorized, without regard
19 to the civil-service laws, to appoint a director, and, subject
20 to the civil-service laws, to appoint such other officers and
21 employees as may be necessary to carry out its functions.
22 The compensation of the director and such other officers and
23 employees shall be fixed in accordance with the Classification
24 Act of 1923, as amended.

1 (b) The Board shall prepare and submit annually to
2 the President a report setting forth and summarizing its work
3 during the preceding year, and shall include therein such
4 information, data, and recommendations concerning matters
5 within its jurisdiction as the Board may deem advisable.

6 (c) The Board is authorized to delegate to the director
7 or to any other officer or employee of the Board any func-
8 tions vested in the Board by law.

9 (d) The Board is authorized to prescribe such rules
10 and regulations as may be necessary to carry out its functions.

11 SEC. 406. The National Resources Committee, estab-
12 lished by Executive Order Numbered 7065 of June 7, 1935,
13 is hereby abolished, and the records, property (including
14 office equipment), and personnel of such Committee, and
15 the unexpended balances of funds available for expenditure
16 by such Committee, shall be transferred to the Board.

17 **TITLE V—MISCELLANEOUS**

18 SEC. 501. Subject to such regulations as the President
19 may from time to time prescribe, the President and the heads
20 of the Executive departments, independent establishments
21 and independent agencies of the Government, for the pur-
22 poses of consultation, investigation and research in connection
23 with the exercise of functions vested in them by law, or, in
24 the case of the heads of such agencies, for the purposes of con-

1 ducting such investigations or research as may be required
2 of them by the President, are respectively authorized, with-
3 out regard to the provisions of other laws applicable to the
4 employment and compensation of officers and employees of
5 the United States, to appoint and fix the compensation of
6 such experts and consultants for temporary periods as may
7 be necessary.

8 SEC. 502. The President is authorized to appoint six
9 Administrative Assistants without regard to the provisions
10 of other laws applicable to the employment of officers and
11 employees of the United States, and to fix the compensation
12 of each of them at not to exceed \$10,000 per annum. Said
13 Administrative Assistants shall perform such duties as the
14 President may prescribe.

15 SEC. 503. There is hereby authorized to be appro-
16 priated out of any money in the Treasury not otherwise
17 appropriated such sums as may be necessary to carry out
18 the provisions of this Act.

19 SEC. 504. If any provision of this Act, or the applica-
20 tion thereof to any person or circumstance, is held invalid,
21 the remainder of the Act, and the application of such pro-
22 vision to other persons or circumstances, shall not be affected
23 thereby.

1 SEC. 505. (a) Subsection (c) of section 201 shall
2 become effective when the first Civil Service Administrator
3 appointed under section 201 takes office.

4 (b) Sections 301 to 306, inclusive, and section 401,
5 shall become effective upon the expiration of one hundred
6 and eighty days after the date of enactment of this Act
7 unless the President shall by Executive order provide for
8 an earlier effective date.

9 (c) Section 406 shall become effective when a majority
10 of the members of the National Resources Planning Board
11 first appointed under the provisions of section 403 take
12 office.

13 SEC. 506. This Act may be cited as the "Reorganiza-
14 tion Act of 1937".

Calendar No. 1286

75TH CONGRESS}
1ST SESSION

S. 2970

[Report No. 1236]

A BILL

To provide for reorganizing agencies of the Government, extending the classified civil service, establishing a General Auditing Office and a Department of Welfare, and for other purposes.

By Mr. BYRNES

AUGUST 16, 1937

Read twice and referred to the Select Committee on
Government Organization

AUGUST 16 (calendar day, AUGUST 17), 1937
Reported without amendment