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Annual Report of the Comptroller General of the United States

For the Fiscal Year Ended June 30, 1939



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A Foreword

IN MAKING to the second regular session of the Seventy-sixth Congress the following report of the work of the General Accounting Office for the fiscal year 1939, as required by section 312 (a) of the Budget and Accounting Act, approved June 10, 1921, 42 Stat. 25, it should be stated that my responsibility for the work of the General Accounting Office began April 11, 1939, at which time the work during more than three-quarters of the fiscal year had already been performed under the direction of the Assistant Comptroller General of the United States, as the Acting Comptroller General.

A part of the report of the Acting Comptroller General for the fiscal year 1938 was devoted to a description of the procedure followed by the Office in performing the work of audit and settlement of accounts and claims, including a showing in some detail of the many questions and problems which arise in connection therewith. Since the 1938 report was not printed for distribution, that feature, with modifications, is being repeated in chapter I of this report in the thought that it may be of interest to members of the Congress and useful to others in the service of the Government.

Chapter II contains a report of the volume and detail of the work accomplished by the Office during the fiscal year.

In chapter III there are submitted for the consideration of the Congress recommendations for legislation believed to be desirable for reasons set forth therein.

I am studying the organization of the Office and if experience and mature consideration indicate that changes therein will promote efficiency and economy they will be made. I am convinced, however, that the desired efficiency and effectiveness in the performance of its duties will be impossible of attainment until its personnel and records, now widely separated in fifteen scattered buildings, can be consolidated and adequately housed. In chapter III there is included a statement respecting this need.

Chapter IV is devoted to available financial data of the Government and its departments and establishments with accompanying comments deemed to be necessary and appropriate.

FRED H. BROWN,
Comptroller General of the United States.

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CHAPTER I

Detail Statement Covering the Audit of Accounts and the Settlement of Claims

THE AUDIT OF PUBLIC ACCOUNTS

THE TERM "AUDIT" as defined by Webster means, "a formal or official examination and verification of accounts, vouchers, and other records." Broadly speaking, it may be said, that generally the purposes for which accounts and records are audited are as follows: (a) General verification of accounts to determine propriety of expenditures and fiduciary integrity of those in charge; (b) to determine whether a proper accounting has been made of all funds; (c) to determine costs, inventories, and other specific matters for various special purposes; (d) to detect errors in the accounts; (e) to detect fraud; (f) to determine extent of fraud already detected; (g) to deter fraud by the moral effect of audit upon accountable employees.

Based on the responsibility vested in the General Accounting Office to prescribe the forms of vouchers, collateral papers, accounts and systems of keeping and reporting, to countersign warrants, and to settle and adjust claims and accounts, the system of audit of public accounts assumes even a broader scope.

DUTIES OF GENERAL ACCOUNTING OFFICE

Among the duties imposed upon the General Accounting Office by the Budget and Accounting Act of 1921, are:

1. The prescribing of forms, systems, and procedure for administrative appropriation and fund accounting in the several departments and establishments, and for the administrative examination of fiscal officers' accounts and claims against the United States. (Title 31, sec. 49, U. S. Code.)

2. The countersigning of warrants issued by the Secretary of the Treasury for setting up appropriations for the payment or advancement of funds therefrom, for transferring funds from one appropriation to another, etc. (Title 31, sec. 76, U. S. Code.)

3. The approving or disapproving of requisitions for the advance of funds to disbursing officers and the settlement and adjustment of accounts of all accountable officers. (Title 31, secs. 71, 76, and 78, U. S. Code.)

4. The rendering of decisions at the request of disbursing officers and heads of executive departments and establishments on any question involving a payment to be made by them or under them. (Title 31, sec. 74, U. S. Code.)

5. The settling of all claims by or against the Government. (Title 31, sec. 71, U. S. Code.)

6. The superintending of the recovery of debts certified to be due the United States. (Title 31, sec. 93, U. S. Code.)

7. The investigation of matters relating to the receipt, disbursement, and application of public funds. (Title 31, secs. 53 and 54, U. S. Code.)

ACCOUNTING SYSTEMS, ETC.

The accounting and auditing procedure begins with the issuance by the Secretary of the Treasury of an appropriation warrant pursuant to an appropriation made by the Congress.

Pursuant to its responsibility to prescribe accounting forms, systems, and procedures, the General Accounting Office analyzes each appropriation, determines the purposes for which the amount appropriated may be spent, and prescribes account titles briefly descriptive of such purposes under which the appropriations shall be established on the books of the Government. It also prescribes a system of administrative and fund accounts which comprises appropriation controls with subordinate budgetary accounts, administrative allotment accounts, receipt accounts, encumbrance accounts against which approved vouchers and disbursements are recorded, and other accounts to reflect asset acquisitions and operating costs. Such accounts are organized and designed to serve fully the administrative, budgetary, and accounting needs by reflecting under uniform classifications every financial transaction from the time an appropriation

is made to the final payment of expenditures authorized thereunder. The system embraces also subsidiary accounts for accountable officers and for compiling costs in those agencies where manufacturing, construction, operating, or other classes of cost finding is necessary or is desired.

WARRANTS

Title 31, section 147, United States Code, provides in part:

The Treasurer shall receive and keep the money of the United States, and disburse the same upon warrants drawn by the Secretary of the Treasury, countersigned in the General Accounting Office, and not otherwise.

Warrants are formal documents issued by the Secretary of the Treasury and countersigned in the General Accounting Office, and are classified as follows:

1. *Appropriation warrants* authorizing the setting up of appropriation accounts.
2. *Transfer appropriation warrants* authorizing the transfer of amounts under an appropriation from one department, bureau, or agency to another or from one appropriation to another.
3. *Pay warrants*:
 - (a) *Accountable warrants* authorizing the advance of money to disbursing officers.
 - (b) *Settlement warrants* authorizing the payment of direct settlements of the General Accounting Office.
4. *Transfer and counter warrants* authorizing adjustments between appropriations.
5. *Covering warrants* authorizing the covering of money into the Treasury.

Appropriation Warrants

The function of the appropriation warrant is to give notice to administrative agencies of the Government concerned that funds appropriated to do those things which have been authorized by law to be done have been set aside therefor on the books of the Government and also to furnish advice as to the account designations to be used.

The first step in the fiscal procedure of the Government takes place when the appropriation warrant is presented to the General Accounting Office for countersignature, at which time there is for consideration, (1) a determination that the establishment of the account is authorized, and (2) whether there appears on the warrant such information as is necessary properly to establish the accounting record.

Accountable Warrants

The next consideration in the accounting and auditing procedure occurs after the appropriation account has been established on the books of the Government in the manner heretofore described and the amount appropriated has become available to the department under the jurisdiction of which the money is authorized to be spent. Funds may be advanced to duly constituted disbursing officers on requisitions stated by the heads of the departments for which such officers disburse. On the requisition there is indicated the appropriation or appropriations out of which payments are to be made for obligations incurred or to be incurred by the department, and the amount to be advanced to the officer under each such appropriation. The General Accounting Office, under the authority conferred upon it to approve requisitions for advances of funds to disbursing officers, is required to disapprove the requisition if there is a delinquency in the rendition of accounts by the particular officer for whom an advance has been requested, or for other reasons arising out of the condition of the officers' accounts. Also, the general laws require that all disbursing officers, with certain exceptions, give bond in favor of the United States.

Thus, the second step in the fiscal procedure of the Government takes place when the requisition for advance of funds is received in the General Accounting Office for approval, at which time it is examined to determine: (1) That the advance is to a duly constituted disbursing officer, who is under bond in good standing; (2) that the appropriations under which advances are requested are available for use by the requisitioning officer; (3) that there are balances sufficient under each appropriation from which an advance is requested; (4) that the officer to whom advance is to be made is not delinquent in the rendition of his accounts; and (5) that there are no other reasons why, in the public interest, the advance should not be made.

If the requisition is approved, the funds are advanced to the disbursing officer upon an accountable warrant issued by the Secretary of the Treasury, which is reflected on the books of the Government as a charge to the appropriation accounts and as a credit in the disbursing officer's checking account.

APPORTIONMENTS AND ALLOTMENTS

Under the so-called antideficiency act (title 31, sec. 665, U. S. Code), the heads of the various departments and establishments are required to so apportion their appropriations at the beginning of the fiscal year as to prevent expenditures in one portion of the year which

may necessitate deficiency or additional appropriations to complete the services of the fiscal year, and to adhere to and not waive or modify such apportionments except upon the happening of some extraordinary emergency or unusual circumstance which could not be anticipated at the time of making such apportionment. By section 16 of Executive Order No. 6166, dated June 10, 1933, the functions of making, waiving, and modifying apportionments of appropriations were transferred to the Director of the Budget.

Pursuant to the above-cited Executive order and regulations prescribed under Executive Order No. 6226, dated July 27, 1933, the operating agencies prepare and submit to the Bureau of the Budget for approval their apportionments showing the months in which they propose to spend their money, and upon approval thereof, are authorized to make administrative allotments and to incur obligations within the amounts of such apportionments and allotments.

OBLIGATIONS

The operating agencies may now proceed to enter into contracts for services, materials, supplies, etc., or otherwise obligate the available funds for purposes authorized under the appropriations, subject to restrictions and limitations with respect to the obligation of public funds contained in applicable statutes and administrative regulations.

Vouchers

The payment of Government obligations is made only on standard or special forms prescribed and approved by the Comptroller General of the United States. Such forms are designed to show such information as is deemed necessary to enable administrative and disbursing officers, as well as the General Accounting Office in the audit thereof, to determine the legality and propriety of the expenditure. Generally, such forms provide for showing (1) the department, bureau, or agency concerned; (2) the appropriation to be charged with the expenditure; (3) the contract number, date, etc., under which the obligation was incurred; (4) the quantity and a full description of the articles furnished or services rendered; (5) certificate by the Government creditor that the bill is correct and just and that payment therefor has not been received, and other certificates required by law; (6) certification by an authorized Government official to the effect that the articles have been received or the services rendered; (7) approval, generally by a higher Government official; (8) the disbursing officer making payment; and (9) the mode of payment, that is, whether paid by cash or by check, and if the latter, the check number.

In the case of pay rolls, in addition to the appropriation to be charged, the administrative certificate and approval, etc., provision is made for showing (1) the period of the pay roll; (2) the names of the payees carried thereon; (3) the respective grade of each payee; (4) the rate of pay for the grade; (5) facts affecting the amount earned, such as date of appointment, date of separation, absence without pay, etc.; (6) the amount earned; (7) the signature of the payee evidencing receipt or the check number if payment is by check.

Payment

After the vouchers have been administratively certified and approved they are listed on schedules and forwarded to a disbursing officer for payment.

Before a disbursing officer may pay a voucher he must have to his official credit an available balance under the particular appropriation involved, which has been advanced to him under the procedure heretofore described.

Under the provisions of title 31, section 492, United States Code, every disbursing officer having any public moneys entrusted to him for disbursement is required:

* * * to deposit the same with the Treasurer or with one of the depositaries of the United States mentioned in section 476 of this title, and to draw for the same only as it may be required for payments to be made by him in pursuance of law and draw for the same only in favor of the persons to whom payment is made; * * *

Disbursing officers are held strictly accountable under their bonds for the proper disbursement or other legal disposition of public, quasi-public, and private funds entrusted to them in their official capacity.

Payments involving definitely fixed obligations of the Government not requiring a determination of doubtful questions of law or fact, such as salaries to officers and employees in the public service and payments specifically provided for under valid contracts, are generally made by disbursing officers without prior reference to the General Accounting Office. Claims involving doubtful questions of law or fact, such as claims for damages, remission of liquidated damages, refunds of proceeds of sale, final payments under contracts when there is doubt as to the amount finally payable, amounts due deceased or incompetent creditors of the United States, etc., generally are not paid by disbursing officers, but are forwarded to the General Accounting Office for direct settlement pursuant to the provisions of section 305 of the Budget and Accounting Act, 1921, title 31, section 71, United States Code.

As further aids to disbursing officers and heads of departments and

establishments in determining whether any proposed payment is authorized, they may apply for and the Comptroller General is required to render his decision upon any question involving a payment to be made by them or under them, and that decision shall govern in the audit and settlement of the accounts. Also, because of the vast number of expenditures and the necessity for expeditious action, there has been established in the General Accounting Office a pre-audit procedure for the audit consideration of vouchers prior to payment.

ADMINISTRATIVE OFFICES

Under the prescribed system of accounts and procedure, it is required that the administrative offices shall send to the General Accounting Office at the close of each month a statement of general ledger account balances together with a transcript of the Treasury cash accounts under each appropriation.

This is done primarily to determine whether the accounting system is being maintained as prescribed and is considered most important from the standpoint of audit. Also, the transcript of the Treasury cash accounts is required in order that the books of the administrative office may be reconciled with the books of the General Accounting Office, and in that way establish proper coordination and correlation of the accounting record of the Government.

ACCOUNTS OF DISBURSING AND OTHER ACCOUNTABLE OFFICERS

Title 31, section 496, United States Code, requires disbursing and other accountable officers to render their accounts as follows:

Except as otherwise provided, every officer or agent of the United States who receives public money which he is not authorized to retain as salary, pay, or emolument, shall render his accounts monthly. Such accounts, with the vouchers necessary to the correct and prompt settlement thereof, shall be sent by mail, or otherwise, to the bureau to which they pertain, within 10 days after the expiration of each successive month, and, after examination there, shall be passed to the General Accounting Office for settlement. Disbursing officers of the Navy shall, however, render their accounts and vouchers direct to the General Accounting Office. In case of the nonreceipt at the General Accounting Office or proper bureau of any accounts within a reasonable and proper time thereafter, the officer whose accounts are in default shall be required to furnish satisfactory evidence of having complied with the provisions of this section. Nothing herein contained shall, however, be construed to restrain the heads of any of the departments from requiring such other returns or reports from the officer or agent, subject to the control of such heads of departments, as the public interest may require.

Pursuant to the provisions above cited and of other applicable laws, all officers and employees of the United States, who by virtue of their

official capacity receive and/or administer public, quasi-public, or other funds, are required to render, on a monthly basis except as otherwise authorized or directed, an accounting of all such receipts, deposits, and disbursements to, and in form and manner as prescribed by the General Accounting Office.

As heretofore indicated, whenever a disbursing officer is delinquent in the rendition of his accounts, the General Accounting Office is directed by law to disapprove requisitions for advances of funds to such officer. Also, whenever any disbursing officer fails to render his accounts, or to pay over, in the manner and in the time required by law, or the regulations of the department to which he is accountable, funds remaining in his hands, it is the duty of the General Accounting Office to cause to be stated and certified the account of such delinquent officer to the Department of Justice, which Department is authorized and required immediately to proceed against such delinquent officer to effect collection. (See in this connection sec. 5, Executive Order No. 6166, June 10, 1933, transferring the function of collection in such cases from the Solicitor of the Treasury to the Department of Justice.)

Manner of Rendering

The account of a disbursing or accountable officer as rendered to the General Accounting Office consists of an account current, properly supported by schedules and other required documents.

The receipt side of the account current shows, in addition to collections, the balance due the United States from last account, amounts received on accountable warrants, debits by transfers and adjustments, amounts charged because of canceled checks, and transfers from other officers. The payment side of the account current, in addition to vouchered disbursements, shows Treasury deposits, credits because of transfers and adjustments, credits on account of returned uncollectible checks, amounts transferred to other accountable officers, and balance held due the United States. There are classes of accounts in which are listed debit and credit items of a special nature not mentioned above.

Generally, the supporting schedules and required documents consist of the following: Schedules of collections, collection vouchers or copies of prenumbered receipts, schedules of disbursements, vouchers paid during the period, summary statements of receipts and expenditures, schedules of transfers and adjustments, adjustment vouchers, schedules of retirement and disability fund credits, paid requisitions, certificates of deposit, and other miscellaneous accounting documents.

Also, all contracts in any manner connected with the settlement of public accounts are required to be deposited promptly in the General Accounting Office.

On the 10th day of every month, each accountable officer is required to forward to the General Accounting Office, for each account maintained by him with the Treasurer of the United States, a statement of depositary account accompanied by a list of checks drawn during the preceding month, or carbon copies of such checks. Under prescribed regulations, all spoiled, voided, and canceled checks are required to be transmitted to the General Accounting Office, with a statement of the reasons why the amounts of checks voided or cancelled were not due as drawn. Unclaimed and undelivered checks properly payable are not canceled, but if undelivered after 3 months, are transmitted to the General Accounting Office for safekeeping and final disposition.

Preliminary Audit

When the account is received in the General Accounting Office it is recorded in a register of accounts and a preliminary audit is made to determine whether the account is complete; that the amount of each transaction, as represented by receipts and vouchers, has been correctly carried to the schedules of receipts and disbursements; that the appropriations indicated on the vouchers correspond with those shown on the schedules; that appropriation limitation symbols are correctly shown; the correctness of computations on the several schedules, and that the correct totals of appropriations and limitations have been carried from the schedules to the summaries of collections and disbursements.

After the account has been checked as above described, preliminary postings affecting the accountability of the accountable officer concerned are entered on the records of the General Accounting Office pending final audit and settlement of the account.

Audit of Collections

Primarily the audit of collections is to determine that all moneys due and payable to the United States have been collected; that the items reported as collected are in the correct amount and have been deposited to the credit of the proper appropriation, fund, or revenue account, in accordance with statutory provisions and applicable regulations; that proper forms prescribed by the General Accounting Office are used in reporting collections and that accounts are rendered in sufficient detail to facilitate a proper audit. It is as important to determine that amounts due the Government are collected and de-

posited in the Treasury as to check expenditures from public funds.

Section 3617 of the Revised Statutes (title 31, sec. 484, U. S. Code), provides that:

The gross amount of all moneys received from whatever source for the use of the United States, except as otherwise provided, shall be paid by the officer or agent receiving the same into the Treasury, at as early a day as practicable, without any abatement or deduction on account of salary, fees, costs, charges, expenses, or claim of any description whatever. * * *

Such moneys except as otherwise provided by law may not be retained by the receiving officer or agent for disbursement but are required to be deposited into the Treasury, on covering warrants, as miscellaneous receipts or to the credit of various and sundry funds as applicable statutes may provide, and are not available for disbursement except in consequence of appropriations made by law and advances on accountable warrants.

Many of the collections previously deposited into the Treasury as special deposits are now deposited to the credit of trust funds in accordance with the provisions of the Permanent Appropriation Repeal Act of June 26, 1934, 48 Stat. 1224.

Internal-revenue collections constitute the greater portion of the total receipts of the United States and are reported in accounts of collectors of internal revenue. Of the remainder the largest single item consists of customs duties (including tonnage taxes) reported in the accounts of collectors of customs. The other receipts comprise various classes of collections such as interest, fines and penalties, fees, forfeitures, gifts and contributions, sales of Government property, other sales and services, rents and royalties, permits, privileges and licenses, mint receipts, trust-fund receipts, etc., and these classes are reflected to a greater or lesser extent in the accounts of practically all of the other accountable officers.

Accounts of collectors of internal revenue are governed by the provisions of title 26, section 1740, United States Code, and are rendered on special forms prescribed by the General Accounting Office. The audit of collections reported in such accounts is based on copies of the Commissioner's reports of taxes assessed, reports of revisions and abatements, registers of deposits, and other prescribed accounting documents received in the General Accounting Office in support of such accounts.

The audit of customs and tonnage-tax receipts, and of the documents upon which such collections are based is made in the respective offices of the collectors of customs by the field investigators of the General Accounting Office.

With respect to the various other classes of receipts there have been

prescribed and approved by the General Accounting Office standard forms and systems for use generally and special forms and systems for use by certain departments and establishments which promote efficiency in making collections and in the procedure necessary to assure a control on outstanding accounts due the Government.

Collections on account of rents and royalties under contracts and leases, fees under permits, privileges and licenses, and sales of supplies, equipment, products, Government property, and public lands, for future payment, are largely supported by the filing in the General Accounting Office of the contracts, copies of bills, and other documents under which they are receivable and collectible. This provides a complete check on these classes of collections. In the case of over-the-counter transactions, which are few and small in the Government service, it is the rule, whenever practicable, to require that such items be supported by copies of prenumbered receipts.

In the audit of collections resulting from the sale of Government property, inquiry is made as to whether the best price possible was obtained, and whether, to such end, advertising, public auction, or other similar competitive processes were pursued.

An important step in providing for an audit of transactions between departments and establishments was the promulgation of General Regulations No. 78, under which a copy of the payment voucher is used to support the collection. In a further attempt to fix the responsibility for the proper disposition of all moneys received, there was promulgated General Regulations No. 87, providing for the prompt deposit of all collections and the submission of the schedules with collateral papers to the General Accounting Office currently with the transactions.

Audit of Disbursements

Article I, section 9, clause 7, of the Constitution of the United States provides that:

No money shall be drawn from the Treasury, but in consequence of appropriations made by law,

and section 3678 of the Revised Statutes provides that:

Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others.

The primary and most important consideration in the audit of expenditures, therefore, is to determine whether an appropriation has been made by the Congress, and whether the appropriated moneys are used solely for the purposes for which the appropriation was made and otherwise in accordance with law.

Two general procedures are followed in the audit of disbursements, i. e., preaudit which is applicable to a very small percentage of the cases, and post audit.

In preaudit the vouchers and supporting documents are submitted to the General Accounting Office for audit after such vouchers have been administratively approved but prior to payment. This procedure is not compulsory but is entirely voluntary with the departments and establishments and is used only on the request of the agency concerned.

In post audit the disbursements are audited after payment has been made and the vouchers and supporting documents covering such payments have been submitted to the General Accounting Office with the accounts of disbursing officers.

The general function of the audit of disbursements comprises the verification of vouchers and original documents and supporting data to determine that the expenditure is authorized by law.

In the audit of expenditures there are for consideration the provisions of laws having application to the expenditure of public funds. Many of these laws are of general application to all classes of expenditures, such as section 3477, Revised Statutes, forbidding the assignment of claims against the United States; section 3648, Revised Statutes, forbidding payment in advance of the rendition of the services; section 55 of the act of May 4, 1909 (35 Stat. 1095), against the preparation of fraudulent vouchers; and the act of May 26, 1936 (49 Stat. 1374), authorizing withholding of compensation of Government personnel indebted to the United States because of disallowance of credit by the General Accounting Office covering payments to them.

Other provisions of laws having application to the different classes of expenditures are mentioned in the following discussions of special considerations arising in connection with the audit of such expenditures.

PURCHASES

A most important class of expenditures is that covering purchases of supplies and equipment made by the several departments and establishments, and for the construction of public works.

In the audit of such expenditures there is for consideration the requirement of section 3709, Revised Statutes, that there be competition and, as construed, that award be made to the lowest responsible bidder offering to meet the advertised specifications. Where the public exigency requires the immediate delivery of supplies or the

performance of service or the amount involved is within certain statutory limitations applicable to certain departments and establishments, the articles may be purchased in the open market.

Among other provisions of law for consideration in the audit are the provisions of the act of June 6, 1902 (32 Stat. 326), that all contracts for the construction or repair of a public building or public work must contain provisions for liquidated damages for delay; the restriction in section 3735, Revised Statutes, against contracting for stationery or other supplies for a period in excess of 1 year; and the requirement in the act of June 17, 1910 (36 Stat. 531), that miscellaneous supplies for the departments and establishments in Washington be purchased through contracts of the General Supply Committee (now the Procurement Division, created by Executive Order No. 6166, June 10, 1933) of the Treasury Department.

All contracts requiring the advance of money or in any manner connected with the settlement of public accounts are required to be filed in the General Accounting Office pursuant to the provisions of section 3743, Revised Statutes, and as soon as they are filed they are given an examination to see whether they have been entered into in accordance with law; whether they contain the stipulations required by law; whether there have been observed the restrictions and directions in the appropriation acts; and whether they otherwise conform to law as well as the regulations of the particular department or establishment.

Such contracts provide the basis for the audit of payments to be made thereunder. It must be determined whether the payments are strictly in accordance with the contract terms. If liquidated damages are involved it must be determined whether there have been unauthorized extensions of the contract time for performance, whether the correct delivery date has been shown, and whether the amount of liquidated damages, if any, has been correctly computed. A great many contracts which fix a price f. o. b., destination contain a provision that the Government may accept shipment f. o. b., contractor's shipping point for shipment on a Government bill of lading (under land-grant rates), and deduct the commercial freight charges. There is involved in the audit of payments under such contracts determination whether shipment was accepted at shipping point named in contract, whether the guaranteed shipping weight was exceeded, and whether the correct amount has been deducted to cover the cost to the contractor had delivery been made at destination.

There are many general laws restricting expenditures which apply

to both contract and open-market purchases. For example, expenditures are prohibited for newspaper advertising without written authority of head of department (R. S. 3828), for purchase of passenger automobiles unless specifically authorized by law (38 Stat. 508), for purchase of law books, books of reference, or periodicals unless provided for in definite terms (30 Stat. 316), for purchase of envelopes except under contracts made by the Postmaster General (34 Stat. 476), for purchase of glue and ink except from the Public Printer (44 Stat. 550), for purchase of land unless under a specific statute (R. S. 3736), for purchase of newspapers in excess of \$100 in any 1 year (R. S. 192), for purchase of paper except on requisition from the Public Printer (43 Stat. 592), for printing and binding in Washington, D. C., except at the Government Printing Office (40 Stat. 1270), for rent for Government purposes in the District of Columbia until an appropriation therefor shall be made in terms by Congress (19 Stat. 370), and for telephone service in private quarters at Government expense (37 Stat. 414).

BENEFIT PAYMENTS

There are included under this classification payments covering disability compensation to World War veterans; pensions for service in prior wars; insurance benefits, adjusted compensation; retired pay of lighthouse and civil-service employees; retired pay of police, firemen, and school teachers of the District of Columbia; disability payments to Government employees; payments under the Social Security and Railroad Retirement Acts; payments to beneficiaries under the Foreign Service Retirement Act; and refunds of deductions under the Civil Service, Panama Canal, and Alaska Railroad Retirement Acts upon separation from service or death of employees. In the audit of such payments there is for consideration the numerous provisions, restrictions, and limitations in the basic acts and amendments thereto.

By collaboration with the Social Security Board there has been developed a new procedure for the audit of benefit payments under the Social Security Act whereby such payments are audited immediately after payment. This arrangement has proven highly advantageous to both the Social Security Board and to the General Accounting Office by enabling the Board to be promptly informed of improper payments disclosed by the audit, and thus to effect a more prompt adjustment of such matters.

CIVILIAN PAY

It may be said that the first and most important steps in the audit of the pay of civilian employees is a determination that their employ-

ments are in accordance with law and in the case of those in the classified civil service that the salaries paid conform to the classification schedules fixed by law. In this connection there is for consideration the value of allowances furnished in kind, such as subsistence and living quarters. In the audit of the pay of civilian employees outside the classified civil service there are for consideration Executive orders, schedules of pay, prevailing wage rates in various communities, and rates fixed pursuant to the Emergency Relief Acts.

The audit must disclose also whether compensation is paid for a period prior to effective date of appointment, whether overtime pay is included and if so, whether specifically authorized by law, whether proper retirement deductions have been taken, whether promotions or increases are properly authorized, whether all furlough time or leave without pay has been deducted, whether the fixed value of all services or supplies furnished has been deducted, and whether the account is otherwise properly stated.

There are, also, laws prohibiting the holding of two positions or the receiving of double compensation in the Government service (28 Stat. 205 and 39 Stat. 120), prohibiting employment of attorneys unless properly authorized (R. S. 189), prohibiting employment of accountants to inaugurate new or change old methods of business in Government offices (38 Stat. 335), prohibiting employment of the services of an arbitrator unless specifically authorized by law (R. S. 3681), prohibiting payment for voluntary services (33 Stat. 1257), and in the Forest Service prohibiting payment for the time of persons engaged in writing magazines.

There are many other matters for consideration, such as leave of absence, death of employee while in service, effect of recess appointments, retroactive appointments, retention beyond retirement age, Saturday afternoons and legal holidays, and the application of rules regarding annual salary employment, such as the effect of a 28- or 31-day month.

There must be applied the established principles governing the various classes of employment, such as fee, part time, piece work, hourly, temporary, de facto, and night work.

MILITARY PAY

Under this classification are included pay and allowances for personnel of the armed forces of the Government—Army, Navy, and Marine Corps—and for those civil activities paid on a similar basis—Coast Guard, Coast and Geodetic Survey, and Public Health Service.

The Joint Service Pay Act of June 10, 1922 (42 Stat. 625), the law generally applicable to these services, provides for uniform basic

pay rates graduated into pay periods depending upon grade or rank and length of service. It also provides for certain money allowances subject to varying conditions and limitations. Of importance are the allowances for subsistence granted officers in various pay periods and allowances for the rental of quarters subject to conditions of service, dependency, and availability of public quarters.

The act above mentioned and numerous other enactments and amendments furnish the audit basis for a great many other classes of pay and allowance. These include longevity pay, drill pay, retainer pay, appropriate-duty pay, administrative-function pay, encampment pay, active-service pay, mounted pay, and retired pay; additional pay for foreign service, special assignments, aide duty, submarine duty, diving duty, aviation duty, awards of medals, qualification in the use of arms, specialist rating, and extra services such as those of messman and mail clerk; allowances for dependents, reenlistment, clothing, travel on discharge, subsistence and quarters, and commutation of rations; and gratuities upon discharge or death and for the purchase of uniforms.

Allowances are also made for mileage when traveling or reimbursement of actual expenses or per diem in lieu thereof, subsistence and quarters when absent from post, travel by privately owned conveyance, and the cost of transportation of dependents. Matters involving allotments, deposits, stoppages, forfeitures, checkages, desertion, absence without leave, absence due to own misconduct, absence in the hands of civil authorities, and courts-martial fines all demand special consideration.

In the audit of these numerous and varied classes of pay, allowances, and gratuities, as they are reflected in the accounts of disbursing officers, there is for determination whether such payments have been made in accordance with, and subject to the conditions, restrictions, and limitations of the applicable statutes and administrative regulations.

TRAVEL

This classification includes all expenditures covering reimbursements to those who travel on official business—for actual transportation, subsistence, and incidental expenses. The business of the Government requires a vast amount of travel, such as that of field auditors, district directors, general supervisors, investigators, and administrative heads. There are, also, the expenses of transferring Army, Navy, and civilian personnel; those covering travel to and from post of duty and on change of station of foreign-service officers; and those in connection with deportation activities.

The authority to pay for the expenses of travel is found generally in the various appropriation acts. The Subsistence Expense Act of 1926 (44 Stat. 688) provided maximum allowances, fixed standards of reimbursement, and authorized the prescribing of regulations in conformity therewith. Accordingly, there have been issued and approved by the President the Standardized Government Travel Regulations for the guidance of civilian officers and employees who are required to be absent from their posts of duty on official business.

Such regulations provide generally that reimbursement be confined to travel essential to the transaction of official business away from employee's post of duty, that it be pursuant to a proper travel order, that the most direct usually traveled route be used, and that the facilities be not in excess of standard first-class accommodations of the facility used. The cost of transportation when by public carrier is usually paid on a separate voucher, direct to carrier, which must be considered when auditing other expenses.

With certain exceptions by statute a per diem allowance is authorized in lieu of reimbursement of actual expenses for subsistence while in a travel status, subject to proportionate deductions for items furnished in kind by the Government and various considerations connected with the time of departure, arrival, and route of travel. There are numerous provisions regarding the use of taxicabs, special conveyances, traveler's own automobile, extra fare trains, superior accommodations, round-trip tickets, charges for excess baggage, transfer of baggage, use of telegrams, telephone calls, obtaining receipts, and rendering accounts.

There are a number of general laws affecting the payment of expenses of travel, such as: no reimbursement for expenses at post of duty (38 Stat. 318); expenses of attending meetings or conventions not allowable unless specifically authorized in the appropriation act (37 Stat. 184); the Government may not pay for certain uses of bridges built under general bridge act more than the rate paid for transportation over any railroad, street railway, or public highway leading to such bridges (34 Stat. 85); only lowest first-class rate for travel by common carriers allowable (47 Stat. 1516); and, no expense is chargeable to the Government for transportation of an automobile except as otherwise provided (47 Stat. 405).

The act of February 14, 1931, as amended by the act of March 3, 1933 (47 Stat. 1516), provides that officers and employees may use their privately owned automobiles for official travel and be allowed not to exceed 5 cents a mile. There are various matters connected with such travel, such as previous specific authorization, a prior

determination of economy and advantage, and a showing as to the ownership of the car.

There are many other factors for consideration in the audit of travel expense vouchers of civilian employees, such as stop-overs for personal reasons, joint expenses, leave of absence while traveling, intermingling of private with official business, and travel to first duty station.

The per diem in lieu of subsistence is payable only for periods of temporary absence from bona fide post of duty and the designation of a particular place as post of duty solely for the purpose of paying per diem elsewhere is not permissible.

The audit of vouchers covering travel expenses of military personnel requires consideration of the varying conditions and numerous restrictions and limitations under which such expenses are payable. The officers in any of the services covered by the Joint Service Pay Act receive a travel allowance of 8 cents per mile, subject to a deduction of 3 cents per mile if transportation is furnished by the United States, and there are involved many questions as to land-grant deductions and use of a Government conveyance for the travel. Under certain conditions officers are allowed actual expenses of travel which are restricted to actual subsistence and such items as baths, laundry, cleaning and pressing, and tips within certain maximum amounts. In addition, there may only be allowed such transportation incidentals as tips to porters on trains and boats, cost of steamer chair and rug, and, depending upon numerous conditions of service, a fixed per diem to cover extra expenses while traveling on boats. The subsistence allowance for enlisted men while traveling is graduated by length of travel period. There may be added a quarters allowance under certain conditions.

The audit of vouchers covering travel in foreign countries is greatly involved due to conditions peculiar to each country and questions regarding the exchange of currencies.

MISCELLANEOUS

The different types of expenditures falling under the miscellaneous classification are numerous. The audit functions in connection with a few of the most important classes are briefly mentioned.

The act of March 26, 1934 (48 Stat. 466), authorizes the reimbursement of losses sustained by officers and employees while in service in foreign countries with respect to pay and allowances because of the appreciation of foreign currencies in relation to the dollar. In the audit of such payments there is for determination whether the claim-

ant is within the class of persons covered by the statute, and many questions such as the character of allowance to which applicable, what constitutes net salary, what constitutes service in a foreign country, the applicable conversion rates under varying circumstances, and evidence to show actual loss. The volume and variety of these payments is indicated by the maintenance of personnel in foreign countries by several departments and agencies in addition to the location abroad of 349 diplomatic and consular establishments of the Department of State.

Expenditures on account of public debt and currency redemptions, interest on obligations of the United States, bullion-purchase operations, and the purchase by the United States of the obligations of its corporate instrumentalities require, for audit, determination that the various transactions have been accomplished in accordance with the terms of undertakings previously entered into and applicable statutes and Executive orders.

Various kinds of grants to States under cooperative agreements and programs require consideration in the audit of the compliance by the grantee with the conditions imposed under the organic acts and involve, in most instances, the requirement of satisfactory evidence that the State has provided a sufficient appropriation for the purposes of the grant program, and of the application of funds to the purposes for which the grant is made.

Interdepartmental payments on account of the procurement by one Government agency from another of materials, supplies, and services, and agreements for advances of funds for the performance of authorized work require the determination of the adequacy of charges and credits to the appropriations involved and proper entry in the accounts of the particular accountable officers, in order that such accounts will properly reflect the transactions.

Claims for the refund of moneys wrongfully collected by or erroneously paid to the Government or deposited with officers of the Government for special purposes require a determination of the fact and extent of the deposit or overpayment and the purpose thereof, and whether the claim is valid and proper for recognition by the accounting officers.

There are many provisions of law under which medical treatment may be furnished at the expense of the United States. The audit of such expenditures involves determination whether the services were authorized under such provisions and were rendered in accordance with the various administrative regulations. Also, there are many provisions under which burial expenses are payable by the United States, such as for personnel of the Army, Navy, Marine Corps,

National Guard, and Coast Guard; American seamen dying a broad, and veterans of any war. Audit of such payments requires consideration of service, and place and cause of death.

The expenses of moving household goods of officers and employees on change of station is another important item, the audit of which requires consideration of certain conditions and limitations, imposed by applicable provisions of statutes and regulations. Another class is that covering charges for governmental communications by telegraph, cable, and radio between points in the United States, between the United States and foreign countries, between points in foreign countries, and to and from ships at sea. It is necessary for audit purposes to maintain current schedules of rates covering the many classes of service, subject to proper combinations to determine the through rate. The rates differ for urgent, ordinary, and deferred service; and for plain language, cipher, or code. In the audit of such expenditures there is for determination whether the messages relate to and were necessary in the conduct of Government business and that the rates charged are in conformity with the applicable schedules.

Expenditures for newspaper advertising are subject to special conditions as to authority, sworn statements of rates, and trade and statutory rules of measurement. The rental of equipment for Government use is subject to certain conditions, such as relation of rental to the value of the article and whether owned by a Government employee.

INDIVIDUAL INDIAN MONEYS

These accounts embrace an accounting by agents of the Indian Service for private funds of individual Indians received and disbursed. The audit consists of a determination as to compliance with the laws, regulations, and decisions governing the expenditure of Indian moneys. The complete accounting embraces both collections and disbursements for the account of the individual Indian. The decisions for application are those of the former Comptrollers of the Treasury, the Comptroller General, the Secretary of the Interior, and the courts.

AUDIT OF CHECKS

Every check and warrant by which payment is accomplished from public funds is required by law to be forwarded to the General Accounting Office for use in the reconciliation and settlement of the accounts of disbursing officers and the Treasurer of the United States. These are received by accounting periods, generally monthly, either from or through the Treasury or directly from the banks. These paid checks are used in analyzing and reconciling the disburs-

ing officer's checking account with the banks or the Treasurer of the United States. There is prepared a proof of the depositary balance of each officer with a list of outstanding checks. This reconciliation involves checks issued in 1 month and not paid by the Treasurer of the United States, in some cases, until several months after they were issued; checks erroneously issued and voided; duplicates of checks lost or destroyed; and checks paid on forged endorsements. There are prepared from these records lists of checks outstanding for more than 1 full fiscal year for reporting to the Treasury Department as outstanding liabilities. The checks are also used in the audit of civil-service retirement annuities and other retirement and compensation payments. These payments are made from addressograph rolls. At the time of payment check numbers are entered on the rolls. The checks, being evidence of payment, are used with a list of authorized annuities to establish whether the amounts paid are correct. At the same time the endorsements are examined. The accounts of the Treasurer of the United States covering warrants issued in the settlement of claims and the accounts of the Post Office Department are audited and verified with the paid warrants.

NOTICES OF EXCEPTIONS

The procedure in use at the time the General Accounting Office took over the auditing functions of the Government was to prepare a statement of such illegal or improper payments as might be found at the time the vouchers were audited and to hold these statements until the account was finally ready for settlement. The differences were then stated in detail and attached to the certificate of settlement. Under this procedure it was sometimes many months after a voucher had been audited before the disbursing officer received notice that the payment was not a proper charge against public funds.

In an effort to place administrative and disbursing officers in a better position to recover money illegally disbursed and in order that they might avoid making further payments of a like nature, there was inaugurated in 1927 a system whereby disbursing officers and administrative offices are advised currently of any differences found in the audit of vouchers.

When for any reason exception to a payment is taken in the audit, a notice of exception, stating fully the reason for the action, is prepared and sent to administrative offices and disbursing officers with as little delay as possible. Under this procedure it is possible, in many cases, to recover the money or submit the required information and supporting papers before the account is ready for settle-

ment. The amount charged against disbursing officers in such settlements is thus reduced to a minimum.

REPLIES AND CLEARANCE

The copies of exception notices sent to administrative offices and disbursing officers constitute the then known differences found in the audit of vouchers and are advice as to the objections taken. A copy of each notice of exception is retained in the General Accounting Office to form a file of pending differences. The administrative offices and disbursing officers, with the understanding that prompt action may avoid a suspension of credit in the account, usually reply promptly so that a large percentage of differences are adjusted before the account is settled.

These replies are examined to determine the sufficiency of the further information or documentary evidence submitted. In those cases where the reply and evidence is satisfactory the notice of exception is canceled and removed from the file of pending differences and if unsatisfactory as to any part or all of the amount involved, the administrative offices and disbursing officers are advised by a revised notice of exception setting forth in detail wherein the reply is not acceptable.

Upon settlement of an account, credit for those items which have not been satisfactorily adjusted is withheld in the form of a suspension or disallowance, and credit therefor is continued to be withheld until satisfactorily explained or collected. Also, in proper cases disallowed items are entered on the record of the General Accounting Office for collection as debts due the United States.

ACCOUNTING AUDIT

The accounting audit consists of a determination that the officer's consolidated statement of receipts and disbursements is a full and proper accounting for all funds of the United States coming into his possession. It must appear that the balance for which he held himself accountable in his preceding account has been correctly brought forward, that the amounts shown as having been received under accountable warrants correspond with the paid requisitions on file in the General Accounting Office, that amounts shown as collections are fully supported by verified and approved schedules of collections, and that the correct amounts have been credited to the various appropriations and funds. The debits and credits shown because of adjustments between appropriations and funds must be carefully checked to determine whether they are correct and whether the adjustments were made under proper authority.

It is necessary in many cases, because of erroneous debits and credits found in the audit of vouchers and collections, to adjust amounts between appropriation and receipt accounts. In other cases requests for adjustment originate in administrative and disbursing offices. The Permanent Appropriation Repeal Act (48 Stat. 1224) made provisions for the deposit of certain receipts into trust-fund receipt accounts pending a determination of the earned portion. The earned portion must then be transferred to the proper receipt account. The furnishing of supplies and services by one department to another is a frequent cause for adjustment between departmental appropriations.

The accounting audit of these adjustments requires determination as to the proper appropriation or fund to be debited and credited.

In the audit of the credit side of the account the disbursing officer may not be given credit for any item for which he does not furnish proper supporting evidence or which is not a proper charge against public funds. The Treasury deposits must be checked with Treasury warrants to determine whether the proper amount has been shown in the account. It must appear that the amounts shown as the total of disbursements, under the various appropriations and funds, correspond with the amounts shown on the checked and verified schedule of disbursements. The amounts for which credit is claimed by the officer are then subject to reduction by such amounts as are found, in the audit of vouchers, to have been improperly or illegally disbursed.

Section 3620, Revised Statutes, as amended (sec. 492, title 31, U. S. Code), provides that disbursing officers having public money entrusted to them shall deposit same in the Treasury or a designated depository, and draw same only as it may be required for lawful obligations and in the name of the person to whom payment is made. There are, however, some few transactions which are made in cash. It is important that the cash account of the officer be checked to ascertain whether cash on hand is properly brought forward, whether date and amount of checks drawn for cash are properly shown, whether collections in cash are properly accounted for, and whether the correct balance is shown as being on hand.

It is necessary to make a check to determine whether credits claimed as advances to employees for travel or other expenses are properly accounted for by the submission of approved vouchers and a refund of the unused balance. There must be noted any difference between depository proof of checks and balances shown by officer.

SETTLEMENT OF ACCOUNTS

The act of July 31, 1894 (28 Stat. 206), as amended by the Budget and Accounting Act (42 Stat. 24), requires that the accounts of all

accountable officers be settled by the General Accounting Office and that a copy of the certificate of settlement be furnished the officer and the head of the department or independent establishment for which the disbursements were made. The purpose of these copies is to inform the officer and his department or establishment of the state of his account at the end of the accounting period. These certificates are often made the basis of a suit against the accountable officer and the surety on his bond.

When the audit of an account has been completed and the reports of all auditors assembled, the papers are examined to see that they are complete, that such action as may be necessary has been taken, that proof has been made of officer's checking account, that replies to correspondence have been considered, that reports made by field investigators of the General Accounting Office have been considered, and that there has been established fully the amounts with which the officer may lawfully be debited or credited.

In making these settlements the file of pending differences is reviewed to see that all replies have been considered and all proper credits given. As thus revised the exceptions become the final statement of differences to be charged against the officer. They are listed by voucher number and amount and attached to the certificate of settlement. Any differences found in the accounting audit are also included in the form of a charge against the officer. The amounts thus charged are posted in the accountable officer's ledger.

ACCOUNTABLE OFFICER'S LEDGERS

Section 304 of the Budget and Accounting Act of 1921 (42 Stat. 24) provides that:

* * * the duties of the Division of Bookkeeping and Warrants of the office of the Secretary of the Treasury relating to the keeping of the personal ledger accounts of disbursing and collecting officers shall so far as not inconsistent with this act, be vested in and imposed upon the General Accounting Office and be exercised without direction of any other officer.

The amounts advanced to disbursing officers under approved warrants are, therefore, charged in a personal ledger account and amounts found to have been properly disbursed are credited against such advances. All amounts otherwise coming into the hands of an accountable officer are likewise charged against him until a proper accounting therefor has been rendered.

THE SETTLEMENT OF CLAIMS

The settlement of claims by the General Accounting Office is pursuant to the authority and direction of section 305 of the Budget and Accounting Act of 1921 (sec. 71, title 31, U. S. Code) as follows:

All claims and demands whatever by the Government of the United States or against it * * * shall be settled and adjusted in the General Accounting Office.

CLAIMS BY THE UNITED STATES

Flowing from the activities of the Government there are many classes of receipts such as assessments, fees, duties, imposts, and taxes; fines, penalties, and forfeitures; charges for permits, privileges, and licenses; rents and royalties; interest, exchange, and dividends; sales of property and services; repayment of loans; excess costs and damages due to delay and default under contracts; and receipts of amounts of recoveries of duplicate, illegal, and improper payments.

The responsibility for collection of such receipts rests, in the first instance, with the departments and agencies established by law to administer the activities in connection with which the moneys become due. Numerous cases arise, however, where the administrative agencies are unable to effect collection. In such situation the responsibility for collecting such moneys, as well as other amounts found due in the settlement of accounts of disbursing and collecting officers, is vested by law in the General Accounting Office.

Records of Debts Due the United States

In order to perform effectively this function of collecting amounts due the United States, there was inaugurated some years ago a procedure under which the various administrative departments report to the General Accounting Office all debts which are overdue or uncollectible. Such reports are consolidated with amounts found due in the audit and settlements made by the General Accounting Office, in a card-index debt record.

When there are presented claims for direct settlement or vouchers for preaudit, a check is made with the card index debt record to determine whether the claimant is indebted to the United States. If so, the full amount payable on the current claim or voucher, or as much thereof as is necessary, is applied in reduction of the indebtedness, or withheld pursuant to the provisions of the act of March 3, 1875, as amended by the act of March 3, 1933 (sec. 227, title 31, U. S. Code).

Reports to Attorney General

When collection is not possible through set-off or otherwise, the matter of the indebtedness is referred to the Attorney General for an attempt at collection without suit. In those cases where efforts to recover must be pursued in the courts, the action is taken by the Department of Justice on transcripts of the books and proceedings

of the General Accounting Office evidencing the indebtedness to the United States. The transcript comprises an authenticated copy of the pertinent documents and papers covering the transaction in connection with which the indebtedness arose. In the letter of transmittal such recommendations are made to the Attorney General as may be deemed necessary to aid in protecting the interests of the United States.

Check Transaction Collections

During the fiscal year 1939 there were issued approximately 152,000,000 Government checks. Of this number, 23,285 were the subject of claims on account of irregularities, such as checks drawn and cashed under fictitious names on padded pay rolls; those raised and cashed on forged endorsements; those negotiated by relatives of the payee without authority; checks cashed by persons of the same name; and those negotiated after the death of payee.

All facilities of the Government, available for the purpose, are employed in the recovery of amounts thus erroneously or illegally disbursed. Upon receipt of information of alleged illegal payment on a check, an affidavit of nonreceipt is obtained from the rightful payee; the bank through which clearance was made to the Treasury is notified; and the Secret Service is requested to investigate the facts surrounding the negotiation. When, upon all the evidence, forgery appears established, the case is reported to the Treasury Department for institution of recovery proceedings. In many instances it has been possible, with the assistance and cooperation of the Secret Service, to promptly and vigorously prosecute the guilty parties and make recovery from the responsible indorsing individuals or cashing banks.

Gasoline Tax Collections

The Congress has been advised in previous annual reports of the progress being made in effecting a return to the Federal Government of amounts paid as State tax on gasoline purchases for the use of the United States and the States which cooperate by granting exemptions or by making refunds upon the presentation of proper evidence (see p. 80 of report for fiscal year 1937). The States which grant exemptions remain the same, except that South Carolina will not now grant exemptions. The States of Arizona, Arkansas, Colorado, Montana, New Jersey, New Mexico, and Washington have been added to the States which make refund. The State of New York will now make refund direct rather than through dealers as previously reported.

Miscellaneous Collections

The collections effected through the General Accounting Office embrace many other items such as remittances by disbursing officers and their sureties; amounts recovered on account of improper or illegal payments to employees and other Government personnel; voluntary remittances from contractors; excess payments of veterans' insurance and compensation; overpayments under war contracts; checkages in accounts of disbursing officers; and other miscellaneous items.

CLAIMS AGAINST THE UNITED STATES

The demands against the United States coming before the General Accounting Office for settlement as claims are generally those which involve questions of such complexity and doubtful legality as to preclude their payment by disbursing officers or their certification for payment under the preaudit procedure. The settlement of such claims involves a full legal analysis of supporting documents such as contracts, leases, deeds, abstracts of title, letters testamentary, letters of administration, trust agreements, bills of sale, articles of incorporation, dissolution agreements, negotiable instruments, court orders, petitions in bankruptcy, death certificates, etc. There is for application the law of contracts, bailments, corporations, partnership, bankruptcy, estates, wills, suretyship, trusts, negotiable instruments, admiralty, real and personal property, constitutional law, military law, and the laws of descent and distribution of the various States and foreign countries. Full consideration must be given applicable decisions of the former Comptrollers of the Treasury, the Comptroller General, the courts, departmental legal opinions, administrative regulations, Executive orders, and the Federal statutes.

Claims are received both through administrative offices and directly from claimants. Every claim against the Government results from some act of administration. It is, therefore, the policy of the General Accounting Office to refer all claims which have not been administratively examined to the administrative agency concerned for its report of facts and recommendation. It is only in case of a mathematical error or when a small additional amount clearly appears due that an administratively approved claim will be settled in a greater amount than that for which approved without referring it back to the administrative office for further consideration.

The settlement action comprises a very thorough analysis of every claim by a competent examiner, who states his views in the form of a tentative settlement. The tentative settlement is then independently and thoroughly reviewed by a law-trained examiner. If there is

raised or involved any question as to the proper action to be taken, the matter is referred to section heads or the chief of the division. Claims which involve an original construction of statute, the interpretation of indefinite contracts, ambiguous regulations or Executive orders, or which rest upon the reformation or cancelation of contracts, are not settled without instructions from the Comptroller General. In any other case in which there is doubt as to the action to be taken, the matter is referred to the Comptroller General for decision.

Claims Arising Under Contracts

There are filed in the General Accounting Office over a million Government contracts each fiscal year. These contracts are frequently modified by supplemental and cancelation agreements. Many of them contain indefinite, ambiguous, or complex stipulations which give rise to disputes and controversies as to the rights of the parties concerned. The deciding of such questions involves legal interpretations of contract provisions and many settlements under them are, therefore, referred to the General Accounting Office for consideration as claims.

Liquidated Damage Claims

Many Government contracts contain provisions making time of performance a factor and stipulate that when there is failure to complete the contract within the period stated liquidated damages will be assessed for the delay. Most of such contracts provide, however, that liquidated damages will not be charged where the delay is due to certain specified causes. The facts as to the cause and extent of delay are generally for ascertainment by the administrative officials designated in the contract; however, it is incumbent upon the General Accounting Office to determine whether, under the facts reported and the contract terms, the contractor is liable, as a matter of law, for liquidated damages. It is customary, therefore, when there is delay in performance, to refer the final payments under contracts containing liquidated damage provisions to the General Accounting Office for settlement as claims. There has been inserted in recent Government contracts a provision for an extension of time by administrative officials upon their finding that delay was due to excusable causes, but in view of the doubtful legal questions involved, the practice of referring such claims for settlement continues. An important class of claims are those arising under liquidated damage provisions which constitute a penalty and are, therefore, void and without effect. It is the practice to bring these unenforceable pro-

visions to the attention of administrative officials for correction in future contracts.

Freight Adjustment Claims

In order to take advantage of land-grant freight rates, whenever applicable, a large number of Government invitations solicit bids for delivery of materials both f. o. b., destination, and f. o. b., bidder's shipping point. In other cases the invitation requests bids for delivery at destination with an option reserved to the Government to have the shipment made on Government bill of lading from contractor's shipping point and deduct the commercial freight to destination. In other instances shipments are made from a point other than that stated in the contract, at other than guaranteed shipping weights, or under different freight classifications. There is for deduction in such cases the excess cost incurred by the Government because of these deviations from the contract terms. This requires a detailed analysis of the facts surrounding performance in the light of correct applicable freight rates, generally necessitating adjustment by the General Accounting Office because of its rating facilities and the lack of finality of any rating otherwise attempted.

In the settlement of this class of transactions it is necessary to assemble a large number of papers and a considerable amount of other pertinent data such as all vouchers on which previous payments were made; bills of lading and transportation vouchers on which payment of the freight charges was made; and the applicable commercial and Government freight rates. There is also for determination whether the commodity was properly classified in shipment, whether shipment was in accord with the best practice, and whether the best interests of the United States would have been served by the use of local, through, or fabrication-in-transit rates.

Coal-Contract Claims

Three distinct types of claims arise under contracts for the purchase of coal which materially add to the work, viz, price changes due to wage-scale adjustments, penalties for deficiencies in guaranteed analyses, and minimum prices announced by the former National Bituminous Coal Commission. Under the standard provision covering wage-scale changes, approved March 1, 1929, in force until issuance of proposals for requirements for the fiscal year 1937, all price changes by reason of wage adjustments became claims with supporting data therefor stipulated in the contract provision, namely a 60-day filing period, affidavit of an official of the producing mine, report of a certified public accountant, and a showing that the coal was mined after the

wage-rate change and that the contractor was not in arrears as to delivery on the effective date thereof.

A contract-price change covering wage adjustments for computation by a formula method—60 percent of the mine price multiplied by the percent of increase in the wage scale of the predominant occupational class of mine employees at the producing mine—was instituted by Circular Letter No. 166, dated May 22, 1936, of the Procurement Division, Treasury Department, to replace the then existing standard provision. Immediate payment of the changed contract price by disbursing officers is subject to the approval of the contracting officer upon receipt of copies of the old and current wage scales within 60 days of the wage change, whereby the predominant occupational class of mining labor named in the bid may be noted and finding made that such increase is general in the particular mining district. A large number of claims have arisen under the new provision due to misunderstanding and mistakes on the part of contractors and Government officials.

Claims in connection with disputed penalties deducted by reason of deficiencies in the guaranteed analysis of coal are based on the allegation that the samples were not drawn in accordance with Technical Paper No. 133, and come before the General Accounting Office on findings of the Bureau of Mines that an analysis report may not be issued by reason of an apparent irregularity in the sample. Penalties taken on deficient coal, subject to increased labor cost of production, require special consideration as such penalties are computable on the delivered value of the coal.

Claims in connection with minimum prices announced by the former National Bituminous Coal Commission arose by reason of failure to provide price-adjustment provisions in certain contracts; questions on the part of disbursing officers as to the propriety of such payments when contracts did so provide; and the latter revocation of the minimum-price orders by the Commission after its restraint in the enforcement thereof, *pendente lite*, by the United States Court of Appeals for the District of Columbia, February 10, 1938.

Claims by Completing Sureties

Where defaults occur under construction contracts, the work required of the contractor frequently is completed by the surety on the contractor's performance bond. The surety which has thus performed its principal's obligation usually files a claim for the unpaid balance of the contract price.

In connection with each claim of this type, it is necessary to determine the precise amount of the contract price which was earned by the

surety for work actually performed by it, and the amount which was earned by the contractor. The surety then must be required to establish by documentary evidence its right to receive the amounts which were earned by the contractor.

The evidence required to substantiate the surety's claim usually is voluminous, the surety being required to establish that it has expended an amount at least equal to the total amount claimed, and that it has satisfied all obligations incurred by the contractor. The surety also is required to demonstrate that no further liability will be incurred by the United States for materials or equipment which may have been left on the site of the work by the defaulting contractor and used in the completion of construction.

After the necessary evidence has been assembled by the examiner, it must be carefully analyzed to ascertain the conflicting claims usually asserted by the contractor, the surety, and the contractor's creditors. While the general law affecting such claims is fairly well settled, its application to the facts of particular cases frequently is difficult to determine.

Contract Wage-Scale Claims

The Davis-Bacon Act of March 3, 1931 (46 Stat. 1494), as amended by the act of August 30, 1935 (49 Stat. 1011), provides for the inclusion in the specifications of all Government contracts for the construction, alteration, or repair of public buildings or public works, in excess of \$2,000, a schedule of wage rates which has been fixed by the Secretary of Labor to be paid by the contractor and his subcontractors to all classes of laborers and mechanics employed at the site of the work.

The act also provides that the contracting officer may withhold from the contractor so much of contract payments as may be necessary to pay to such employees any deficiency in wages. There is a further provision authorizing the Comptroller General to pay directly to laborers and mechanics any amounts withheld for that purpose. These claims have not as yet become numerous but it is anticipated that they will increase with longer experience under the act.

The Walsh-Healey Act of June 30, 1936 (49 Stat. 2036), contains similar provisions with respect to contracts for the manufacture and furnishing of materials, supplies, articles, and equipment for the use of the Government in any amount in excess of \$10,000. It is also provided that there be maintained certain working hours and fixed conditions of employment. The Comptroller General is required to compile and distribute to departments and agencies a list of violators of this and the Davis-Bacon Act.

Service Claims

Claims by and against the United States, arising out of the service of officers, warrant officers, enlisted personnel, and nurses of the Army, Navy, Marine Corps, Coast Guard, and commissioned personnel of the Coast and Geodetic Survey and United States Public Health Service, are settled in the General Accounting Office, together with claims involving the reserves of these services and the National Guard.

The claims are divided into two groups: (1) Those involving questions of law or fact and therefore of such doubtful nature as to discourage settlement by the various executive departments having administrative jurisdiction; (2) those involving lapsed appropriations, thus requiring certification to the Congress, a function of the General Accounting Office. This grouping is interlocking, many claims partake of the nature of both types.

Periods of service extending back through the World War, the Philippine Insurrection, the War with Spain, the Indian Wars, the Civil War, and the War with Mexico are involved. Even claims arising out of the War of 1812 and the War of the Revolution are not infrequently received. Service claims embrace every form of pay, allowances, and other emoluments which have been authorized for military and related services since the formation of the Republic. In the settlement of these claims there are for application the mass of military laws, decisions of the courts, including the United States Supreme Court, and the many administrative regulations which have issued over the period of more than a century and a half.

A brief general description of the more important and more current claims follows:

DEPENDENCY ALLOWANCES

Commissioned officers are entitled when having dependents to increased allowances for rental of quarters, when on field or sea duty, or at stations where no public quarters are available, for themselves and/or dependents. The latter are classified as wife or minor children, and mother. Prior to 1922, however, other relatives, such as both parents, were included, and the allowance was known as commutation of quarters, heat and light not furnished in kind, with no increase for subsistence as now provided. From 1918 to 1922, payment of the increased allowance was made—except in case of wife or children, where dependency is presumed—on the certification of the officer that particular persons were in fact dependent upon him for their chief support. Examination of the facts in many instances where

payments had been made on such certification showed that no state of dependency such as was contemplated by law actually existed. Accordingly, such cases were reopened and numerous claims were asserted on behalf of the United States against the officer involved for overpayments made on such certifications. In 1926 the Congress passed a remedial act the effect of which was to validate payments made in these cases where such allowances were received in good faith, where a needy family condition existed and where the amounts contributed equaled the allowances received. The act further authorized refund of collections made on account of such overpayments under certain specified conditions. In the consideration of claims asserted under said act many problems arose necessitating the development of facts deemed essential to meet the statutory prerequisites to payment. After 1922, and at present, it is required in all cases, except those relating to wife or minor children, that the facts upon which the claim of dependency is based be presented in affidavit form, and in the consideration of all such claims it is necessary to determine as a matter of fact whether the evidence adduced is sufficient to establish that a state of dependency exists within the meaning of the applicable statutes. If dependency is established, the pay accounts of the officer must be examined, as well as his military history, to insure that he has not previously received the claimed allowances, and for the purpose of ascertaining the correct amount due, which amount is for determination on the basis of subject's grade and length of service as prescribed by law.

TRAVEL ALLOWANCES

Officers traveling under orders involving change of their station, or on other official journeys, are entitled to a mileage allowance, or to transportation in kind, with a per diem. Questions arise as to the routing, distance, and mode of transportation used; the computation of land grant; the sufficiency of the orders; and the computation of excess costs to be borne by the traveler where the travel is by a circuitous route at his instance.

MEDICAL AND HOSPITAL TREATMENT

Extensive facilities for the free treatment of military and related personnel, and members of the Civilian Conservation Corps, when on duty, are provided by the United States at many points in this country and the territories, and in the Philippines and Puerto Rico. Personnel of such services is expected to avail itself of these facilities, but many cases arise where, due to circumstances, it does not do so. For example, persons on authorized leave of absence are not entitled

to be treated by civilian agencies for injury or disease suffered while on such leave. However, the rule does not necessarily apply where the leave is of short duration and where the injury or disease is suffered in proximity to the post of duty. In such cases, it is sometimes presumed that a duty status exists, and if Government facilities are not available treatment may be authorized at public expense by civilian facilities. Payment is limited to reasonable and proper charges for the services performed. All of these factors are essential elements of development, necessitating correspondence with the various parties and agencies concerned.

TRANSPORTATION OF DEPENDENTS AND EFFECTS

On an ordered change of station, commissioned officers, warrant officers, and others are entitled to transport their dependents (wife, minor children, mother), and their household effects, to the new station at public expense. Persons so entitled may use circuitous routes, the excess cost to be borne by the officer; and they may ship goods in excess of their authorized allowance, which is graduated according to the rank of the officer, the excess also to be borne by the officer. Questions arise as to the routing, computation of excess costs, destination of dependents, sufficiency of orders, method of shipment, and reasons for not shipping on a Government bill of lading. These questions are frequently extremely involved.

GENERAL

In general, it may be said that all service claims require an examination of the pay account of the subject if the claim involves pay and allowances. The extent of this examination depends, of course, upon the extent of the claim in period of time involved and other considerations. Such action is necessary to insure that the claimant has been otherwise correctly paid, that he has not previously received the claimed item, and that steps have been taken to prevent duplication by the administrative office or its field agency. For example, in all claims arising out of the period of the World War, April 6, 1917, to July 2, 1921, the account of the applicant is examined over the entire period, even though in the case of an enlisted man, an enlistment other than that in which his claim arises is concerned. This is done to carry out the purpose of the act of July 3, 1926 (44 Stat. 815), validating overpayments to members of the armed forces during the emergency period, which were received in good faith and without fraud. If the account is otherwise correctly paid, the claimed item is allowed. If, however, it is found that a balance re-

mains due the United States, this balance is held validated, provided it appears to have been received in good faith and without fraud.

Transportation Matters

All claims and demands arising from the transportation of property and persons by any means for account of the United States are audited or settled in the General Accounting Office. These audits and settlements embrace a preaudit and certification of transportation vouchers before payment, a post audit of vouchers paid for certain departments without previous audit and certification, and the direct settlement of claims. Approximately 60 percent of all transportation vouchers are audited and certified before they are paid.

Property of the Government of the United States may be forwarded by rail, water, air, motor vehicle, express, or forwarding companies and is subject, with the following exceptions, to the same rates, charges, rules, and practices as apply to like transportation for the public at large. However, under section 22 of the Interstate Commerce Act and section 217 (b) of the Motor Carrier Act of 1935, carriers subject thereto are permitted to make voluntary tenders lower than rates charged the public at large.

Furthermore, in order to aid in their construction, certain carriers received lands from the United States and under the several acts, as amended, granting these lands the carriers benefited thereby are limited to charging the Government for troops or property transported over such lands to 50 percent of the fares or rates charged the public at large. By far the bulk of Government property or military personnel moves at commercial rates and in payment of the transportation charges thereon the full commercial fare or rate is paid in all cases. In consideration of the travel or movement made over lands granted by the United States to the carrier, or carriers, in the route of movement, 50 percent of the proportion of the revenue accruing over the land-aided portion of the route is retained by the Government. This is in effect paying the carrier's claim partly in cash and partly in land; but in no instance is the tariff fare or rate reduced. In addition, many non-land-grant carriers competing with land-grant carriers have filed so-called land-grant equalization agreements. These provide that the competing non-land-grant carriers will accept in payment for transportation furnished the same amount as would have been allowed the lines comprising the land-grant route had the shipment or troops moved over the land-grant route.

For freight rate purposes commodities are generally divided into classes according to territory and provided with individual ratings.

There are 3 major classification territories and they are subdivided into rate territories which may be interrelated, depending upon whether the traffic is interstate or intrastate. The class rate is ascertained from tariffs which publish rates for some 27 class ratings and numerous percentages thereof as described in the classification. In many instances specific commodity rates are published in tariffs on the particular designated commodity and take precedence over the class rates. In still other cases exceptions are made to the published class ratings which take precedence over the ratings in the classification but are subordinate to specific commodity rates. If an article is shipped for which there is no rating, then the rating is determined by analogy in comparing the transportation characteristics of the article shipped with the characteristics of a similar classified article. These rates are constantly changing through voluntary direction of the carriers, or upon orders of the Interstate Commerce Commission, or one of the several State commissions, thereby causing many existing net rate formulas to become obsolete. In the case of carload shipments, minimum weights, dependent upon the size and style car ordered or used, are additional factors for consideration.

In addition to class and commodity tariffs there are many special service tariffs containing charges, and also rules and regulations pertaining to protective service, terminal service, transit privileges, and many other accessorial services incident to the transportation.

The transportation of personnel may be by rail, water, air, or motor carriers, under a great variety of fares, classes, and conditions. Passenger fares are determined from tariffs published for designated territories and are dependent upon the class of services desired and number of persons traveling, which range from individual travel to special train movements.

The class of service comprehends coach, tourist, first-class, or combination of any two or more. Incidental services include sleeping-car or parlor-car service, tourist accommodations, de luxe air service, superior steamship accommodations, etc.

After the commercial fare or rate has been ascertained and movement of the troops or property has been or may have been made over a land-grant route, it becomes necessary to compute the land-grant deduction over the actual land-grant route of movement, or in accordance with the land-grant equalization agreements of the carriers performing the actual service. This is accomplished by first dividing the revenue or authorized divisions between the carriers. The amount of land-grant deduction from the earnings of each land-grant carrier

in the route is then ascertained on a ratio of the land-grant mileage to the actual mileage of the particular land-grant carrier, divided by two.

TRANSPORTATION AUDIT

This audit can only be made by rate examiners with long years of experience in this highly specialized and exceptionally technical work. Such an organization has been built up in the General Accounting Office capable of efficiently handling all of the transportation work for the Government. It would seem obvious that the maintenance of other similar groups results largely in an unnecessary and expensive duplication of work. In this connection see remarks on pages 44 and 45 of the Annual Report of the Acting Comptroller General for the fiscal year 1937.

With the exception of the War and Navy Departments, Department of Justice, and some of the lesser agencies and activities, the administrative offices submit their transportation vouchers for pre-audit and certification prior to payment. During the fiscal year of 1939 a total of 304,662 transportation vouchers representing payments aggregating \$15,524,752.52 were preaudited, and of this amount items totaling \$138,150.74 were disallowed.

The transportation vouchers of the departments and agencies previously referred to as not being embraced in the preaudit, are paid by disbursing officers after the rates and charges are checked. These vouchers are then post-audited by the transportation auditors of the General Accounting Office. Such administrative examination of these vouchers requires the maintenance of separate files of rate schedules and forces of rate clerks in each of the administrative offices. The differences found in the post audit of these vouchers bring into very serious question the propriety of the expensive set-up thus required.

During the fiscal year of 1939 a total of 306,269 such vouchers, representing payments aggregating \$40,214,042.23, were post-audited and of this amount items totaling \$372,413.19 were disallowed as being overpayments.

It will be noted that under this procedure over a third of a million dollars was paid out of the public treasury unnecessarily. Of course a large part of this money may eventually be recovered and restored to the Treasury, but there will be involved certain expenses of recovery and loss of the use of the money.

TRANSPORTATION SETTLEMENTS

Direct settlements embrace all transportation items in dispute between the administrative office and the carriers; those which are

chargeable to appropriations which have lapsed, or have become exhausted; those in which the tariff provisions are ambiguous or susceptible of different interpretations; foreign transportation, where the rate of exchange affects the settlements; supplemental bills; and those where there are involved complications on account of land-grant routes, earnings, and equalization. There were settled during the fiscal year 1939, a total of 32,669 accounts, in which \$6,368,795.21 was claimed, and of this amount \$1,275,851.14 was disallowed.

SPECIAL RATE UNIT

Because of the intricacies of this work there was established a unit charged with the duty of assisting those in all parts of the General Accounting Office in analyzing the transportation requirements presented in any case being considered. The work consists of furnishing a statement of all necessary rates, Government and commercial, together with all other pertinent transportation data required to adjust and settle the case, taking into consideration the contract as well as the shipping conditions present. This Special Rate Unit affords a convenient and central point for obtaining freight rate and transportation information to be used in connection with contracts, and the special training of its personnel assures the furnishing of reliable transportation information. The ascertaining of proper transportation charges on Government traffic has become exceedingly difficult in recent years owing to the fact that freight tariffs are without restrictive routing limitations, that divisions have been canceled without providing for divisions in lieu thereof, and because carriers file conflicting divisions or refuse to recognize divisions published by other carriers.

The remarks pertaining to freight rates apply equally, with very few exceptions, to express rates and, with the exception of land-grant deductions, to motor-vehicle and steamship rates.

TARIFF FILES

The preceding outline of the transportation work, both freight and passenger, illustrates, briefly, the basic aspects of fare and rate complications. In order that the transportation work may be carried on efficiently it is necessary to maintain an active file of some 300,000 tariffs and 15,000 division sheets which are being constantly supplemented and reissued.

VOLUME AND INCREASE

The volume of transportation audit and claims work varies directly with the increase and decrease of Government activities. Due to the addition of new agencies and greatly increased activities of the

regular departments and establishments, this work has increased enormously during the past few years. The increase in transportation accounts was first felt when a vast network of Civilian Conservation Corps camps were established calling for shipments of materials, equipment, and supplies, as well as the transportation of personnel, into virgin territory. There were also large volumes of such accounts from the National Recovery, Civil Works, Public Works, Works Progress Administration, the Federal Emergency Relief Administration, and the Federal Surplus Commodities Corporation. There was also the construction of numerous dams and irrigation projects. The Department of Agriculture was active with its drought relief, grasshopper and chinchbug eradication, forest conservation, resettlement, and public-highway construction programs. The War Department engineers had vastly increased activities in rivers, harbors, and flood-control work. The Treasury Department's public-buildings operations were greatly expanded. The Navy Department entered upon an extensive improvement program. The volume of transportation work in dollars increased from \$26,451,312.72 in 1933 to \$62,107,589.96 in 1939.

Miscellaneous Claims

There are embraced under this classification every variety of claim referred to the General Accounting Office with the exception of those which involve transportation, contract, and service matters. Their diversity and number will permit a description of only a few of the most important as follows:

PROCESSING TAX CLAIMS

The decision of the Supreme Court in *The Hoosac Mills case—United States v. Butler* (297 U. S. 1)—removed the liability for payment of processing taxes by the manufacturers on whom they were levied. Previous thereto, several of these manufacturers had either refused to pay the tax, or had restrained collection by injunction. However, during the period for which no tax was paid, many of the manufacturers had furnished materials to the Government under contracts containing a provision that the prices bid included the processing tax, and would be subject to adjustment in the event of any change in the tax. This situation imposed the duty of reauditing payments under such contracts, and determining and effecting collection of the amount of any overpayments made.

In addition, there has been an influx of claims involving processing performed during the emergency hog program under contracts entered into by the Secretary of Agriculture. In numerous instances disputes

have arisen as to whether the processing was performed in a workmanlike manner, and a settlement of these claims has required an analysis of the reports of Government inspectors and other administrative officials, in the light of the contract provisions, for the purpose of determining whether the agreed prices for the work are to be paid in full. Further, in carrying out the emergency relief program, the Federal Surplus Commodities Corporation made contracts with packers throughout the country for the processing of cattle purchased by it, and the freezing and storage of the meat products derived therefrom, pending their distribution. The emergency nature of the performance required under these contracts resulted in numerous disputes as to the basis for remuneration and these matters have been referred to the General Accounting Office for settlement as claims.

CHECK FORGERY CLAIMS

As previously referred to under the discussion of collections, there are issued each fiscal year a vast number of Government checks—approximately 152,000,000 in 1938—from which there have resulted a great many claims based upon alleged forged indorsements, wrongful negotiation, loss, or theft. Claims also arise in connection with checks issued on padded pay rolls; those which have been destroyed under authority of the act of June 22, 1926 (44 Stat. 761); those which have been raised, mutilated, or otherwise altered; those cashed after the payees have died, without proper authority; those fraudulently obtained and negotiated; and those received and cashed by persons having the same name as the payee.

In settlement of these claims it is necessary to protect the interests of the United States, the payees, indorsers, bona fide holders, and others concerned in the negotiation. All available sources are utilized in securing the necessary facts to effect recovery from the indorsers where forgery is proved. The Secret Service Division of the Treasury Department has given full cooperation in making the necessary investigations, and information has also been obtained from administrative investigations, the indorsing banks, and the United States attorneys. The evidence thus received is often conflicting, and must be weighed with great care in order to detect any false claims and prevent duplicate payments.

In many instances checks are received by persons bearing the same name as the payees and negotiated by them, either with intent to obtain money not due them or in the belief they represent payment of some obligation thought due them from the Government. Inasmuch as legal liability does not ordinarily exist to support reclama-

tion proceedings against the indorsers in such a situation, it is necessary to make provision for new payments to the correct payees where there is no question of their fraud or negligence. In addition, there is for determination whether there may have been such error or negligence on the part of the disbursing or certifying officers as to require charging them as provided by applicable statutes and Executive Order No. 6166 of June 10, 1933.

FOREIGN CURRENCY EXCHANGE CLAIMS

At the time this country's program for readjusting the value of the gold dollar went into effect in 1933 and 1934, there resulted a marked fluctuation in the rates of foreign exchange, the trend of which was generally to increase the value of foreign currencies in their relation to the American dollar. The effect was a marked reduction in the purchasing power of money paid as salary and allowances to officers and employees of the United States stationed or traveling in foreign countries.

To meet this situation Congress passed the act of March 26, 1934 (48 Stat. 466), which authorized additional payments to meet losses so sustained on and after July 15, 1933. Under the Executive order authorized by the act, a "basic rate" of exchange for each foreign country was fixed, and the losses are computed by applying to the amount paid the ratio between this basic rate and the current rate of exchange in effect when and where the payment accrued. A great many complications have resulted from the application of this seemingly simple rule, such as the date to be used as the date of accrual; the foreign country rate for application in a particular situation, as in the case of employees traveling in various countries; the amounts and classes of payments to which the act pertained; the effect of local restrictions on the use of various classes of foreign money; and the effect of de facto or other changes of territorial sovereignty, as in Manchuria, Ethiopia, and Austria.

A recent amendment to the act substituted July 1, 1933, for July 15, 1933, as the earliest date for which losses are payable. Due to the lapse of time, these losses are being settled by the General Accounting Office as claims. Numerous difficulties are commonly experienced in obtaining evidence of the rates of exchange at which the employee's original checks were cashed.

TRANSPORTATION OF EFFECTS CLAIMS

Certain civil establishments are authorized by Congress to reimburse their employees who are transferred from one permanent duty

station to another for the cost of packing, crating, draying, and shipping their household effects from the old post to the new.

Such transfers in the Foreign Service, being between consular and diplomatic posts in all parts of the world, lead to particularly complicated claims due to the diverse means of transportation required, numerous transshipments, the application of many customs and other local regulations, and the different trade and shipping practices obtaining throughout the world. From the general or special statutes, the appropriation acts and the departmental regulations there must be determined the correct amount allowable in cases of retirement, return to Washington and subsequent retirement, change of orders while enroute, etc.

PRIVATE ACT CLAIMS

Among the great number of private acts passed at each session of the Congress are many stipulating payment of money to individuals, ordinarily for the satisfaction of an obligation of the Government for which no other remedy is available.

While the greater number of these merely require payment of a stated amount to a certain individual, occasionally the acts may provide for payments to a large class of persons in amounts more or less indeterminate. These latter acts have required very special consideration. As an example, Private Act No. 336, approved August 27, 1935, authorized settlement of balances due approximately 10,000 claimants for losses suffered in a disastrous fire which swept northern Minnesota in October 1918, destroying several towns as well as a wide rural area, the cause of which was traced to the negligent operation of railroads under jurisdiction of the United States.

The amount of each claimant's loss was determined by the Director General of Railroads, under authority of the Transportation Act of 1920, but only a portion of each claim was paid at that time. Under the 1935 act, more than \$11,000,000 has been paid in about 10,000 claims while approximately 600 claims totaling over \$500,000 have been disallowed by the General Accounting Office. The lapse of 17 years from the time of the fire resulted in a large number of settlements in favor of the heirs of original claimants, such heirs residing in all parts of the United States, Canada, and the Scandinavian countries. The State laws relative to corporations, business associations, etc., were also required to be examined in connection with numerous claims on behalf of partnerships, fraternal and religious organizations, corporations, mutual-benefit societies, etc., which had dissolved, changed hands, or merged. The payments to the heirs of deceased Chippewa

Indians also presented many difficulties, although much valuable aid was extended by the Office of Indian Affairs. Many claimants under the act were reported to be indebted to the United States for unrepaid crop and seed loans granted by the Farm Credit Administration and the Regional Agricultural Credit Corporation, and a considerable amount of such debts was recovered by set-off in cooperation with those agencies.

Similar problems were met in the execution of Private Act No. 349, approved August 29, 1935, which appropriated \$332,342.74 to pay claims of certain navy-yard and shore-station employees for extra labor performed in excess of the legal 8-hour day during the years 1878 to 1882. The cases numbered 1,349, and the amounts due had been found by the Court of Claims in hearings conducted beginning in 1912.

As 53 years had elapsed since the services were rendered, very few of the employees were still living, and provision was made for payment to the estates or legal heirs of such employees as were deceased. Consequently, claims were received from heirs in many instances four or five generations removed from the deceased employee who performed the services. The heirs in other cases were widely scattered and it was difficult to obtain, even from such heirs as were known, complete information as to the persons entitled to share in the amount due the estates of the various deceased employees. This situation called for extensive development and made it necessary to exercise painstaking care in order to avoid improper settlements.

AGRICULTURAL ADJUSTMENT CLAIMS

A considerable force has been more or less continuously operating on claims arising from the several classes of payments made under the agricultural adjustment program. These include payments for rental benefits, cotton-price adjustment, cotton parity, soil conservation, cotton-option checks, and checks from the cotton-tax exemption-certificate pool funds. Most of these are referred to the General Accounting Office for settlement in order to effect collection of outstanding debts due the Farm Credit Administration or the Commodity Credit Corporation.

SALARY CLAIMS

In addition to the great number of claims settled annually on behalf of the estates of deceased employees, pensioners, and other public creditors for amounts due and unpaid at time of death, claims also arise frequently where an underpayment of salary is alleged.

Some are under the earlier acts—the Classification Act, the Welsh and Brookhart Acts, and those for the “increase of compensation” authorized for 1918 and a few later years—while other and more current problems appear in connection with the promotion, retirement, dismissal, furlough, and transfer of Government employees, and when accrued leave is not taken prior to separation from the service. These claims are affected to a considerable extent by recent legislation, as well as by a number of Executive orders.

TRAVEL EXPENSE CLAIMS

The great increase in Federal activities in recent years has correspondingly increased the number of claims of civilian employees for reimbursement of expenses incurred in traveling on public business or in transferring from one post of duty to another. While the great majority are paid currently and either preaudited or post audited, there are submitted as claims those cases which, due to their complexity, legal doubt, or need for unusually full investigation of the facts, are not paid by disbursing officers. Many others are in effect appeals after one or more items have been rejected for payment by a disbursing officer. Numerous complicated claims have also resulted from the unfamiliarity of the many new employees with the Standardized Government Travel Regulations promulgated by the President and with the several statutes regulating civilian travel.

REFUND CLAIMS

Each year there are settled several thousand claims for the refund of collections of all varieties which have subsequently been found to be improper, such as certain tonnage taxes; Farm Credit Administration loan collections to which mortgages or lien-holders have established claims; fees of many sorts, such as navigation, immigration, naturalization, public land, mineral leasing, grazing, and Neutrality Act; and refunds on court orders for payment of moneys which have remained in the registry of United States courts 5 years or more and have been deposited into the Treasury.

CIVILIAN CONSERVATION CORPS CLAIMS

In addition to claims arising out of military and related services, there are also claims pertaining to services in the recently formed Civilian Conservation Corps.

The Civilian Conservation Corps, originally organized under authority contained in the act of March 31, 1933 (48 Stat. 22), normally provides enrollment for 300,000 men, and at its peak in August 1935,

reached an enrollment of 519,000. Many work camps have been established for this corps, and in addition to claims for the cash allowance, allotments, deposits of enrollees and their allottees, there are received a considerable number of claims for civilian medical and hospital treatment rendered enrollees, and for burial expenses of those who die in service.

UNITED STATES COMMISSIONERS' CLAIMS

The accounts of United States commissioners are settled quarterly and involve payment of fees due in connection with the apprehension, hearing, and disposition of persons suspected of Federal offenses, who are brought before them by United States marshals. These accounts are settled in accordance with the applicable statutes, rules of court in the various Federal districts, administrative regulations, and decisions of the accounting officers.

CLAIMS INVOLVING IRREGULARITIES OR FRAUD

Important in the settlement of claims either for or against the United States is the development and adjudication of those cases involving gross irregularities and fraud. The increased volume of Government business, personnel, and appropriations has brought a proportionate increase in irregularities and misappropriations of public funds, and in the volume of doubtful claims submitted for settlement. This work is important not only in the savings made of Government moneys which would otherwise be diverted from lawful channels, but also in its deterring effect on irregular practices in the future. In addition, such action is taken here as may be necessary to protect the interests of the United States in the recovery of amounts erroneously or unlawfully disbursed and in the disallowance of unmeritorious claims.

In connection with this work a careful investigation is made of all contracts with those suspected of any irregularities in order to ascertain their full extent, whether the transaction is a single or a continuing one, and whether the same may constitute fraud. Whenever there is suspicion of fraud in any contract, claim, or voucher, a close examination is made of all the facts surrounding the matter. If such investigation reveals evidence supporting the suspicion of fraud or collusion, or otherwise raises doubt as to the validity of the claim, it becomes the right and duty of the General Accounting Office to refuse to certify such claims for payment. The Court of Claims has outlined the appli-

cable doctrine in the case of *Charles v. United States*, 19 Ct. Cls. 316, 319, as follows:

When, in the course of the examination of accounts in the Department, suspicions are aroused or doubts are entertained as to the validity of the demands of claimants, the parties may be sent to this court to prove their cases under the rules and forms of law, upon legal and competent evidence, or their demands may be rejected altogether, leaving the claimants to prosecute them here upon their own protection which the accounting officers can secure for themselves and for the Government in the case of claims of doubtful validity in fact or in law, and especially of claims as to which there is a reasonable suspicion of fraud, irregularity, or error.

See also *Longwill v. United States*, 17 Ct. Cls. 288, 291.

In addition to disallowance of those claims where fraud has been shown to exist, the General Accounting Office performs the further duty of assembling all available evidence, which may aid in ascertainment of the amounts of any overpayments, and the Comptroller General reports the matter to the Attorney General, together with transcripts of the books and proceedings of the General Accounting Office, for recovery of the amounts expended. The attention of the Attorney General in these cases is also called to sections 3490, 3494, and 5438, Revised Statutes, which provide that the party presenting such false or fraudulent claims shall forfeit and pay to the United States the sum of \$2,000, and, in addition, double the amount of damages which the United States has sustained, together with the costs of suit.

INDIAN TRIBAL CLAIMS

This is a part of the work of the General Accounting Office which has been revived during the past year, after a brief lapse, by the enactment of new jurisdictional legislation. The work consists of compiling reports and statistics for use in suits brought in the Court of Claims by certain Indian tribes under jurisdictional acts passed by Congress, for the recovery of amounts alleged to be due on treaty obligations or to more adequately compensate the tribes for land taken. The jurisdictional acts also authorized the Government to offset any gratuities theretofore paid on behalf of the Indians.

During the period 1925 to 1936 there was a large volume of this work, and as the reports were compiled and completed, the personnel was absorbed elsewhere. The final report was completed and filed with the Department of Justice on October 12, 1936, at which time the force was entirely disbanded. However, other jurisdictional acts have been passed at recent sessions of Congress and during the past year 13 petitions were filed in the Court of Claims by the Menominee Tribe of Indians. Accordingly, this work has been resumed and this

function will undoubtedly continue and increase during the coming year as petitions of other tribes are filed for suit.

The work in connection with these Indian claims requires utmost care and painstaking effort, together with a clear understanding of the accounts, claims, treaties, statutes, Indian Office reports, records, etc., and other records and data having any bearing on the Indians and their transactions with the Government. These latter claims involve early War Department reports and those of the Bureau of Ethnology, as well as reports and records of the Treasury Department. Above all, the men assigned to this work, and more particularly those in charge of given phases thereof, must be fully capable of analyzing and properly evaluating the varying situations and circumstances and to follow these through to reasonable and logical conclusions. These cases, of course, must be properly and adequately defended by the Department of Justice, but, in a large measure at least, its defense can only be as good as the reports of the General Accounting Office. Incidentally, the cooperation between the General Accounting Office and the Department of Justice on this work, since its very beginning, has been excellent, as has that between the General Accounting Office and the Indian attorneys, notwithstanding the seeming clash of interests. This friendly feeling undoubtedly is due to the understanding by these attorneys that the policy of the General Accounting Office has been, and is, to report the facts as the records present them whether favorable or unfavorable to the Indians.

The beneficial results, from the standpoint of the Government, of the functions performed in connection with Indian tribal claims may be seen from the following review of the work thus far completed in connection with these suits.

According to the records of the General Accounting Office, 47 cases on which reports have been rendered were disposed of by the Court of Claims. The total amount claimed by the Indians in these cases, as closely as could be ascertained, was \$504,780,867.90. The amount allowed by the Court as judgment thereon totaled \$23,621,709.82, which sum was reduced by gratuities in the amount of \$12,556,575.73; thus resulting in net judgments allowed the Indians aggregating \$11,065,134.09.

There is no satisfactory manner of estimating the additional amount of gratuities which may be allowed as offsets in the cases waiting disposition. For example, if all remaining cases were decided adversely to the Indians, and nothing thereon allowed by the Court, the present total of gratuity allowances, \$12,556,575.73, would remain the same, as gratuities are only available for offset against amounts otherwise allowed. When these cases were worked and reported, the General Accounting Office proceeded on the basis of probable court allowances, keeping in mind the provisions of each jurisdictional act

pertaining to gratuities allowable as offsets. Notwithstanding that it is impossible to accurately estimate what the gratuity offsets will ultimately total when all pending cases are adjudicated, it is believed they will probably approximate somewhere between 30 and 50 millions of dollars.

Furthermore, and regardless of the failure of the Indians to establish their claims in a particular suit, and the consequent inability to offset gratuities, there is always the possibility of further jurisdictional acts and further court considerations, in which event the reports containing the gratuity expenditures are readily available for consideration and it would then only be necessary to bring such reports to a current date.

The total cost to the General Accounting Office of performing all of its examining, reporting, and incidental work during the years from 1925 to 1936 was approximately \$1,100,201.97. Much of this work comprised the preparation of full accountings as authorized and required by the several jurisdictional acts, and in many instances these accountings must definitely have established to the satisfaction of those representing the Indians that the long-cherished thoughts relative to the Government's failure to fulfill certain of its treaty obligations were purely myths. In other cases disclosures in the reports of the General Accounting Office have resulted in voluntary abandonment, or dismissal of claims.

As illustrative of the extreme care necessary in work of this nature, and what might be included or omitted, reference is made to the report on the petition of the Delaware Tribe of Indians, Court of Claims No. H-221. Petition in this suit was filed May 31, 1927, and was based on certain transactions pursuant to an agreement dated December 14, 1843, between the Delaware and Wyandotte Tribes of Indians. Under this agreement the Delawares ceded to the Wyandottes 39 sections of land in the State of Kansas, and as consideration therefor the Wyandottes agreed to pay the Delawares \$6,080 in the year 1844, and \$4,000 annually for 10 years thereafter, or a total of \$46,080, payable by January 1, 1855. It was alleged by the Delaware Tribe that the sum of \$6,080 only had been paid by the Wyandotte Tribe, and that the balance of \$40,000, with interest at 5 percent per annum from January 1, 1855, to date of judgment, was still due them. While this was a transaction between two tribes of Indians, the United States was made party to the suit as trustee of their funds.

A careful search of the records of the General Accounting Office failed to disclose any information relative to the allegations of the Delaware Tribe, inasmuch as such records pertain only to disburse-

ments in fiscal officers' accounts and claims settlements, while the transaction concerned involved payment by the Wyandottes to the Delawares. Such being the case, it appeared that our report, if based solely on the records of the General Accounting Office, would be of no material value to a proper disposition of the issue. Accordingly, it was thought that since the transaction involved only the Indians themselves some record might have been made of the payment by the Indian Agent in charge of these Indians and forwarded to the Indian Office. Pursuant thereto, a careful and thorough search was made of the Indian Office files which resulted in finding a receipt dated August 1, 1851, showing payment in full by the Wyandottes to the Delawares in accordance with the aforementioned agreement.

The petition was dismissed on plaintiffs' motion by the Court of Claims on May 5, 1930, based on the record of the receipt as set out in our report. By reason of this dismissal the United States avoided a possible liability in the amount of approximately \$190,684.88, representing the principal sum of \$40,000, plus interest thereon at 5 percent per annum from January 1, 1855, to May 5, 1930, totaling \$150,684.88.

The cost of compiling the report in this case was approximately \$510.40. From the foregoing, it can readily be seen that a saving accrued to the United States of approximately \$190,174.48, which figure represents about one-sixth of the total cost incurred in compiling reports on all Indian cases during the period 1925 to 1936.

An idea of the magnitude of the work performed from 1925 to 1936 may be had from the following: The records of this office indicate the receipt of more or less definite claims totaling \$878,189,891.39. Original and supplemental reports were prepared and filed in connection with 103 cases or petitions; said reports consisting of 62 volumes, in improvised bindings, totaling 33,937 pages of text, tabulations, and statements, and 60 letter reports of varying numbers of pages. The Sioux petition, which incidentally has been split up into 24 separate causes of action, was reported in 8 volumes comprising 4,385 pages of text, tabulations, and statements. This consumed approximately 7½ years and cost approximately \$177,344.89 in examination and preparation. Work on other sizable reports consumed from 6 months to 3 years.

It is roughly estimated that the Menominee report now being prepared pursuant to the petitions filed in the Court of Claims on December 1, 1938, under the act of September 3, 1935, 49 Stat. 1085, will require 18 months for its completion. These claims are for \$9,860,447.69, and will require a full accounting of all transactions beginning with the treaty of 1854 to date. Of course, gratuity

expenditures will have to be compiled and reported as in other Indian cases. Furthermore, reports on five or more other petitions not yet filed, for which jurisdictional acts have been passed, roughly estimated, will consume the following time for their preparation: 12 months for the Tlingit and Haida Indians of Alaska, 24 months for the Indians of Oregon, 18 months for the Chippewas of Wisconsin, 24 months for the Utes, and 8 months for the Chippewas, Red Lake Band.

GENERAL

In the preceding paragraphs describing the type of transactions handled by the General Accounting Office as claims, attention was called to the fact that all claims before the General Accounting Office for settlement are presumed to emanate from acts of administration and for that reason are invariably referred to the administrative agency concerned for consideration and recommendation before settlement is attempted. The law requires the Comptroller General to furnish the head of each executive department or establishment concerned with a copy of each settlement made. Thus it will be seen that the administrative agency, in the first instance, makes its recommendation as to the allowance or disallowance and receives a copy of the settlement made by the Comptroller General.

CHAPTER II

Volume of Work by the General Accounting Office

A REPORT of the work performed by the General Accounting Office, during the fiscal year 1939, is shown in some detail in this chapter.

VOLUME OF ACCOUNTING AND BOOKKEEPING WORK

Ledger accounts maintained

Appropriation and receipt accounts.....	53, 809
Appropriation limitation accounts.....	10, 970
Emergency relief project accounts.....	237, 793
Personal accounts with accountable officers.....	4, 500

Warrants, requisitions for disbursing funds, and certificates of settlement approved or countersigned in the name of the Comptroller General during the fiscal year 1939

Class of Document:	Number
Appropriation warrants.....	944
Transfer appropriation warrants.....	1, 414
Surplus warrants.....	117
Covering warrants.....	26, 913
Transfer and counter warrants (regular series).....	5, 674
Transfer and counter warrants (procurement series).....	8, 276
Pay warrants (sheets).....	4, 400
Requisitions for disbursing funds.....	13, 580
Certificates of settlement.....	73, 604
Total.....	134, 922

Appropriation, transfer appropriation, and surplus appropriation warrants returned to the Treasury Department without countersignature during fiscal year 1939

Department or establishment	Returned	Resubmitted and countersigned	Not resubmitted
Agriculture.....	6	4	2
Commerce.....	1	0	1
District of Columbia.....	4	3	1
Executive and independent offices.....	14	9	5
Interior.....	7	5	2
Justice.....	4	3	1
Labor.....	0	0	0
Legislative.....	0	0	0
Navy.....	4	3	1
Post Office.....	0	0	0
State.....	0	0	0
Treasury.....	2	2	0
War.....	7	4	3
Total.....	49	33	16

Of the foregoing warrants, 17 were returned upon informal request of the Treasury Department; 12 were returned due to insufficient balances in the accounts involved, and 20 were returned for various reasons, such as proposed extension of fiscal year availability of funds beyond date authorized by law; improper amounts to be credited; appropriation proposed to be charged no longer available; appropriation not available in any event for proposed use; not signed by or for the Secretary of the Treasury; duplication of warrant previously signed; and insufficient evidence to enable proper examination and verification. Thirty-three of said warrants were resubmitted with additional evidence either as originally drawn, or as corrected, or revised, and were then countersigned.

Appropriation and receipt accounts: Established, canceled, and changed during fiscal year 1939

[A=established; B=canceled; C=changed]

Department or establishment	Appropriation and receipt accounts									Limitation or subsidiary accounts									Total
	General			Special			Trust			General			Special			Trust			
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	
Agriculture.....	121	6	11	4	1	---	12	---	2	243	10	15	1,218	---	3	22	---	---	1,668
Commerce.....	94	1	---	---	---	---	---	---	---	110	---	8	---	---	---	---	---	---	213
District of Columbia.....	184	---	8	22	1	---	28	6	---	224	1	---	20	---	---	---	---	1	495
Executive and independent offices.....	202	5	4	5	---	---	1	---	---	476	10	3	---	---	---	---	---	---	706
Interior.....	292	2	22	3	---	---	64	---	3	833	---	25	2	---	---	57	4	9	1,316
Justice.....	112	2	1	---	---	---	1	---	---	91	---	---	---	---	---	10	---	---	217
Labor.....	49	---	11	---	---	---	6	---	---	48	---	---	---	---	---	---	---	---	114
Legislative.....	54	---	8	---	---	---	1	---	---	2	---	---	---	---	---	---	---	---	65
Navy.....	112	3	---	---	---	---	---	---	---	182	---	3	---	---	---	---	---	---	300
State.....	68	2	16	5	---	---	30	---	4	74	---	---	---	---	---	---	---	---	199
Treasury.....	285	8	10	2	---	---	2	1	1	129	1	7	---	---	---	---	---	---	446
War.....	147	---	6	4	---	---	27	---	15	225	2	1	---	---	---	25	---	1	453
Total.....	1,720	29	97	45	2	0	172	7	25	2,637	24	62	1,240	0	3	114	4	11	6,192

Fiscal officers' accounts

Class of account	On hand June 30, 1938	Received during 1939	Disposed of during 1939	On hand June 30, 1939
Military:				
Army.....	4,849	4,266	4,527	4,588
Navy and Marine Corps.....	1,875	2,931	2,374	2,432
Total.....	6,724	7,197	6,901	7,020
Civil:				
Indian.....	631	1,012	948	695
Regular.....	10,948	10,307	10,708	10,547
Veterans' Administration.....	29	24	38	15
Total.....	11,608	11,343	11,694	11,257
Grand total.....	18,332	18,540	18,595	18,277

VOLUME OF AUDIT WORK

At the beginning of the fiscal year 1939 there were 1,701,615 vouchers on hand for audit, and during the year there were received an additional 17,134,593, making a total of 18,836,208 vouchers to be audited. Of this number 14,412,462 were audited during the year leaving a total of 4,423,746 unaudited vouchers on hand. While there were approximately 2,700,000 more vouchers on hand June 30, 1939, than at the close of the fiscal year 1938, there were also received during the fiscal year 1939, approximately 1,850,000 more vouchers than during the preceding fiscal year. The increased inventory at the close of the fiscal year 1939 was caused by (1) the increase in receipts and (2) the change in the rendition of Emergency Relief accounts from a trimonthly to a monthly basis. With the exception of accounts appearing to involve fraud and those requiring special investigation, vouchers covering expenditures and receipts under regular appropriations received prior to December 1, 1938, and 69 percent of the vouchers received between December 1, 1938, and March 1, 1939, were audited by June 30, 1939. The emergency relief accounts are now submitted monthly instead of trimonthly as heretofore, such change being made effective with accounts for the month of September 1938. At the close of the fiscal year 1939, the audit of all emergency appropriation accounts received prior to March 1, 1939, had been completed with slight exception. Also, 134 of the 255 accounts received during the months of March and April, and some of the accounts received in May, had been completed. During the course of the fiscal year 1,247,049 rental and benefit commodity contracts were audited, leaving a balance to be audited of approximately 4,137,250.

In connection with the audit of expenditure and collection vouchers 45,932 new and 10,558 revised notices of exceptions were stated, and there was caused to be collected and returned to the Treasury on account of suspensions and disallowances made by the General Accounting Office the amount of \$269,764.74, listed by departments and establishments as follows:

Agriculture.....	\$5, 520. 78
Commerce.....	2, 442. 55
Interior.....	16, 822. 64
Justice.....	8, 050. 90
Labor.....	54. 89
Navy.....	31, 664. 39
State.....	10, 106. 47
Treasury.....	61, 129. 99
War.....	55, 621. 98
Independent offices.....	78, 332. 15

Vouchers submitted by the various departments and independent establishments of the Government for preaudit were returned to the administrative offices for payment within an average of 3 days after receipt.

The field preaudit of payments under various agricultural adjustment programs for the Department of Agriculture was continued during the fiscal year at the following places:

Auburn, Ala.	Jackson, Miss.
Little Rock, Ark.	Columbia, Mo.
Berkeley, Calif.	Lincoln, Nebr.
Athens, Ga.	Fargo, N. Dak.
Champaign, Ill.	Columbus, Ohio.
Lafayette, Ind.	Stillwater, Okla.
Des Moines, Iowa.	Portland, Ore.
Manhattan, Kans.	Columbia, S. C.
Baton Rouge, La.	Brookings, S. Dak.
Lansing, Mich.	College Station, Tex.
St. Paul, Minn.	Madison, Wis.

The stations at Fort Collins, Colo., and Bozeman, Mont., were closed and the work previously performed at those stations was transferred to Manhattan, Kans., and Fargo, N. Dak. The preaudit of payments for the Northeast and East Central regions was conducted in Washington, D. C. Under these programs 6,094,800 vouchers covering a total expenditure of \$626,358,806.64 were pre-audited.

The preaudit of claims for the proceeds of checks which had been drawn to the order of persons who had died, disappeared, or become incompetent before negotiation thereof, was continued in the field in order that the payment of such claims might be expedited.

In addition to discrepancies resulting in collections as above set forth on account of suspensions and disallowances, the audit of public vouchers, during the course of the year, has disclosed many instances of fraud and gross irregularities such as payments to fictitious persons, forged indorsements, and false certifications for services rendered and supplies furnished. Investigation of such cases has effected a return to the Treasury of part of the amounts fraudulently obtained and, in some instances, the prosecution of the offenders.

A detailed report of vouchers audited follows:

VOUCHERS

<i>Volume of post-audit vouchers in disbursing officers' accounts audited during 1939</i>	
Unaudited vouchers on hand July 1, 1938.....	1, 701, 615
Vouchers received during fiscal year 1939.....	17, 134, 593
Total.....	18, 836, 208
Vouchers audited during 1939.....	14, 412, 462
Unaudited vouchers remaining on hand June 30, 1939.....	4, 423, 746

Volume of vouchers, etc., preaudited in Washington during 1939

Department and establishment	Vouchers preaudited for department or establishment per unit	Total vouchers preaudited for department or establishment	Preaudited vouchers certified by G. A. O. for less than administratively approved or disallowed in full as invalid claims for department or establishment per unit	Total preaudited vouchers certified by G. A. O. for less than administratively approved or disallowed in full as invalid claims for department or establishment	Percentage of total vouchers preaudited found correct by G. A. O. for department or establishment
DEPARTMENT					
Agriculture, Department of:					
Agricultural Adjustment Administration	23, 274		1, 998		
Agricultural Economics, Bureau of	26, 661		2, 394		
Agricultural Engineering, Bureau of	4, 030		241		
Animal Industry, Bureau of	151, 672		2, 677		
Biological Survey, Bureau of	922		279		
Chemistry and Soils, Bureau of	61		18		
Dairy Industry, Bureau of	3, 381		85		
Entomology and Plant Quarantine, Bureau of	494		34		
Farm Security Administration	13, 338		2, 385		
Federal Surplus Commodities Corporation	1, 664		264		
Food and Drug Administration	206		35		
Forest Service	235		78		
Home Economics, Bureau of	197		24		
Miscellaneous	129		8		
National Agricultural Research Center	5, 131		310		
Plant Industry, Bureau of	368		103		
Public Roads, Bureau of	65		15		
Secretary, Office of the	2, 490		298		
Soil Conservation Service	7, 816		1, 805		
Weather Bureau	100	242, 234	29	13, 080	94.6
Commerce, Department of:					
Air Commerce, Bureau of (Transferred to Civil Aeronautics Authority Aug. 22, 1938, Executive Order 7959.)	538		67		
Census, Bureau of the	674		84		
Coast and Geodetic Survey	410		115		
Fisheries, Bureau of	954		135		
Foreign and Domestic Commerce, Bureau of	547		108		
Lighthouses, Bureau of	43		17		
Marine Inspection and Navigation, Bureau of	396		40		
Miscellaneous	70		24		
Patent Office	10		0		
Purchases and Sales, Division of	96		22		
Standards, National Bureau of	90	3, 828	4	616	84
Interior, Department of the:					
Alaska Road Commission	2		1		
Bonneville project	79		33		
Columbia Institution for the Deaf	1, 601		53		
Education, Office of	308		5		
General Land Office	564		92		
Geological Survey	183		82		
George Rogers Clark Sesquicentennial Commission	1		0		
Grazing, Division of	1, 650		100		
Housing Authority, United States	1, 011		415		
Howard University	3		0		
Indian Affairs, Office of	777		281		
Investigations, Division of	187		31		
Mines, Bureau of	246		27		
National Bituminous Coal Commission	4, 228		422		
National Park Service	251		74		
Petroleum Conservation Division	468		29		
Puerto Rico Reconstruction Administration	130		17		

Volume of vouchers, etc., preaudited in Washington during 1939—Continued

Department and establishment	Vouchers preaudited for department or establishment per unit	Total vouchers preaudited for department or establishment	Preaudited vouchers certified by G. A. O. for less than administratively approved or disallowed in full as invalid claims for department or establishment per unit	Total preaudited vouchers certified by G. A. O. for less than administratively approved or disallowed in full as invalid claims for department or establishment	Percentage of total vouchers preaudited found correct by G. A. O. for department or establishment
DEPARTMENT—continued					
Interior, Department of the—Continued.					
Reclamation, Bureau of	11		3		
St. Elizabeths Hospital	4		3		
Secretary, Office of the	118		28		
Territories and Island Possessions, Division of	53	11, 875	25	1, 721	85. 6
Justice, Department of:					
General Agent, Office of the	2, 850		968		
Prisons, Bureau of	1, 117	3, 967	518	1, 486	62. 6
Labor, Department of:					
Budgets and Accounts, Division of	9, 403		1, 348		
Children's Bureau	795		62		
Conciliation Service, United States	168		37		
Employment Service, United States	5, 664		343		
Great Lakes Exposition	1		0		
Immigration and Naturalization Service	29, 668		962		
Labor Standards, Division of	394		25		
Labor Statistics, Bureau of	2, 530		158		
Miscellaneous	56		12		
Public Contracts, Division of	675		25		
Publications and Supplies, Division of	1, 814		48		
Secretary, Office of the	148		21		
Wage and Hour Division	1, 904		378		
Women's Bureau	106	53, 326	8	3, 427	93. 6
Navy Department: Yards and Docks, Bureau of					
		9		4	55. 6
State, Department of: Miscellaneous					
		2, 330		332	85. 8
Treasury Department:					
Budget, Bureau of the	1		0		
Chief Clerk, Office of the	407		12		
Coast Guard, United States	601		194		
Commissioner of Accounts and Deposits	657		46		
Customs, Bureau of	1		1		
Disbursement, Division of	568		33		
Engraving and Printing, Bureau of	4		1		
Federal Alcohol Administration	451		95		
Internal Revenue, Bureau of:					
Miscellaneous vouchers	135		46		
Schedules	15, 535		910		
Mint, Bureau of the	7		3		
Narcotics, Bureau of	24		3		
Procurement Division	420		125		
Public Health Service	3		2		
Secretary, Office of the (Division of Printing)	3		2		
Secret Service, Division of	3, 178		214		
State Procurement Office	652		157		
Treasurer of the United States, Office of the	17	22, 664	3	1, 847	91. 9
War Department:					
Chief of Finance, Office of the	237		8		
National Guard Bureau	543	780	128	136	82. 6
INDEPENDENT ESTABLISHMENTS					
Architect of the Capitol, Office of the		102		2	98. 1
Census of Partial Employment, Unemployment, and Occupations		23		8	65. 3
Central Statistical Board		253		9	96. 5
Charles Carroll of Carrollton, Bicentenary Commission		1		1	
Civil Aeronautics Authority		2, 382		382	84

Volume of vouchers, etc., preaudited in Washington during 1939—Continued

Department and establishment	Vouchers preaudited for department or establishment per unit	Total vouchers preaudited for department or establishment	Preaudited vouchers certified by G. A. O. for less than administratively approved or disallowed in full as invalid claims for department or establishment per unit	Total preaudited vouchers certified by G. A. O. for less than administratively approved or disallowed in full as invalid claims for department or establishment	Percentage of total vouchers preaudited found correct by G. A. O. for department or establishment
INDEPENDENT ESTABLISHMENTS—continued					
Civil Service Commission:					
Miscellaneous		4,484		150	96.7
Retirement refund		1,462		60	95.8
Civilian Conservation Corps		5		2	60
District of Columbia:					
Auditor, Office of the		158		30	81.1
Recorder of Deeds		293		26	91.1
Electric Home and Farm Authority		3		3	
Export-Import Bank of Washington		13		6	53.9
Farm Credit Administration		18,587		661	96.5
Federal Communications Commission		4,266		213	95.1
Federal Emergency Administration of Public Works		3,170		528	83.4
Federal Emergency Relief Administration		36		8	77.8
Federal Home Loan Bank Board		2,472		172	93.5
Federal Housing Administration		38,528		3,232	91.6
Federal Power Commission		3,741		151	96
Federal Savings and Loan Insurance Corporation		202		28	86.2
Federal Trade Commission		3,758		241	93.6
General Accounting Office		3,745		58	98.5
George Washington Bicentennial Commission, the United States		11		11	
Government Printing Office		9,228		144	98.5
Great Lakes Exposition Commission, United States (See also Labor Department, Great Lakes Exposition.)		2		0	100
Home Owners' Loan Corporation		16,680		759	95.5
International Boundary Commission, United States and Mexico		9		1	88.9
Interstate Commerce Commission		12,704		417	96.8
Library of Congress		285		24	91.6
Maritime Labor Board		180		43	76.2
Mount Rushmore National Memorial Commission		15		7	53.4
National Advisory Committee for Aeronautics		1		0	100
National Archives, The		922		68	92.7
National Capital Park and Planning Commission		36		8	77.8
National Emergency Council		3,624		272	92.5
National Labor Relations Board		10,249		1,202	88.2
National Mediation Board:					
Miscellaneous		402		51	87.4
National Railroad Adjustment Board		450		31	93.2
National Resources Committee		838		191	77.3
Northwest Territory Celebration Commission		45		14	68.9
Prison Industries Reorganization Administration		11		3	72.8
Railroad Retirement Board		4,757		264	94.5
Rural Electrification Administration		538		210	61
Securities and Exchange Commission		8,066		762	90.6
Smithsonian Institution		4		0	100
Social Security Board		6,799		841	87.7
Temporary National Economic Committee		286		35	87.8
Tennessee Valley Authority		293		84	71.4
United States Constitution Sesquicentennial Commission		246		38	84.6

Volume of vouchers, etc., preaudited in Washington during 1939

Department or establishment	Vouchers preaudited for department or establishment per unit	Total vouchers preaudited for department or establishment	Preaudited vouchers certified by G. A. O. for less than administratively approved or disallowed in full as invalid claims for department or establishment per unit	Total preaudited vouchers certified by G. A. O. for less than administratively approved or disallowed in full as invalid claims for department or establishment	Percentage of total vouchers preaudited found correct by G. A. O. for department or establishment
INDEPENDENT ESTABLISHMENTS—cont'd					
United States Employees' Compensation Commission.....		7		0	100
United States Golden Gate International Exposition Commission.....		66		27	59.1
United States New York World's Fair Commission.....		24		4	83.4
United States Tariff Commission.....		12		1	91.7
Veterans' Administration:					
Compensation.....		1,134		87	92.4
Emergency officers' retirement.....		2		0	100
Insurance.....		1,181		25	97.9
Miscellaneous.....		19,764		529	97.4
White House, The.....		6		0	100
Works Progress Administration.....		10,292		1,180	88.6
Total vouchers preaudited.....		537,866			
Total vouchers not found correct.....				35,953	
Average percent found correct.....					93.4

Field preaudit for Department of Agriculture

Class	Total vouchers preaudited for each class	Total preaudited vouchers certified by G. A. O. for less than administratively approved or disallowed in full as invalid claims for each class	Percentage of total vouchers preaudited found correct by G. A. O. for each class
Payments under Price Adjustment Act of 1938 (title V, Pub. Res. 122, approved June 21, 1938).....	411,058	1,932	99.6
Payments under Soil Conservation and Domestic Allotment Act of Feb. 29, 1936, as amended.....	4,144,598	111,291	97.4
Rental and benefit payments, under act of May 12, 1933, as amended.....	2,921	551	81.2
Payments under Sugar Act of Sept. 1, 1937.....	113,662	3,100	97.4
Cotton price adjustment payments, under act of Aug. 25, 1937.....	1,417,337	23,088	98.3
Cotton price adjustment payments, under act of Feb. 11, 1936.....	224	77	65.7
Total vouchers preaudited.....	6,094,800		
Total vouchers not found correct.....		140,039	
Average percent found correct.....			97.7

CONTRACTS

Volume of Federal contracts, renewals, and modifications examined during 1939

Unexamined contracts on hand, July 1, 1938.....	5, 104
Contracts received during fiscal year 1939.....	1, 067, 986
Total.....	1, 073, 090
Contracts examined during 1939.....	993, 263
Unexamined contracts remaining on hand, June 30, 1939.....	79, 827

VOLUME OF WORK IN CONNECTION WITH THE SETTLEMENT OF CLAIMS

TRANSPORTATION

Summary of transportation work for 1939 (additional to preaudit work)

FREIGHT TRANSPORTATION

Claims on hand, June 30, 1938.....	1, 815
Claims received during 1939.....	27, 834
Claims settled during 1939.....	28, 662
Claims on hand, June 30, 1939.....	987

PASSENGER TRANSPORTATION

Claims on hand, June 30, 1938.....	690
Claims received during 1939.....	3, 493
Claims settled during 1939.....	4, 007
Claims on hand, June 30, 1939.....	176

Amounts involved in above freight and passenger claims

Class	Number settled	Amounts claimed	Amounts disallowed	Percent allowed of amounts claimed
Freight.....	28, 662	\$6, 180, 429. 14	\$1, 261, 232. 93	79. 59
Passenger.....	4, 007	173, 747. 86	14, 618. 21	91. 58
Total.....	32, 669	6, 354, 177. 00	1, 275, 851. 14	79. 92

Disbursing officers' transportation payments audited

Class	Vouchers	Amounts claimed	Amounts suspended	Amounts refunded ¹
Freight.....	239, 483	\$26, 679, 640. 07	\$384, 847. 29	\$215, 787. 41
Passenger.....	66, 786	13, 534, 402. 16	7, 535. 90	12, 017. 91
Total.....	306, 269	40, 214, 042. 23	372, 383. 19	227, 805. 32

¹ Covers, in part, items suspended in prior years.

Preaudit

FREIGHT TRANSPORTATION CLAIMS

On hand June 30, 1938.....	4, 774
Received during 1939.....	171, 018
Disposed of during 1939:	
Certified.....	168, 522
Returned without certification.....	4, 128
On hand June 30, 1939.....	172, 650
	3, 142

PASSENGER TRANSPORTATION CLAIMS

On hand June 30, 1938.....	3, 131
Received during 1939.....	133, 902
Disposed of during 1939.....	136, 140
On hand June 30, 1939.....	893

Amounts involved in above preaudited transportation claims

Class	Bills pre-audited	Amounts claimed	Amounts dis-allowed	Percent allowed of amounts claimed
Freight.....	168, 522	\$9, 270, 896. 18	\$59, 572. 96	99. 4
Passenger.....	136, 140	6, 253, 866. 34	78, 577. 78	98. 8
Total.....	304, 662	15, 524, 752. 52	138, 150. 74	99. 2

CLAIMS

Volume of claims received and settled during fiscal year 1939

Class of claims	On hand June 30, 1938	Received during 1939	Settled during 1939	On hand June 30, 1939
Civil (general and miscellaneous).....	1 18, 360	72, 752	76, 603	14, 509
United States commissioners' accounts.....	171	2, 882	2, 868	185
Preaudited (arising under Agricultural Adjustment Act).....		739	737	2
Service (joint service pay act group, including Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, Public Health Service).....	1, 882	29, 073	23, 597	7, 358
Freight.....	1, 815	27, 834	28, 662	987
Passenger.....	690	3, 493	4, 007	176
Transportation preaudit:				
Freight.....	4, 774	171, 018	2 172, 650	3, 142
Passenger.....	3, 131	133, 902	136, 140	893
Total.....	30, 823	441, 693	445, 264	27, 252

¹ 171 accounts cases formerly carried as civil claims, are this year shown separately as United States commissioners' accounts.

² 4,128 returned without preaudit approval.

Volume of review cases settled during 1939

Class of case ¹	On hand June 30, 1938	Received during 1939	Settled during 1939	On hand June 30, 1939
Requests for review (civil, service, Court of Claims, and transportation claims).....	718	4, 990	5, 361	347

¹ These cases involve calls for reports by the Attorney General in suits filed in the Court of Claims involving civil, service, and transportation questions, and settled civil, service, and transportation claims for which applications for review have been presented.

Effects of American citizens dying within consular districts abroad

	On hand June 30, 1938	Received during 1939	Disposed of during 1939	On hand June 30, 1939
Packages.....	148	8	1	155

SUITS INVOLVING THE UNITED STATES

The General Accounting Office referred 223 cases to the Department of Justice for collection of indebtedness to the United States through suits, aggregating \$709,568.62, an increase of 138 cases over the number referred in 1938, and a monetary increase of \$582,968.25.

The names of the debtors, the dates referred for suit, and the amount of the indebtedness of each, are as follows:

Name	Date referred	Amount	Name	Date referred	Amount
Acme Sheet Metal Works	Oct. 1, 1938	\$229.52	Fitch, Hugh C.	May 6, 1939	\$422.42
Alexander, Knox	Sept. 9, 1938	33.25	Flanders, G. Fred	Sept. 9, 1939	334.85
Atlantic Wiping Cloth Co.	Jan. 21, 1939	3,747.31	Flinton, Lathrop B.	May 15, 1939	81.63
Austin Coal & Dock Co.	July 19, 1938	134.03	Foss & Co.	July 5, 1938	373.94
Baca, H. G.	June 6, 1939	16,818.80	Franklin, William J.	June 26, 1939	125.05
Battista, Albert D.	Mar. 21, 1939	394.13	Fraser, Claire E.	Apr. 26, 1939	4,375.66
Block and Schulman	Mar. 31, 1939	111.13	Frederick, Albert J.	Nov. 15, 1938	12,564.88
Blye, Lucille	Nov. 10, 1938	138.00	G. M. Electric Corporation	Dec. 22, 1938	1,818.88
Boland and Cornelius	May 4, 1939	4,788.62	Garfield Trucking Co.	May 8, 1939	33,977.28
Boomhower, Albert R.	June 15, 1939	728.92	General Crayon Co.	June 15, 1939	38.23
Boston, city of	Apr. 24, 1939	4,787.65	Giddey, Allen F.	Dec. 22, 1938	62.52
Brent, George W.	Dec. 17, 1938	78.50	Gooch, Virginia Williams (Mrs.)	Oct. 22, 1938	578.00
Brown, A. D.	Nov. 16, 1938	1,451.59	Gordon Building & Construction Co., David	June 15, 1939	12,779.67
Bryant, Raymond W.	Mar. 2, 1939	131.07	Habak, Alex.	June 7, 1939	95.72
Burke, John	June 17, 1939	330.50	Hagen, Ivan L.	Aug. 3, 1938	54.22
Butler, Asa W.	Sept. 26, 1938	6.71	Hair, Edwin C.	Nov. 22, 1938	254.22
Cahn Sheets & Ryder	July 18, 1938	77.46	Hankey, David Clyde	June 28, 1939	502.30
Cane, R. L.	Mar. 4, 1939	103.33	Hansen, Axel	June 6, 1939	787.50
Carlson, Homer Lionel	Apr. 17, 1939	278.00	Hansen, C. F.	Mar. 16, 1939	709.09
Carman & Carman Co.	Apr. 22, 1939	396.51	Harris, David E.	Mar. 31, 1939	126.00
Carpenter, Lewis T.	Dec. 15, 1938	131.60	Harrison, William W. Do.	Oct. 26, 1938	508.41
Catheard, James I.	June 20, 1939	7,964.11	Do.	Mar. 6, 1939	243.67
Chicago Macaroni Co.	Aug. 15, 1938	37.92	Hawks, Charles C.	Mar. 31, 1939	408.05
Clarke, Harry Glenister	June 21, 1939	800.28	Hegewald, Chas., Co.	Oct. 24, 1938	5,742.00
Cohens, Inc.	Aug. 11, 1938	9,870.46	Herd, Edward	Mar. 11, 1939	167.28
Collins, Lynne W. Do.	Nov. 8, 1938	5,985.77	Herr, Ruthford L.	June 22, 1939	29.95
Connor and Ripstra	Apr. 11, 1939	7,255.87	Heron-Todd Construction Co.	Nov. 16, 1938	50.00
Conti, Arthur	May 15, 1939	2,144.00	Hield, Clarence	Apr. 7, 1939	508.00
Copeland, Raymond C.	Jan. 27, 1939	51.69	Hildreth, C. N., Jr.	Oct. 25, 1938	397.41
Corbin, A. L.	Sept. 26, 1938	465.77	Hilyard-Newbold Co.	May 22, 1939	5,835.90
Corporation Trust Co.	Mar. 15, 1939	1,619.54	Hogge Seafood Co.	Aug. 8, 1938	30.70
Cortez, Esperances	Mar. 8, 1939	626.00	Holm, Charles	Nov. 22, 1938	142.00
Coyne, Robert Dudley	Apr. 22, 1939	939.62	Hooks, Esther	Dec. 16, 1938	7,984.71
Crawford, Louis H.	Aug. 2, 1939	418.85	Hollenbeck, Hubert E.	Nov. 22, 1938	2,785.96
Croft, Roy Earl.	Oct. 21, 1938	122.59	Huff, Walter V.	Apr. 5, 1939	869.47
Crosby and Sherman	Apr. 22, 1939	350.00	Hugh, John A.	July 8, 1938	1,136.24
Cuyar, Luis F.	May 5, 1939	1,461.18	Hukriede, T. W.	Sept. 3, 1938	19.44
Dacosta, Rafael, & Cia.	Aug. 3, 1938	2,457.65	Hunter, John G.	Apr. 10, 1939	708.74
Daily, Josephine Marie	May 15, 1939	168.00	Jeffers, Herman Doyle	Oct. 17, 1938	240.20
Danner, Frank	Aug. 24, 1938	84.84	Johnson, Arvid A.	Aug. 2, 1938	62.70
Davenport Mfg. Co.	Dec. 28, 1938	4,067.20	Johnson, James R.	Feb. 16, 1939	11,974.43
Davis, Vernie J.	May 20, 1939	889.00	Kaiser, Frederick M.	Dec. 28, 1938	15,861.85
Davis, Marion Schley, estate	July 14, 1938	672.89	Kane, Timothy F.	June 1, 1939	180.50
Davis, H. M.	Jan. 26, 1939	189.30	Kantz Lumber Co.	Aug. 12, 1938	35.15
Dickerson, Johnnie	Sept. 26, 1939	69.03	Keville, William J.	Nov. 4, 1938	2,053.41
DeDios, Pedro Vergel.	May 17, 1939	10,878.52	Kitchen, Ward B.	Jan. 18, 1939	95.50
Dorf Trucking Co., Harry	Apr. 20, 1939	5,999.25	Korolowska, Tanka (Mrs.)	Mar. 11, 1939	8,198.88
Doud, Carl W.	June 26, 1939	61.32	Kuhre, Martin G.	Oct. 11, 1938	276.37
Drake, Hugh	Dec. 22, 1938	193.00	Kulpa, Joseph	Jan. 25, 1939	509.00
Drubar, Clarence A.	May 2, 1939	216.14	Ladson Lumber Co.	May 4, 1939	46.58
Duncan, Rolla	Feb. 20, 1939	62.46	Lanier, Lena Houk (Mrs.)	Dec. 1, 1938	325.16
Dunham, Gurney W.	Sept. 7, 1938	50.30	Landauer, Ruth Schloss	Jan. 27, 1939	251.00
Ellis, Newt.	Oct. 11, 1938	1,207.50	LaRocque, William E.	June 1, 1939	469.33
Elliott, Nina K.	Nov. 21, 1938	35.00	Lassly, Roy F.	June 28, 1939	1,069.85
Ely, Edwin F.	Dec. 13, 1938	121.50	Latimer, Harold G.	Dec. 28, 1938	398.38
Emrick, C. R.	June 13, 1939	167.60	Leasure, Alva C.	Sept. 26, 1938	75.29
Ericksen Lumber & Coal Co.	May 29, 1939	33.22	Lee, Robert Edward	Apr. 26, 1939	176.46
Faulkner, Charles	Jan. 7, 1939	496.86	Leonard, John L.	Sept. 30, 1938	46,934.39
Finch, Elizabeth Alexander	Apr. 4, 1939	289.00	Lilly, C. V.	June 8, 1939	2,928.51

Name	Date referred	Amount	Name	Date referred	Amount
Link Co., The	Aug. 2, 1938	\$77.80	Sams, Lloyd F.	Sept. 26, 1938	\$75.64
Lineberry and Lineberry	Nov. 7, 1938	294.00	Schwilk, Frederick F.	May 15, 1939	258.77
Lopez, Frank	Jan. 25, 1939	133.04	Segal, Samuel, Jr.	Nov. 1, 1938	752.66
MacCallum Stores	July 27, 1938	58.35	Sexton, Philip John	Aug. 23, 1938	841.40
Madden, Edward T.	Aug. 3, 1938	26.51	Shearon, J. E.	Sept. 28, 1938	80.10
Majors, Marshall	Aug. 15, 1938	450.00	Simmons, Mildred (Mrs.)	July 25, 1938	200.00
Marshman, Donald	Apr. 17, 1939	742.86	Smith, Allon Boyd	Apr. 19, 1939	383.50
Martin-Lane Co.	June 15, 1939	327.15	Snow, John R.	Oct. 5, 1938	182.32
Marquardt, Carl L.	June 13, 1939	470.67	Socoony Vacuum Oil Co.	Jan. 6, 1939	24,923.87
Massachusetts, State of	Nov. 15, 1938	1,539.50	Solinsky, Frank J., Jr.	June 5, 1939	1,027.85
Massey, Luther M.	Jan. 7, 1939	381.75	Southern Plastic Relief Co.	May 8, 1939	3,916.00
Maurice, Edward	June 19, 1939	110.45	Spahn, J., and Co.	Apr. 29, 1939	28.45
May, John E.	June 30, 1939	87.55	Spivak, I and C, Inc.	Jan. 20, 1939	1,266.27
Mee, John J.	June 28, 1939	97.34	Sprouse, Frank W.	Sept. 26, 1938	72.16
McCabe, H. C.	Nov. 21, 1938	6,793.46	Stahl, Louis J.	Feb. 15, 1939	1,483.00
McGinnis, John E.	Oct. 5, 1938	12,353.44	Standard Rive Co.	Aug. 25, 1938	6,145.37
McLane, Robert E.	June 6, 1939	165.45	Sternberger, Aline G. (Mrs.)	May 5, 1939	1,260.00
McMullen, John	Sept. 26, 1938	75.29	Stone, Edward S.	June 15, 1939	372.09
Millard Lumber Co.	Sept. 28, 1938	1,046.10	Strowger, Charles W.	Nov. 7, 1938	765.50
Miller, Richard S.	Apr. 11, 1939	478.00	Summers, Archie Karl	Sept. 26, 1938	465.77
Milne, Rufus H.	Oct. 18, 1938	646.58	Swanson, Irvin L.	Nov. 15, 1938	674.28
Mishou, Thomas F.	May 5, 1939	852.24	Tambascio, Nicholas	May 15, 1939	380.00
Molster, Charles E.	Oct. 11, 1938	1,951.33	Taylor, Frank K.	Jan. 26, 1939	1,557.00
Morton Bros.	Jan. 17, 1939	793.80	Teletouch Corporation	Sept. 9, 1938	4,869.69
Myrick, Archie P.	May 19, 1939	1,341.90	Thomas, William Kenny	Dec. 19, 1938	140.00
National Contracting Co.	Feb. 6, 1939	422.19	Thyer, Alva C.	Jan. 27, 1939	35.00
Neilson, George Frederick	June 21, 1939	555.99	Tice, Duane James	Feb. 27, 1939	731.04
Nevis, Joseph I.	Feb. 8, 1939	387.51	Tittmore, Lenton	Aug. 15, 1938	155.36
Newkam, Anthony C.	Jan. 27, 1939	48.00	Tondre, Joseph F.	Sept. 15, 1938	145.27
Nicholls, J. Irving	Aug. 29, 1938	2,248.25	Tucker, Carolyn E.	May 2, 1939	88.71
Nola Iron Works	Jan. 6, 1939	1,843.73	Tucker, William A.	Jan. 28, 1939	142.93
Northern Trust Co.	Jan. 24, 1939	109.33	Turlington, Richard	June 19, 1939	678.00
O'Brien, Mary (Mrs.)	Sept. 29, 1938	332.00	Utter, Oscar E.	Jan. 21, 1939	373.00
Olson, J. and Son	June 26, 1939	283.84	Vanderburgh County Board Commissioners	Oct. 4, 1938	9,706.72
Ossher, Michkle	Feb. 27, 1939	563.50	Vickery, John H.	July 26, 1938	8,988.47
Overstreet, Vernon L.	Oct. 4, 1938	499.33	Voight Milling Co.	Aug. 22, 1938	7,072.30
Peltier, Edward A.	May 1, 1939	1,059.99	Vollmer & Son, Inc.	Apr. 6, 1939	87,485.85
Perryman-Burns Coal Co.	Sept. 9, 1938	518.86	do	June 26, 1939	1,200.06
Pulver, Fred S.	Aug. 15, 1938	1,103.51	Wadleigh, T. J. (Mrs.)	Sept. 3, 1938	100.00
Pusatera, John	Oct. 27, 1938	978.96	Walton, Bessie, Estate	Jan. 17, 1939	1,170.64
Radcliffe, William W.	July 21, 1938	69,206.84	Ward, James Clay	Apr. 1, 1939	293.04
Rah Motor Co.	May 29, 1939	526.32	Weed, Raymond H.	Nov. 10, 1938	220.00
Reid, Anna Duffy	May 18, 1939	999.99	Wheeler, Sidney Kenyon	Apr. 17, 1939	625.93
Rensch, Mary June	Mar. 15, 1939	355.00	Whitesides, V. S.	Feb. 8, 1939	4,094.25
Riley, Frank A.	Oct. 25, 1938	71.60	Wilkinson-Armstrong, Inc.	June 22, 1939	197.58
Rinald, H. Co.	Apr. 22, 1939	135.33	Woodworth, Randall N.	Apr. 22, 1939	356.02
Rockwell, L. H.	Jan. 31, 1939	119.01	Young, R. T.	Feb. 24, 1939	84,396.19
Roque, Paul	Nov. 12, 1938	8,616.12	Young, Richard	Mar. 20, 1939	581.04
Rowe, Harvey J.	Sept. 16, 1938	180.72	Zetkin, Marcus M.	June 1, 1939	195.55
Rowe, W. E.	Oct. 26, 1938	356.05			
Royal Electric Supply Co.	Mar. 20, 1939	120.39			
Russell, Arthur N.	June 1, 1939	424.50			
Ryan, Henry B., Co.	Mar. 31, 1939	1,022.04			
do	Apr. 26, 1939	28,683.53			
Sanitary Feather & Down Co., Inc.	Sept. 21, 1938	1,982.10			
			Total		709,568.62

VOLUME AND DETAIL OF WORK ON INVESTIGATIONS, INSPECTIONS, ACCOUNTING FORMS, AND INSTALLATION OF ACCOUNTING SYSTEMS AND PROCEDURES

Inspections, surveys, and investigations were made during the fiscal year ended June 30, 1939, in the States, Territories, foreign countries and on board United States vessels as set forth in the following tabulation.

Inspections, Surveys, Etc.

The States, Territories, foreign countries, and United States vessels, in and on which surveys, or miscellaneous investigations, and inspections of accounts were made, places at which made, number of offices and accounts inspected, and number of reports rendered, are as follows:

	Offices visited (number)	Accounts inspected (number)	Reports				Total reports by—	
			Inspection	Survey	Audit	Miscellaneous	Place	State
Alabama:								
Anniston (Camp McClellan).....	1	6	1				1	
Birmingham.....	4	7	4				4	
Mobile.....	8	12	5	3	1	1	10	
Montgomery.....	4	9	4				4	
Tuskegee.....	1	1	1				1	
Total.....	18	35						20
California:								
Berkeley.....	1	1			1		1	
Chula Vista.....	1			1			1	
Fresno.....						1	1	
Long Beach.....						2	2	
Los Angeles.....	2					6	6	
Oakland.....	3					18	18	
Point Loma.....	1	1	1				1	
Sacramento.....	1	1	1			3	4	
San Diego.....	6	6	4			2	6	
San Francisco.....	8					8	8	
San Pedro.....	1			1		3	3	
San Ysidro.....	1						1	
Visalia.....	1					1	1	
Total.....	25	9						53
Connecticut:								
Hartford.....						1	1	
New London.....						1	1	
Total.....								2
Delaware: Wilmington.....								
	2	1	1			1	2	2
Florida:								
Miami.....						4	4	
St. Petersburg.....	1	1	1			1	2	
Tampa.....	1	7	1		1	2	4	
Total.....	2	8						10
Georgia:								
Savannah.....	1					2	2	
Waycross.....	1					1	1	
Total.....	2							3
Kansas: Wichita.....								
	5	7	3		2	1	6	6
Kentucky: Louisville.....								
	1	2			1		1	1
Louisiana:								
Baton Rouge.....	1			1			1	
Carville.....	1	1	1				1	
Jeanerette.....	1			1			1	
Lake Charles.....	1			1			1	
New Orleans.....	21	47	18	3	2	6	29	
Total.....	25	48						33
Maine: Biddeford.....								
						1	1	1

	Offices visited (number)	Accounts inspected (number)	Reports				Total reports by—	
			Inspection	Survey	Audit	Miscellaneous	Place	State
Maryland:								
Baltimore.....	3	6			2	12	14	
Cumberland.....	1					1	1	
Frederick.....	1					2	2	
Hagerstown.....	1					1	1	
Total.....	6	6						18
Massachusetts: Boston.....	16	24	11	3	1	10	25	25
Michigan: Detroit.....	1	3	1		3	2	6	6
Minnesota: St. Paul.....	1	2			1		1	1
Missouri:								
Kansas City.....	1	4			1		1	
St. Louis.....	1	2			1		1	
Total.....	2	6						2
Nebraska: Omaha.....	1	2			1		1	1
New Hampshire: Nashua.....	1					1	1	1
New York:								
Binghamton.....						6	6	
Buffalo.....	1					9	9	
Carthage.....						4	4	
Corning.....						2	2	
Elmira.....						2	2	
Geneseo.....						3	3	
Hornell.....						3	3	
Middletown.....						2	2	
Newburgh.....						2	2	
New York.....	6					180	180	
Oneota.....						1	1	
Syracuse.....						5	5	
Walton.....						1	1	
Watertown.....						38	38	
Total.....	7							258
Ohio:								
Akron.....	1					4	4	
Cincinnati.....	1					1	1	
Cleveland.....	1		1		1	8	10	
Toledo.....	1					1	1	
Total.....	4							16
Pennsylvania:								
Blue Ridge Summit.....						2	2	
Chester.....	1	1	1				1	
Harrisburg.....	1					1	1	
Philadelphia.....	1	5			4	14	18	
Total.....	3	6						22
Rhode Island: Pawtucket.....						1	1	
Tennessee:								
Chattanooga.....						4	4	
Knoxville.....	1	2	1			20	21	
Lebanon.....						1	1	
Memphis.....	9	32	9		2	1	12	
Nashville.....	9	13	8	1		2	11	
Tullahoma.....						4	4	
Total.....	19	47						53
Texas:								
Austin.....	2	6	2				2	
Beaumont.....	1	1	1				1	
Brownsville.....	2	2	2			1	3	
Corpus Christi.....	2	1	1	1			2	
Fort Brown.....	2	1	1	1			2	
Fort Sam Houston.....	2	13	2	1			3	
Freeport.....	1	1		1			1	
Galveston.....	5	12	5		1	12	18	
Houston.....	4	5	3	1		1	5	
Kelly Field.....	2	2	2				2	
Laredo.....	2	2	2				2	
Legion.....	1	1		1			1	

	Offices visited (number)	Accounts inspected (number)	Reports				Total reports by—	
			Inspection	Survey	Audit	Miscellaneous	Place	State
Texas—Continued.								
Palacios	1					1	1	
Port Arthur	1	5	1		1	5	7	
Randolph Field	2	5	2				2	
San Antonio	5	11	4	1	1	13	19	
Total	35	68						71
Virginia:								
Quantico	1					1	1	
Richmond	1					1	1	
Total	2							2
Alaska:								
Juneau	26	16	9	15	1	4	29	
Ketchikan	8	6	6	2			8	
Total	34	22						37
Mexico: Ciudad Nuevo Laredo	1	1	1				1	1
Panama:								
Ancon	2	3	2				2	
Balboa	1	1	1			1	2	
Cristobal	1	1	1				1	
Quarry Heights	1	3	1				1	
Total	5	8						6
Puerto Rico: San Juan	3	31	2		1	7	10	10
District of Columbia: Washington	5	4	2	1		4	7	
United States vessels:								
Altair	2	4	2				2	
Aretic	2	4	2				2	
Barry	1	2	1				1	
Benham	1	2	1				1	
Borie	1	1	1				1	
Brazos	1	1	1				1	
Brooklyn	2	4	2				2	
Detroit	2	4	2				2	
Dobbin	2	4	2				2	
Ellet	1	2	1				1	
Goff	1	2	1				1	
Gridley	1	1	1				1	
Haida	1	1	1				1	
Honolulu	2	4	2				2	
Hopkins	1	2	1				1	
Itasca	1	1	1				1	
Jouett	2	3	2				2	
Kanawha	2	4	2				2	
Lang	1	2	1				1	
Langley	2	4	2				2	
Leary	2	2	2				2	
Manley	2	2	2				2	
Melville	2	4	2				2	
Nashville	2	4	2				2	
New York	2	4	2				2	
Philadelphia	2	4	2				2	
Ramapo	1	1	1				1	
Ranger	2	4	2				2	
Reuben James	2	2	2				2	
Roper	1	2	1				1	
Sacramento	1	2	1				1	
Savannah	2	4	2				2	
Schenck	2	3	2				2	
Seattle	2	2	2				2	
Semmes	1	2	1				1	
Tennessee	2	4	2				2	
Texas	2	4	2				2	
Warrington	2	3	2				2	
West Virginia	2	4	2				2	
Wichita	2	4	2				2	
Winslow	1	1	1				1	
Total	66	114						66
Grand total	292	454	197	40	30	468		735

Section 309 of the Budget and Accounting Act, 1921, 42 Stat. 25, provides that:

The Comptroller General shall prescribe the forms, systems, and procedure for administrative appropriation and fund accounting in the several departments and establishments, and for the administrative examination of fiscal officers' accounts and claims against the United States.

In the annual reports of the Acting Comptroller General for the fiscal years 1937 and 1938, pages 86 and 50 respectively, there was presented in some detail general information as to the scope and nature of systems of administrative accounts which are being prescribed and installed for use by the several agencies of the Government, together with lists of bureaus, establishments, offices, etc., for which such systems were prescribed during the 2 fiscal years in question.

Such process continued during the fiscal year 1939, and systems were prescribed, revised, and installed or were in process of survey or promulgation at June 30, 1939, in 44 establishments, bureaus, and offices, as follows:

Systems prescribed and installed

Agriculture, Department of:

- Bureau of Agricultural Economics.
- Bureau of Agricultural Engineering.
- Bureau of Plant Industry.
- Food and Drug Administration.
- Farm Security Administration.
- Bureau of Entomology and Plant Quarantine.
- Bureau of Chemistry and Soils.
- Bureau of Animal Industry.
- Extension Service.
- Central Supply Section.

Interior, Department of the:

- National Park Service, Washington, D. C., office.
- Freedmen's Hospital.
- Division of Grazing.

Justice, Department of: Land Acquisition Division.

Treasury Department: Bureau of Public Health Service.

District of Columbia Alley Dwelling Authority.

Railroad Retirement Board.

Rural Electrification Administration.

Securities and Exchange Commission.

National Bituminous Coal Commission (revision).

Consumers Counsel, National Bituminous Coal Commission.

Surveys and systems in process

Agriculture, Department of:

Federal Crop Insurance Corporation.

Farm Credit Administration—Agricultural Marketing Act revolving fund.

Foreign Agriculture Relations.

Bureau of Agricultural Economics (revision).

Forest Service (revision).

Agricultural Marketing Service.

Soil Conservation Administration.

Bureau of Chemistry and Engineering.

Bureau of Animal Industry (revision).

Interior, Department of the:

National Park Service, field offices.

Bonneville project.

National Capital Parks.

United States Housing Authority.

Civil Aeronautics Authority.

Temporary National Economic Commission.

National Gallery of Art.

Federal Loan Agency.

Federal Security Agency.

Federal Works Agency.

Maritime Labor Board.

Department of Labor: Wages and Hours Division.

Perry's Victory Celebration.

Mount Rushmore National Memorial Commission.

It was pointed out in the annual report of the Acting Comptroller General for the fiscal year 1938, that approximately 100 systems had been prescribed and installed up to the close of that fiscal year and that the majority of agencies for which systems had not been formally prescribed were employing methods substantially in conformity with the uniform system of accounts embodied in General Accounting Office Circular No. 27, issued July 21, 1926. While there remain numerous agencies, establishments, and offices for which systems have not been formally prescribed, the above list indicates a marked increase in such activity over prior fiscal years. Such increase is considered gratifying, especially when viewed from the standpoint of the limited facilities available for such work and the processes involved, which are briefly outlined as follows:

1. Detail survey and investigation to determine the accounting requirements of the agency, bureau, or office concerned;
2. Developing the system for review and final consideration;
3. Supervising the installation of the system after it is formally prescribed; and
4. Observing the continued operation thereof with a view to determining any modifications after installation.

Thus it will be observed that in the accounting system work there devolves upon the General Accounting Office not only the responsibility for developing and promulgating proper administrative accounting procedures, but also the necessity for providing assistance in putting such procedures into operation and observing the continued operation thereof. As was pointed out in previous annual reports, *supra*, all agencies for which systems are prescribed are required to submit to the General Accounting Office monthly financial statements and transcripts of certain accounts. Procedure accordingly enables determination whether the accounts are being maintained as prescribed and also furnishes a basis for reconciliation of the financial records of the administrative office with the control accounts maintained in the General Accounting Office.

In the process of survey and installation of systems certain matters are brought to the attention of administrative officials which, while not directly related to the operation of such systems, are believed to be essential to proper administrative control over public funds and records, some of which are as follows:

1. The necessity for recording final administrative action in the accounting records before transmitting vouchers, etc., to the General Accounting Office for preaudit or to the disbursing officer for payment, thereby preventing the possibility of violating the Antideficiency Act.
2. The recording of encumbrance documents, such as contracts, leases, travel, orders, etc., against the appropriations when administratively approved as a further means of administrative control over the expenditure of appropriations.
3. The necessity for maintaining adequate accounting records for amounts due the United States.
4. The necessity for maintaining adequate accounting records for property, equipment, and supplies purchased by the United States, as a means of establishing and maintaining proper administrative custody thereof.
5. The necessity for maintaining adequate accounting records for civil-service retirement-fund deductions and contributions as they relate to the individual employees.

While all systems prescribed make provision for such essential requirements there has been noted a general failure on the part of administrative accounting officers and employees to observe such requirements.

During ensuing fiscal years efforts will be made to extend more rapidly the work of establishing uniform systems of accounts in all departments and establishments of the Government and to bring into more general use those accounting features which serve best to protect the common interests.

Accounting Forms

During the fiscal year 1939 there were approved 356 special accounting forms, as follows:

Department or establishment	Class	Number of forms disposed of by class	Total for departments or establishments
SPECIAL ACCOUNTING FORMS			
1. Agriculture, Department of.	Affidavit	3	
	Application for payment—A. A. A. programs	54	
	Bill of lading accountability record	1	
	Carrier's claim record	1	
	Certificate with respect to joint producers	1	
	Certificate of compliance	2	
	Certificate of performance and application for payment	2	
	Certified invoice for food order stamps	1	
	Claim for payment	1	
	Claim for refund	2	
	Claim for wages	2	
	Computation schedule	1	
	Computation table	2	
	Farm computation sheet and supplement	6	
	Final computation pursuant to inspection report	1	
	Land purchase voucher	1	
	Miscellaneous encumbrance record	1	
	Offer of sale	2	
	Payment voucher	8	
	Purchase order	9	
	Purchase voucher	2	
	Recapitulation sheet for multiple farm owner or operator	1	
	Refund voucher	3	
	Request and agreement for advances	1	
	Schedule of balance showing status of appropriations	1	
	Schedule of disbursements	1	
	Schedule of refunds	1	
	Schedule of requests for advances	1	
	Statement of balances—general ledger accounts	1	
	Statement of indemnity	1	
	Transportation request accountability record	1	
	Voucher for adjustment payments	1	
	Voucher for advance	1	
	Voucher for delivery of food	2	
	Voucher for wage payment	1	
Voucher—laborer's wage program	1		
Voucher, wildlife restoration	1		
			122
2. Civil Service Commission	Annual summary of retirement fund transactions	1	
	Pay roll	1	
	Register of adjustments	1	
			3
3. Commerce, Department of.	Allotment roll	2	
	Enumerator's voucher	2	
	Pay roll	2	
	Pay voucher	2	
	Statement of account	1	
			9
4. District of Columbia	Bill of lading accountability record	1	
	Carrier's claim record	1	
	Miscellaneous encumbrance record	1	
	Schedule of balances showing status of appropriations	1	
	Statement of balances—general ledger accounts	1	
Transportation request accountability record	1		
			6
5. Federal Emergency Administration of Public Works.	Pay roll		
	Securities journal		
	Securities ledger	1	
		1	
			3
6. Federal Home Loan Bank Board.	Pay roll—continuation sheet		
		1	
			1

Department or establishment	Class	Number of forms disposed of by class	Total for departments or establishments
SPECIAL ACCOUNTING FORMS—continued			
7. Federal Housing Administration.	Application register and schedule	1	1
8. Federal Prison Industries, Inc.	Invoice	2	2
9. General Accounting Office.	Receipt	2	2
10. Interior, Department of the.	Abstract	1	
	Accounts receivable ledger	1	
	Accounts receivable register	1	
	Bill for collection	1	
	Bill for electrical energy	4	
	Bill of lading accountability record	2	
	Carrier's claim record	2	
	Collection tickler	1	
	Collection voucher	2	
	Invoice	2	
	Licensee's ledger record	1	
	Miscellaneous encumbrance record	2	
	Permit or license for grazing privileges	8	
	Receipt	1	
	Register of ledger postings	1	
	Schedule of balances	2	
	Statement of account	1	
	Statement of balances	2	
	Supplies and equipment register	1	
	Temporary receipt	1	
	Transportation request accountability record	2	
			39
11. Justice, Department of	Cash receipt	1	
	Miscellaneous encumbrance record	1	
	Petty cashbook	1	
	Register of collections	1	
	Schedule of balances	1	
	Statement of balances	1	
			6
12. Labor, Department of	Computation of amount of grant certified for payment.	3	
	Voucher for grants to States	4	
	Voucher for refunds	2	
			9
13. Maritime Commission, U. S.	Pay roll—continuation sheet	1	
	Subvoucher	1	
			2
14. Navy Department	Drill compensation	3	
	Flight certificate and schedule	1	
	Paymaster's daily transactions and balances	1	
	Pay roll	1	
	Transfer pay account	2	
	Voucher—uniform gratuity	3	
			11
15. Panama Canal, The	Pay receipt	2	
	Pay roll recapitulation	1	
			3
16. Post Office Department	Affidavit of carrier	1	
	Monthly airmail statement	2	
	Monthly report of foreign airmail dispatched	1	
	Pay roll	1	
	Postmaster's quarterly postal account	1	
	Quarterly account	1	
	Report of 1-way trip	1	
	Schedule of disbursements	1	
	Settlement warrant	1	
	Statement of balances due	2	
	Supplemental monthly statement of airmail service performed.	1	
			13
17. Rural Electrification Administration.	Pay voucher	1	
	Travel authorization	1	

Department or establishment	Class	Number of forms disposed of by class	Total for departments or establishments
SPECIAL ACCOUNTING FORMS—continued			
18. Railroad Retirement Board	Bill of lading accountability record	1	
	Carrier's claim record	1	
	Miscellaneous encumbrance record	1	
	Schedule of balances	1	
	Statement of balances	1	
	Transportation request accountability record	1	
	Voucher and register of unemployment insurance benefits	3	
19. Securities and Exchange Commission	Bill of lading accountability record	1	9
	Carrier's claim record	1	
	Miscellaneous encumbrance record	1	
	Schedule of balances	1	
	Statement of balances	1	
	Transportation request accountability record	1	
20. Social Security Board	Computation of amount	3	6
	County treasurer's application	1	
	Public administrator's application	1	
	Quarterly statement of expenditures	3	
	Statement of collections	2	
	Statement of employer	1	
	Voucher for grants to States	4	
21. State, Department of	Account current	1	15
	Cashbook	1	
	Excerpt travel order	1	
	Nonuse of transportation requests	1	
	Pay roll	2	
	Statement of travel	1	
22. Tennessee Valley Authority	Pay roll	2	7
23. Treasury Department	Assessment certificate	1	2
	Authorization to adjust account	3	
	Invoice	8	
	Notice of adjustment	8	
	Pay voucher	1	
	Pay voucher and certification	1	
	Pay voucher and schedule	1	
	Purchase order	8	
	Revenue account current	2	
24. Veterans' Administration	Account of sale or collection	1	33
	Decision of questions of fact and law	8	
	Receipt	4	
	Voucher—matured endowment	2	
25. War Department	Collection voucher	1	15
	Comutation voucher	2	
	Daily cash record	1	
	Pay roll	1	
	Receipt	1	
	Schedule of disbursements	1	
	Statement of account	3	
	Summary of bills	1	
	Voucher for allotment pay	2	
	Voucher for payment of allowances	1	
	Voucher for retired pay	2	
26. Works Progress Administration	Daily production record	1	16
	Invoice	4	
	Pay roll	14	
	Voucher for equipment rental	1	
Grand total			20
			357

VOLUME AND DETAIL OF WORK IN CONNECTION WITH POSTAL ACCOUNTS

Collections of amounts due the United States

Open accounts of former postmasters:			
For fiscal years 1916 to 1938, inclusive.....		\$178,589.66	
For fiscal year 1939.....		23,380.62	\$201,970.28
Offsets of amounts otherwise due to common carriers for the transportation of the mails during 1939 by the payment thereof to the Treasurer of the United States toward liquidation of indebtedness to United States Railroad Administration or under Transportation Act of 1920, as amended.....			
			10,363.93
Other offsets:			
Taxes.....		\$908.25	
Loans.....		1,699.12	
Miscellaneous.....		10,312.87	
			12,920.24
Accounts with foreign countries:			
Air mail transit.....		1,821,314.18	
Miscellaneous.....		12,813.97	
Parcel post.....		176,874.66	
Postal.....		415,881.23	
			2,426,884.04
Total.....			2,652,138.49

Transportation of mails, expenditures for, audited during fiscal year 1939

	Service of the fiscal years					Total expenditures
	1939	1938	1937	1936 and prior		
Vehicle service.....	\$14,525,309.25	\$674,019.43	\$3,269.04	\$1,636.41	\$15,204,234.13	
Pneumatic-tube service.....	511,705.25	11,151.28			522,856.53	
Pneumatic-tube service—Boston.....	24,000.00				24,000.00	
Star Route Service—Alaska.....	118,445.88	25,761.95	75.00		144,282.83	
Power-boat service.....	1,034,505.91	122,207.05			1,156,712.96	
Railroad transportation and mail messenger service.....	93,502,349.29	11,873,486.88	748.89	182,591.96	105,559,177.02	
Contract Air Mail Service.....	13,901,052.61	2,460,341.89	194,142.96	77,424.79	16,632,962.25	
Electric and cable-car service.....	262,455.80	57,684.05	542.94	960.72	321,643.51	
Foreign mail transportation.....	10,512,903.08	1,141,672.12	20,759.87	121.06	11,675,456.13	
Balances due foreign countries.....	561,322.57	549,856.02	12,671.09		1,123,849.68	
Star Route Service (except Alaska).....	9,836,776.04	936,895.41	73.75	.71	10,773,745.91	
Grand total.....	144,790,825.68	17,853,076.08	232,283.54	262,735.65	163,138,920.95	

Accounts and claims preaudited during fiscal year 1939

Classes	Number	Amount allowed	Classes	Number	Amount allowed
Contract air mail.....	1,267	\$16,543,384.45	Money orders, unpaid, more than 1 year old.....	1,118,718	\$162,268.57
Damage, personal and property.....	1,908	60,477.62	Power boat.....	1,790	782,191.28
Electric and cable car.....	1,720	321,643.61	Supplies.....	34,458	11,062,823.13
Foreign:			Railroad.....	20,242	98,416,025.51
Air mail.....	715	7,724,982.38	Rewards for information, etc.....	350	50,239.21
Steamship.....	2,856	2,744,946.64	Road tolls.....	62	3,444.05
Postal.....	324	1,158,202.02	Star route.....	139,221	10,785,686.75
Parcel post.....	347		Special-mail carriers.....	353	26,976.42
Freight and express.....	10,201	299,062.07	Travel expenses.....	18,178	783,759.53
Indemnities for loss, rifling, or damage of registered, insured, and collect-on-delivery mail.....	9,996	71,118.13	Miscellaneous.....	2,464	79,061.02
			Total.....	263,170	151,056,192.39

¹ Includes 758 claims disallowed.

² Includes 25 claims disallowed.

Volume of Federal contracts received and filed during 1939..... 25,248

Federal indebtedness of common carriers to the United States Railroad Administration or under Transportation Act of 1920, as amended, collected or withheld during the period July 1, 1938, to June 30, 1939, from payments otherwise due said carriers for the transportation of the mails

COLLECTED

Des Moines & Central Iowa R. R. Co.....	\$867. 75
Waterloo, Cedar Falls & Northern Ry. Co.....	4, 449. 03
Wichita Northwestern Ry. Co.....	5, 047. 15
Total.....	<u>10, 363. 93</u>

SUSPENDED

Des Moines & Central Iowa R. R. Co.....	958. 96
Waterloo, Cedar Falls & Northern Ry. Co.....	1, 167. 08
Wichita Northwestern Ry. Co.....	919. 14
Total.....	<u>3, 045. 18</u>

POSTAL ACCOUNTS AND CLAIMS AUDITED AND PREAUDITED

Classes:	Number
First- and second-class direct and central accounting offices.....	18, 881
Third- and fourth-class district offices.....	159, 808
Money-order accounts.....	15, 694
Postmasters' internal-revenue stamp accounts.....	843
Postmasters' postal-savings accounts.....	86, 738
Former postmasters' accounts.....	3, 450
Disbursing clerk, Post Office Department, accounts of.....	12
Miscellaneous accounts and claims.....	263, 170
Migratory-bird-hunting stamp accounts.....	244
United States savings-bond accounts.....	46, 501
Total.....	<u>598, 341</u>

AUDITED PAY ROLLS AND CLAIMS INCLUDED IN POSTAL ACCOUNTS

Classes:	
Postal Service pay rolls.....	47, 009
Indemnity claims paid by postmasters.....	128, 162
Total.....	<u>175, 171</u>

RECEIPTS AND DISBURSEMENTS

(Value of postal accounts and claims audited and preaudited)

Classes:	Amount
Postal revenues.....	\$745, 955, 075. 24
Postal expenditures:	
By postmasters.....	612, 953, 068. 10
By disbursing clerk, Post Office Department.....	3, 848, 582. 81
By warrant.....	167, 845, 287. 23
Expenditures from funds transferred from Treasury.....	527, 186. 14
Domestic money orders issued.....	2, 069, 045, 432. 53
International money orders issued.....	20, 698, 740. 54
Domestic money orders paid.....	2, 059, 539, 130. 81
International money orders paid.....	3, 622, 332. 89
Internal-revenue stamp sales.....	4, 188, 605. 74
Postmasters' postal-savings receipts.....	901, 077, 066. 44
Postmasters' postal-savings payments.....	936, 400, 058. 30
Former postmasters' accounts, balances collected.....	201, 970. 28
Migratory-bird-hunting stamp sales.....	1, 831, 527. 00
United States savings bond sales.....	333, 068, 343. 75
Total financial transactions.....	<u>7, 860, 802, 407. 80</u>

Postal, money order, and disbursing clerk's accounts, etc., audited for fiscal year 1939 (period July 1, 1938, to June 30, 1939) rather than in fiscal year 1939, are shown to correspond with annual report of Comptroller General of the United States to Postmaster General showing financial condition of Post Office Department at close of fiscal year 1939, for use in annual report of Postmaster General to the Congress. (Acts of July 12, 1876, sec. 4, 19 Stat. 80, and June 10, 1921, sec. 304, 42 id. 24.) The audit work was performed in period from October 1, 1938, to September 30, 1939. Number of accounts and claims on hand and in course of audit on June 30, 1939, was 30,730, consisting of 11,976 claims and 2,465 accounts of former postmasters, 7,179 postal-savings accounts, and 9,052 United States savings-bond accounts.

SEARCHES MADE FOR POSTAL SAVINGS SYSTEM PURSUANT TO REQUEST THEREFOR

Classes:

Individual depositors' accounts.....	6, 216
Advices for reissuance in lost, destroyed, and stolen certificates.....	44, 847
Reconciliation of liabilities.....	16, 192
Advices of unclaimed postal-savings certificates investigated.....	3, 091
Total.....	70, 346

MONEY ORDERS

	Issued	Value	Paid	Value
Domestic.....	246, 534, 183	\$2, 069, 045, 432. 53	250, 664, 326	\$2, 059, 539, 130. 81
International.....	1, 826, 288	20, 698, 740. 54	346, 221	3, 622, 332. 89
Total.....	248, 360, 471	2, 089, 744, 173. 07	251, 010, 547	2, 063, 161, 463. 70

VOLUME AND DETAIL OF WORK IN CONNECTION WITH RECORDS

MISCELLANEOUS

Photostats of documents:		
Furnished without charge.....	143, 843	
Furnished with charge.....	5, 903	
Total.....		149, 746
Transcripts and miscellaneous information furnished General Accounting Office and departments and other establishments:		
Requests for, on hand June 30, 1938.....		510
Requests for, received during 1939.....		51, 401
Furnished during 1939.....		50, 568
Requests for, on hand June 30, 1939.....		1, 343
Military histories, prepared and transmitted on request.....		14, 299
Accounts assembled and prepared for permanent file.....		16, 748
Potential claims caveated.....		973

VOLUME AND DETAIL OF THE WORK OF GENERAL ACTIVITIES

LEGISLATIVE AND OTHER REPORTS

Reports and miscellaneous inquiries	On hand June 30, 1938	Received during 1939	Disposed of during 1939	On hand June 30, 1939
Reports:				
To Congress and to committees of the Congress:				
Reports requested or required by law	3	168	157	14
Suggestive reports		31	31	
To the Director of the Budget:				
Requested reports on enrolled enactments		16	16	
Requested reports on proposed or pending legislation		23	23	
Replies to miscellaneous inquiries:				
From the President		5	5	
From Members of the Congress	360	2,830	2,888	302
Total	363	3,073	3,120	316

VOLUME AND DETAIL OF CHECK WORK

Checks audited (approximately)	152,143,488
Depository accounts reconciled and adjusted	31,295
Reports to the Secretary of the Treasury of checks to be covered into "Outstanding liabilities"	4,142
Checks so reported	143,272
Amount involved	\$1,609,602.45
Forgery matters:	
Cases on hand June 30, 1938	11,897
Cases received during 1939	23,285
Cases disposed of during 1939	26,364
Cases on hand June 30, 1939	8,818
Cases referred to Secret Service for investigation during 1939	3,132
Cases referred to the Treasurer of the United States for reclamation during 1939	3,479
Original checks forwarded to the Treasurer of the United States for reclamation, and for payment to claimants or deposit into the Treasury, during 1939	5,553
Original checks returned by the Treasurer of the United States for credit during 1939	5,614
Amount of the original checks forwarded to the Treasurer of the United States during 1939	\$178,557.51
Amount collected on duplicate payments and forged checks during 1939	\$131,316.62
Liabilities matters:	
Checks on hand June 30, 1938	103,119
Checks received and filed during 1939	58,994
Checks disposed of during 1939:	
Checks—claims received from payees, legal representatives of deceased payees, or other persons for the proceeds thereof	15,847
Checks canceled	2,124
Checks, which during 1939 have been outstanding and unpaid for one or more fiscal years	65,587
Checks on hand June 30, 1939	83,558
	78,555

As the result of activities of the General Accounting Office collections of amounts due the United States were effected as set forth in the following tabulation:

COLLECTIONS OF AMOUNTS DUE THE UNITED STATES

On account of claims:

Cash:

Disbursing officers and sureties	\$14,238.82	
Fraudulent payments (not including service)	1,165.42	
Gasoline tax	3,010.47	
Improper payments to Army and Navy personnel	2,738.96	
Improper payments to civilian personnel	4,333.30	
Indebtedness growing out of contracts with the United States	11,551.85	
Miscellaneous	11,385.86	
Processing taxes, erroneous payments	15,317.86	
Veterans' Administration; insurance, compensation, etc.	7,427.61	
		\$71,170.15

Checkages in accounts of disbursing officers

1,936.84

Checks, amount collected on duplicate payments and forged checks

131,316.62

Offsets in claim settlements as to defaulting contractors, delinquent taxes, and miscellaneous

875,698.28

Through Department of Justice:

Improper payments to Army and Navy personnel	\$763.89	
Improper payments to civilian personnel	605.28	
Indebtedness growing out of contracts with the United States	111,896.26	
Miscellaneous	35.15	
Sureties	720.16	
		114,020.74

Transportation:

Freight and passenger earnings applied to indebtedness (with consent of carriers)	4,411.35	
Amount refunded as a result of suspensions made in post audit of disbursing officers' accounts	227,805.32	
		232,216.67

Total 1,426,359.30

Through recovery on account of suspensions and disallowances in accounts

269,746.74

On account of Postal Service transactions:

Open accounts of former postmasters:		
For fiscal years 1916 to 1938, inclusive	\$178,589.66	
For fiscal year 1939	23,380.62	
		201,970.28

Offsets of amounts otherwise due to common carriers for the transportation of the mails during 1939 by the payment thereof to the Treasurer of the United States toward liquidation of indebtedness to the United States Railroad Administration or under Transportation Act of 1920, as amended 10,363.93

Offsets—delinquent taxes, loans and miscellaneous 12,920.24

Accounts with foreign countries:

Air mail transit	\$1,821,314.18	
Miscellaneous	12,813.97	
Parcel post	176,874.66	
Postal	415,881.23	
		2,426,884.04

General Accounting Office receipts:

Copying fees—charges for photostats, etc.	\$897.35	
Proceeds from sale of waste paper and unserviceable machines	1,072.34	
		1,969.69

Total 2,923,854.92

Grand total 14,350,214.22

¹ There remained on hand June 30, 1939, on the books of the General Accounting Office (debtors' card index) 219,971 claims of the United States, aggregating \$595,551,279.09 of reported indebtedness, a gain of 22,025 claims and of \$33,285,436.54 of such indebtedness over 1938.

In connection with the function of collecting amounts due the United States transactions were accomplished through the miscellaneous debt record as follows:

Miscellaneous debt group, fiscal year 1939

Cases on hand July 1, 1938	536
Cases received during fiscal year 1939	6,292
	<hr/> 6,828
Cases disposed of during fiscal year 1939	6,579
Cases on hand July 1, 1939	249
	<hr/> <hr/> 197,946
Debt cards on hand July 1, 1938	197,946
New debt cards during fiscal year 1939	38,964
Total	236,910
Cards canceled during fiscal year 1939	16,939
	<hr/> 219,971
Indebtedness as of July 1, 1938	\$562,265,842.55
Indebtedness reported during fiscal year 1939	37,256,025.62
Total	599,521,868.17
Cancellations and set-offs during fiscal year 1939	3,970,589.08
	<hr/> 595,551,279.09

Volume of work, Comptroller General's index

Number of new cases received July 1, 1938, to June 30, 1939	8,506
Number of miscellaneous cases received July 1, 1938, to June 30, 1939	10,406
Total number of cases received July 1, 1938, to June 30, 1939	18,912
Total cases disposed of July 1, 1938, to June 30, 1939:	
New cases	8,194
Letters in re	9,596
Miscellaneous letters	2,250
Congressional letters	3,986
	<hr/> 24,026

Administration, fiscal year 1939

PERSONNEL

Appointments:		
Regular roll:		<i>Number</i>
Women	33	
Men	28	
	<hr/> 61	
Emergency relief roll:		
Women	126	
Men	179	
	<hr/> 305	
Total appointments	<hr/> <hr/> 366	

Administration, fiscal year 1939

Separations:			
Regular roll:			<i>Number</i>
	Women.....	33	
	Men.....	53	
		<hr/>	86
Emergency relief roll:			
	Women.....	123	
	Men.....	201	
		<hr/>	324
	Total separations.....	<hr/> <hr/>	410
Personnel of Office on June 30, 1939:			
	Women.....	1,747	
	Men.....	3,168	
		<hr/>	
	Total.....	<hr/> <hr/>	4,915
Military preference, entitled to:			
	Women.....	114	
	Men.....	727	
		<hr/>	
	Total.....	<hr/> <hr/>	841
Promotions:			
	Allocation and reallocation of positions and transfers within the General Accounting Office to positions in higher grade under the Classification Act, by reason of.....	379	
	Administrative action, by.....	98	
		<hr/>	
	Total.....	<hr/> <hr/>	477
Demotions:			
	Reallocation of positions under the Classification Act, by rea- son of.....	4	
	Administrative action, by.....	3	
		<hr/>	
	Total.....	<hr/> <hr/>	7
Retirements:			
	Age, for.....	12	
	Optional provisions of the Retirement Act, under.....	1	
	Disability, for.....	11	
		<hr/>	
	Total.....	<hr/> <hr/>	24
	Certified for retention beyond retirement age.....	<hr/> <hr/>	None
Leave granted (calendar year 1938):			
	Annual, days of.....	119,362	
	Average days per employee using.....	25.2	
	Sick, days of.....	43,129	
	Average days per employee using.....	10.5	
	Average days, all employees.....	9.1	
	Military, days of.....	1,780	
	Employees using.....	122	
	Average days per employee using.....	14.6	

Distribution of cost by outside agencies for repairs to machines and other labor-saving devices

Machines:	<i>Amount</i>
Addressograph.....	\$14. 00
American perforator.....	5. 15
Burroughs adding.....	31. 82
Burroughs bookkeeping.....	38. 06
Burroughs calculating.....	7. 35
Comptometers.....	31. 00
Dictograph.....	1. 96
Dalton adding.....	11. 27
Elliott Fisher bookkeeping.....	25. 85
Graphotype.....	1. 75
Multigraph.....	11. 59
Monroe adding.....	2. 25
Monroe calculating.....	5. 00
National Cash Register bookkeeping.....	72. 42
Nastor check assorting.....	5. 00
Remington accounting.....	27. 10
Sundstrand adding.....	15. 00
Underwood bookkeeping.....	80. 50
Uniflow water coolers.....	281. 90
Varietyper typewriter.....	5. 00
 Total.....	 <u>673. 97</u>

Maintenance service

Machines:		
Remington bookkeeping.....	\$1, 020. 60	
Underwood bookkeeping.....	684. 25	
Burroughs bookkeeping.....	45. 30	
Comptometers.....	1, 006. 87	
		<u>2, 757. 02</u>
 Total.....		 <u>3, 430. 99</u>

Financial statement

RECEIPTS	
Balance on hand July 1, 1938.....	\$186, 278. 98
Advances on accountable warrants, July 1, 1938, to June 30, 1939.....	10, 145, 300. 00
Collections and refunds:	
Direct collections.....	\$11, 951. 78
Collections transferred from special deposit fund.....	1, 284. 81
	<u>13, 236. 59</u>
 Total receipts.....	 <u>10, 344, 815. 57</u>

EXPENDITURES

Amount expended for General Accounting Office, July 1, 1938, to June 30, 1939.....	\$10, 145, 968. 98	
Less canceled checks.....	4, 782. 25	
		<u>\$10, 141, 186. 73</u>
Deposits on Form 1:		
Repayments to appropriations and miscellaneous receipts.....	12, 577. 28	
Deposit of unexpended balances.....	12, 808. 87	
		<u>25, 386. 15</u>
 Total expenditures.....		 <u>10, 166, 572. 88</u>
 Balance on hand June 30, 1939.....		 <u>178, 242. 69</u>

Financial statement—Continued

SPECIAL DEPOSIT FUND

RECEIPTS		
Balance on hand June 30, 1938.....	-----	\$19,072.80
Collections.....	\$119,048.94	
Less returned checks.....	1,080.07	
	-----	117,968.87
Total receipts.....	-----	137,041.67
EXPENDITURES		
Expended on refund vouchers and certificates of settlement.....		\$9,986.99
Transfers to—		
General Accounting Office appropriations and funds.....	\$1,284.81	
Appropriations and funds of other departments.....	99,518.65	
	-----	100,083.46
Total expenditures.....	-----	110,790.45
Balance on hand June 30, 1939.....	-----	26,251.22

CHAPTER III

Legislative Recommendations

THE FOLLOWING legislative recommendations are made in the interest of economy, efficient administration, and to simplify accounting:

HOUSING NEEDS

The personnel of the General Accounting Office and its records are scattered in 15 buildings or parts of buildings in widely separated sections of the District of Columbia. Space in 9 of the 15 buildings is rented at an annual cost of \$169,026.80, not including space in 2 of the rented buildings for which the rental is paid from appropriations of that part of the Public Buildings Administration, Federal Works Agency, which was formerly the Building Management Branch of the National Park Service. Working conditions are so crowded that it is not possible for employees, especially those in more responsible positions, to perform efficiently. Desirable coordination and consolidation of functions cannot be effected because of either inadequate or unsatisfactory space or both. The accounting records of the Government are filed or stored largely on temporary wooden shelves and in buildings which do not afford adequate protection against dust, fire, and water hazards. These are the records on which the Government must rely to disprove thousands of claims, unjustified or already paid, which are asserted against the Government every year, in the General Accounting Office, in the courts, and before the Congress in private bills.

The work of practically every activity of the General Accounting Office is dependent upon the coordinated action of its other activities and upon records which may be located in other buildings, among the 15 occupied, and under present conditions its work throughout necessarily proceeds at a much slower pace and at materially increased expense.

The following statement shows the buildings occupied by the General Accounting Office, whether used for personnel or files or both, the square feet of space occupied, whether the space is Government owned or rented, and the rent and maintenance charges paid:

Buildings	Contents (files—personnel, or both)	Space (square feet)	Government-owned or rented	Annual rent paid by G. A. O.	Annual maintenance charges paid by G. A. O.
Main office, 5th and F Sts. NW.	Personnel and files..	146,932	Government-owned.	-----	-----
Department of Commerce, 14th St. and Constitution Ave. NW.	Personnel.....	1,080	do.....	-----	-----
Merchants Transfer & Storage, 3d and Canal Sts., and Independence Ave. SW.	Files.....	20,897	do.....	-----	-----
Old Patent Office, 8th and F Sts. NW.	Personnel and files..	83,445	do.....	-----	-----
Old Post Office, 11th and Pennsylvania Ave. NW.	do.....	157,559	do.....	-----	-----
New Post Office, 12th and Pennsylvania Ave. NW.	Files.....	26,172	do.....	-----	-----
Moses, 11th, and F Sts. NW	Personnel and files..	104,000	Rented.....	\$89,750.00	\$70,000.00
1700 Kalorama Rd. NW	Files.....	28,000	do.....	10,381.80	} 10,800.00
1712-24 Kalorama Rd. NW	do.....	21,000	do.....	7,680.00	
1701 Kalorama Rd. NW	do.....	18,945	do.....	6,400.44	4,200.00
1420 U St. NW	do.....	18,532	do.....	7,783.44	-----
401 South Capitol St.	do.....	13,488	do.....	(1)	-----
1220 19th St. NW	do.....	40,000	do.....	(1)	-----
119 D St. NE	Personnel and files..	62,100	do.....	40,187.52	38,400.00
2215 5th St. NE	Files.....	34,218	do.....	6,843.60	6,000.00
Total.....		776,368		169,026.80	129,400.00

¹ Rent paid by Public Buildings Administration.

None of the space occupied is considered adequate or suitable for personnel or files with the exception of that located in the Department of Commerce and New Post Office Buildings, both of which are new and modern. The other buildings are not satisfactorily equipped and are inadequately ventilated and heated for comfort during winter weather. The main building at Fifth and F Streets NW., the Old Post Office and Moses Buildings present continuous problems of this nature. The buildings used for files are largely garage buildings with unsatisfactory facilities for ventilation and heat. It is necessary at all times for file clerks and searchers to work among the files compiling transcripts of accounts and other information and it is a matter of serious concern that some of these buildings are so unsuitable for personnel purposes as to endanger the health of the employees required to work therein.

The distance between the 15 buildings, apparent from an analysis of the above statement, causes much loss of time of personnel whose duties require them to go to and from the various buildings and brings serious problems in administration of the work of the General Account-

ing Office due not only to separation of the administrative office of the Comptroller General but also to the delays in the necessary shifting of accounting records from building to building prior and subsequent to settlement of accounts and claims.

The provision of suitable housing facilities for the General Accounting Office is now actively before those officials of the Executive branch of the Government charged with the duty of preparing plans and estimates therefor for presentation to the Congress. I am convinced all fully realize this outstanding need and I express the hope a program to meet it will be presented to the Congress and receive its favorable consideration during the next regular session.

TRAVEL EXPENSES OF CIVILIAN OFFICERS AND EMPLOYEES UPON OFFICIAL CHANGE OF STATION

Section 2 of the Treasury and Post Office Departments Appropriation Act for the fiscal year 1939, 52 Stat. 120, 147, contains the following provision:

Appropriations for the fiscal year 1939 available for expenses of travel of civilian officers and employees of the executive departments and establishments shall be available also for expenses of travel performed by them on transfer from one official station to another when authorized by the head of the department or establishment concerned in the order directing such transfer: Provided, That such expenses shall not be allowed for any transfer effected for the convenience of any officer or employee. [Italics supplied.]

A similar limitation was made applicable to such appropriations for the fiscal year 1940, in section 2 of the Treasury and Post Office Departments Appropriation Act of May 6, 1939, Public, No. 65, and previously has been in effect from fiscal year to fiscal year, at least since 1927, as set forth in 7 Comp. Gen. 482, and 11 *id.* 459, 461.

From the beginning, the former Comptroller General held that the language of this limitation requires, as a condition precedent to making the appropriation available, that the expenses of the travel between official stations must have been authorized by the head of the department or establishment concerned or an assistant head authorized by statute to act in place of the head, "in the order directing such transfer" and that authorization by some subordinate, or approval by the head of the department after the travel had been performed, does not meet the requirement.

Such a requirement that the head of the department or bureau involved personally act in advance on each individual travel order has imposed a great burden upon such officials which seems out of proportion to any public interest affected and likewise has imposed a severe burden upon the General Accounting Office in the examina-

tion and settlement of accounts to see that the limitations are observed. Also, legislative relief has been sought to have payments validated where the individual orders did not meet the requirements of the statutory limitation. Several such payments were validated in Private Act No. 229 of July 12, 1937, 50 Stat. (part II) 1029.

It is believed that no public interest would suffer if general legislation should be enacted on this matter as follows:

Hereafter any appropriations made available for expenses of travel of civilian officers and employees of the executive departments and establishments shall be available also for expenses of travel performed by them on transfer from one official station to another when authorized by the head of the department or establishment concerned: *Provided*, That such expenses shall not be allowed for any transfer effected for the convenience of the officer or employee.

This would deny the use of the appropriation for transfers not duly authorized and at the same time would relieve the department heads from the burden of acting upon each individual order involving a transfer or change of station and would avoid the raising in the General Accounting Office of many suspensions or disallowances and the preparation of pertinent correspondence thereon involving form rather than substance. Also, it would obviate the necessity for requests for validating legislation in the form of public or private relief acts to clear the accounts of such suspensions or disallowances.

TRANSPORTATION OF EFFECTS

A recommendation was made in the last annual report that legislation be enacted to establish uniformity of allowances for the transportation of household goods and personal effects of civilian officers and employees when transferred from one official station to another for permanent duty.

The basis for such recommendation was stated in the last annual report, pages 1197-1199, as follows:

At the present time, under administrative regulations there is a wide variance in the authorized allowances with respect to the limitations fixed for packing, crating, drayage charges (some allow uncrating), etc., also as to the weight and nature of the effects which may be shipped at Government expense.

Illustrative of the manner in which legislative authority is now derived and the administrative effect given thereto by the several departments and agencies of the Government, attention is invited to the following:

Department of the Interior

Annual appropriation acts for the Bureau of Reclamation, the Geological Survey, Office of Indian Affairs (including Alaska), the Bureau of Mines, and

Division of Grazing, each provide expenditures for packing, crating, and transportation (including drayage) of personal effects of employees upon permanent change of station under regulations to be prescribed by the Secretary of the Interior.

Department of the Interior Regulations governing payment of traveling expenses and of transportation of personal effects, dated January 22, 1937, provide for the actual and necessary expense not exceeding \$100 for packing, crating, and boxing; and freight and drayage charges, including transfer by stage where necessary, for the transfer of household effects and ordinary personal property exclusive of automobiles, not exceeding 5,000 pounds gross shipping weight; and for professional books shipped independently of such household effects and other personal property, not exceeding 300 pounds gross shipping weight, transportation, whenever practicable to be covered by Government bill of lading. Similar authority is granted to the National Park Service by general legislation, act of May 26, 1930, 46 Stat. 383.

Department of Labor

Employees of the Immigration and Naturalization Service may be allowed, within the discretion and under written orders of the Secretary of Labor:

"* * * the expenses incurred for the transfer of their wives and dependent minor children; their household effects and other personal property, not exceeding in all 5,000 pounds, including the expenses for packing, crating, freight, and drayage thereof." Act of February 21, 1931, 46 Stat. 1205.

Department of Labor General Order No. 178, prescribing regulations under subject title, "Transfers of employees under act approved February 21, 1931, 46 Stat. I. 1205," provides in pertinent part as follows:

PAR. 6. "(a) Actual charges for the cost of packing, crating, and drayage of household effects and other personal property will be allowed. * * *"

PAR. 7. "(a) Freight charges incurred in shipping the employee's household effects and other personal property, not exceeding in all 5,000 pounds, will be allowed.

"(b) The gross weight of all articles shipped, including the weight of the packing cases, crates, and other containers, shall not exceed in all 5,000 pounds. Any expense for packing, crating, drayage, or freight, in excess of the expense for 5,000 pounds, must be borne by the employee.

* * * * *

"(j) The allowance for freight charges will not exceed the minimum freight rate applicable to the household effects and other personal property belonging to and shipped by the employee. If a higher freight rate is incurred by reason of a valuation being placed on the goods, the excess charges will be borne by the employee."

Department of Agriculture

Under authorities contained in the Act of March 4, 1911, 36 Stat. 1265:

"* * * officers and employees of the Department of Agriculture transferred from one official station to another for permanent duty, when authorized by the Secretary of Agriculture, may be allowed actual traveling expenses, including charges for the transfer of their effects and personal property used in official work, under such rules and regulations as may be prescribed by the Secretary of Agriculture."

Paragraph 3451, Regulations of the United States Department of Agriculture, authorizes the allowance of charges for packing, crating, drayage, transportation, uncrating, and unpacking of household goods and personal effects, without limitation as to the weight of the shipments of the amounts to be paid for expenses incident to shipping.

Veterans' Administration

In the act of May 23, 1938, making appropriation for the Executive office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1939, funds are provided the Veterans' Administration for expenses incurred in packing, crating, drayage, and transportation of household effects and other property, not exceeding in any case 5,000 pounds, of employees when transferred from one official station to another for permanent duty and when specifically authorized by the administrator.

Pursuant to this authority certain limitations are prescribed in Veterans' Administration Regulations and Procedure, paragraph 4423, March 20, 1937, fixing the weight maximum at 3,500 pounds in the absence of special circumstances, and charges for packing, crating, and drayage at \$1.75 per 100 pounds, unless the particular circumstances require a higher rate.

Authority for payments of this nature has been given by the Congress to certain other departments and agencies of the Government by means of general legislation or under provisions in the annual appropriation acts. Representative of these the following are listed for reference:

Department of Commerce, act of April 27, 1938—Public, No. 495, Seventy-fifth Congress [52 Stat. 272, 274, 278, 279].

Department of Justice, act of April 27, 1938—Public, No. 495, Seventy-fifth Congress [52 Stat. 267].

Treasury Department, Bureau of Narcotics—Public, No. 453, Seventy-fifth Congress, act of March 28, 1938, page 9 [52 Stat. 128].

Procurement Division, Public Buildings Branch—Public, No. 453, Seventy-fifth Congress, Act of March 28, 1938, page 18 [52 Stat. 136].

Customs Service, act of March 4, 1923 (42 Stat. 1454), as amended by the act of June 17, 1930 [46 Stat 761.]

In addition, there may be cited the provisions for the current fiscal year in the Independent Offices Appropriation Act of March 16, 1939, 53 Stat. 526, 531, 540, 543, 544, for the transportation, etc., of household and personal effects upon permanent change of station for officers and employees of the Civil Aeronautics Authority, the Federal Power Commission, the Social Security Board, the United States Maritime Commission, and the Veterans' Administration.

Provision has been made, also, for the transportation of effects of Army, Navy, and Marine Corps personnel upon permanent change of station (sec. 12, act of May 18, 1920, 41 Stat. 604), and in annual appropriations for the Coast Guard (e. g. 52 Stat. 129), which has been designated as a part of the military forces of the United States (sec. 1, act of January 28, 1915, 38 Stat. 800), and in annual appro-

priations for the Foreign Service, Department of State (e. g. 52 Stat. 250). It is recognized that the conditions pertaining to these services should exclude them from the application of uniform regulations governing the transportation of effects made generally for civilian officers and employees.

It is recognized, too, that the Congress has not heretofore seen fit to authorize such allowances for the personnel of many of the departments, bureaus, and independent offices. But to the extent that such allowances heretofore have been authorized, or hereafter may be authorized, for civilian officers and employees of the various executive departments and establishments, there appears no sound reason for variation in the allowances and in the administrative rules and regulations under which they may be allowed and paid. Accordingly, to provide reasonable uniformity in these respects, and to obviate the inequalities and confusion in payment and audit resulting from the application of separate regulations issued by the different departments and agencies, there is recommended the enactment of legislation substantially as follows:

Expenses which now or hereafter may be authorized by law to be paid from Government funds for the packing, crating, drayage, and transportation of household goods and personal effects of civilian officers and employees of any of the executive departments or establishments of the United States when transferred from one official station to another for permanent duty shall hereafter be allowed and paid, when specifically authorized or approved by the head of the department or establishment concerned, under such rules and regulations as may be prescribed by the President, which regulations shall prescribe, among other matters, the maximum weight or cubic measure of the property which may be packed, crated, hauled, or transported at Government expense: *Provided*, That no part of such expenses shall be paid from Government funds where the transfer is made at the request and primarily for the convenience or benefit of the officer or employee: *Provided further*, That nothing herein shall affect the allowance and payment of expenses for, or incident to, the transportation of effects of officers and employees of the Foreign Service, Department of State

PROCUREMENTS WITHOUT ADVERTISING

Section 3709, Revised Statutes, appears in 41 United States Code 5, as follows:

Except as otherwise provided by law all purchases and contracts for supplies or services, in any of the departments of the Government, and purchases of Indian supplies, except for personal services, shall be made by advertising a sufficient time previously for proposals respecting the same, when the public exigencies do not require the immediate delivery of the articles, or performance of the service. When immediate delivery or performance is required by the public exigency, the articles or service required may be procured by open pur-

chase or contract, at the places and in the manner in which such articles are usually bought and sold, or such services engaged, between individuals.

In his annual report for the fiscal year 1929 the former Comptroller General, at page 49, cited several statutes excepting from the requirements of advertising and award to the lowest responsible bidder contracts for limited purchases or services made by certain agencies, in varying maximum amounts. In his annual report for the fiscal year 1931, at page 25, he recommended, in pertinent part, respecting these exceptions as follows:

It is believed it would be in the interest of both the Government and those with whom it does business to have enacted a standard fixed maximum amount and standard conditions under which open-market purchases and procurements may be made, applicable alike to all Federal and semi-Federal agencies. Thereby all agencies who expend Federal funds would be placed on an equal footing for open-market purchases of supplies and procurement of services; the public and all concerned would have notice that all open-market purchases or procurements with Federal funds may be made in such manner and to such extent and not otherwise, instead of there being, as now, some 66 differing authorizations and various happenings to be borne in mind in determining whether a particular open-market purchase or procurement is or is not within a statutory exception to the general advertising rule. The need for the many repetitions of such exceptions in appropriation acts would be eliminated, the examination and audit of contracts and vouchers materially simplified, and economy of time and of funds should result.

In 41 United States Code 6 and 6 (a) to 6 (q) there appear 26 exceptions to the advertising requirement in respect of the procurement of supplies and services in certain establishments limited to maximum amounts in individual cases as follows:

Department of Agriculture	\$50
Indian Field Service	50
United States Veterans' Administration	50
Department of Commerce	25
Department of Justice	25
Civil Service Commission	25
District of Columbia	25
Medical Department of Army (medicines and medical supplies)	No limit
Federal Civil Works Administration	300
Department of Labor	100
General Accounting Office	50
Rural Electrification Administration	100
Social Security Board	100
Treasury Department	50
Department of State	100
Federal Bureau of Investigation (in the field)	50
Bureau of Air Commerce	100
Federal Trade Commission	50
Interstate Commerce Commission	50

National Archives.....	\$50
National Labor Relations Board.....	50
Railroad Retirement Board.....	50
Securities and Exchange Commission.....	50
Department of Agriculture (control of insect pests and plant diseases).....	No limit
Federal Power Commission.....	50
Maritime Labor Board.....	100

In the legislation enacted during the first session of the Seventy-sixth Congress the following exceptions in the appropriations there made have been noticed:

Public, No. 7: Department of Agriculture, Forest Service.....	\$300
Public, No. 8:	
American Battle Monuments Commission.....	500
Civil Aeronautics Authority.....	100
Federal Power Commission.....	50
Federal Trade Commission.....	50
General Accounting Office.....	50
Interstate Commerce Commission (office furniture).....	100
Interstate Commerce Commission (other).....	50
Maritime Labor Board.....	100
National Archives.....	50
National Labor Relations Board.....	50
Railroad Retirement Board.....	50
Rural Electrification Administration.....	100
Securities and Exchange Commission.....	50
Social Security Board (general).....	100
Tariff Commission.....	50
Federal Emergency Administration of Public Works.....	300
Public, No. 61:	
Temporary National Economic Committee.....	100
The Panama Canal.....	500
Public, No. 65: Treasury (miscellaneous and contingent expenses).....	50
Public, No. 130:	
Botanic Garden (purchase of plants, etc.).....	300
Botanic Garden (supplies, equipment, and services).....	50
Public, No. 154: War Department—Bureau of Insular Affairs.....	100
Public, No. 156:	
Department of State (within United States).....	100
Department of State (outside United States).....	300
Justice (Bureau of Investigation).....	50
Commerce (Bureau of Foreign and Domestic Commerce).....	100
Public, No. 157: Labor.....	100
Public, No. 159: Farm Credit Administration.....	50
Public, No. 160: Temporary National Economic Committee.....	100
Public, No. 176: District of Columbia (general).....	50
Public, No. 260: Bureau of Reclamation.....	300
Public, No. 361: Bureau of Mines.....	500
Public, No. 391: Panama Canal.....	500
Public Resolution 24: Emergency Relief.....	300

In addition to the above exemptions numerous appropriations contain a specific provision authorizing expenditures thereunder without regard to the provisions of section 3709, Revised Statutes—no limitation with respect to individual procurements being specified.

It requires no exercise of the imagination to understand the burden of inquiry which these constantly multiplying and varying exceptions impose upon those who have business dealings with the Government as well as upon procurement, disbursing, and accounting officials. The more that procurement, disbursing, and accounting functions have become consolidated the less occasion there appears for indefinitely multiplying such varying exceptions and the more confusing such exceptions become. When consideration is had for the fact that purchases to meet a bona fide emergency are excepted from the requirement of previous advertising, there appears little, if any, need for excepting other procurements when the amount thereof is so small that the possible benefit to be derived from advertising would not compensate for the additional work and expense incident thereto.

Consideration is recommended of a standard general exception provision as follows:

Hereafter the provisions of section 3709, Revised Statutes (41 U. S. Code 5), shall not apply to any purchase made or service procured by any department or establishment of the Government of the United States or of the District of Columbia when the aggregate amount involved is less than \$100.

BARRING OF CLAIMS AGAINST THE UNITED STATES

The authority of the General Accounting Office to settle claims against the United States is contained in section 305 of the Budget and Accounting Act of 1921 (42 Stat. 24), which provides that:

Section 236 of the Revised Statutes is amended to read as follows:

"SEC. 236. All claims and demands whatever by the Government of the United States or against it, and all accounts whatever in which the Government of the United States is concerned, either as debtor or creditor, shall be settled and adjusted in the General Accounting Office."

The act of April 10, 1928 (45 Stat. 413), provides—

That when there is filed in the General Accounting Office a claim or demand against the United States that may not lawfully be adjusted by the use of an appropriation therefor made, but which claim or demand in the judgment of the Comptroller General of the United States contains such elements of legal liability or equity as to be deserving of the consideration of the Congress, he shall submit the same to the Congress by a special report containing the material facts and his recommendation thereon.

The authority of the General Accounting Office to allow claims against the United States is limited to those claims which are clearly and completely supported by record evidence from authoritative sources. It cannot allow a claim on the mere statement of the claimant not verified or corroborated by Government records or documentary evidence. Consequently it is necessary for the General Accounting Office to preserve for all time all accounts received by it, a procedure which if continued, owing to the enormous volume of accounts now being received under the emergency program, will cost the Government large sums annually for the rental of storage space.

Claims are submitted to the General Accounting Office years after such claims first accrued, and not infrequently from 10 to 25 years after the rights of the claimants arose. Except in several instances where the Congress has recognized the necessity for a statutory limitation on the assertion of claims against the United States, there is no clear statutory inhibition against the consideration of claims irrespective of the time in which submissions are made. Needless to say the effort to develop old claims requires a vast amount of time both in the General Accounting Office and the administrative offices involved and the resultant cost, from which the United States obtains no benefit, is so great as to make it prejudicial to the interests of the United States.

In this connection it would appear that the obligations and liabilities of the United States for the payment of any claim, demand, or account not presented in due course should not be greater than the obligations and liabilities of the several States and citizens under local statutes of limitations. Accordingly, the following legislation is suggested:

SEC. 1. That every claim or demand against the United States cognizable by the General Accounting Office under section 305 of the Budget and Accounting Act of June 10, 1921 (42 Stat. 24), and the act of April 10, 1928 (45 Stat. 413), shall be forever barred unless such claim, bearing the signature and address of the claimant or of an authorized attorney, shall be received in said office within 6 full years after the date such claim first accrued: *Provided*, That when a claim of any person serving in the military or naval forces of the United States accrues in time of war, or when war intervenes within 3 years after its accrual, such claim may be presented within 3 years after peace is established.

SEC. 2. Whenever any claim barred by section 1 shall be received in the General Accounting Office, it shall be returned to the claimant, with a copy of this act, and such action shall be a complete response without further communication.

The enactment of the above legislation will save the Government the amounts now paid out on such claims, will greatly reduce the cost of settling claims in the General Accounting Office, and will tend to a more expeditious settlement of the Government's accounts with private individuals and firms.

ACCOUNTING AND ACCOUNTABILITY

Under the provisions of section 8 of the act of July 31, 1894, 28 Stat. 207-208, commonly referred to as the Dockery Act, as amended by title III of the Budget and Accounting Act of June 10, 1921, 42 Stat. 23, the Comptroller General of the United States is authorized to render decisions making an original construction or modifying an existing construction of statutes affecting any item of expenditure in a disbursing officer's account and is required to render at the request of any disbursing officer, or the head of any department or establishment, decisions upon any question involving a payment to be made by them or under them. Such decisions are made final and conclusive insofar as the settlement of the accounts or claims affected thereby is concerned.

The normal volume of statutes to be construed and of legal decisions and correspondence work relating thereto appears to have approximately doubled during the economic emergency period. Since substantially all fiscal accounts and claims in which the United States has an interest are required—first or last—to be settled and adjusted and the balances due thereon to be certified in the General Accounting Office, the volume of legal work has increased in proportion to the extent previously existing laws have been supplemented and modified to meet the many aspects of the economic emergency, the expanded national defense program and the ordinary functions of Government. The decision work in the field of emergency legislation particularly has had to be performed with utmost expedition by reason of the distress sought to be relieved and in advance of any opportunity for judicial interpretation or the formulation of other guides and precedents. At the same time it has been necessary to have in mind that an error of law in arriving at a decision involving payments to be made under the appropriations would result in that the account involving such payments would have to be passed to credit and the United States probably would not be able to recover an erroneous payment made under such circumstances. *Mullett v. United States*, 21 Ct. Cls. 485. That the interests of the United States might thus be prejudiced as the result of an erroneous decision, the Comptroller General has dictated the exercise of extreme caution

in the examination of statutes and of their legislative history as well as in the development and recordation of the factual data in order to insure, if possible, that the Government may not be denied an opportunity of having genuinely doubtful questions decided in the courts before substantial payments have been made.

Through the improvement in library facilities and methods of digesting precedents and related matters, as well as by the gradual addition to the legal staff of a number of attorneys having years of experience in other branches of the General Accounting Office, or in other Government agencies where opportunity was afforded for becoming familiar with Government procedure and the statutes and court decisions relating to the business of the Government, the decision work is becoming more nearly current. Also, through a better coordination of the various functions of the General Accounting Office and through the permitting of vouchers to be presented for preaudit—audit before payment—so that the General Accounting Office may have an opportunity of early presenting matters of new construction for my decision before payments are made, there have been largely overcome the defects in accounting procedure which were described by the Comptroller of the Treasury in his report for the fiscal year 1919 in connection with his recommendations for the consolidating of the work of the auditors of the Treasury with that of the Comptroller's Office in an independent office, as follows:

Attention is again called to a somewhat anomalous condition of affairs relative to the construction of statutes by the Comptroller and the duty imposed by law upon Treasury auditors in relation thereto. There is probably no obligation resting upon the Comptroller quite so important and far-reaching in its results as the construction of statutes. All official actions taken by him under the jurisdiction conferred are related in some degree to the exercise of the authority to construe the statutes for the guidance of those concerned.

It is to be recalled that the act of July 31, 1894, 28 Stat., 208, makes it mandatory upon Treasury auditors to report to the Comptroller for approval, disapproval, or modification all decisions making an original construction or modifying an existing construction of statutes. * * *

* * * * *

The same act provides that disbursing officers or the heads of executive departments or other Government establishments may exercise the discretionary right to obtain the decision of the comptroller upon any question involving a payment to be made by them or under them. * * *

* * * * *

In actual practice it would seem that the mandatory and discretionary features of these provisions have been reversed in their application to the officers named. Comparatively few original constructions of statutes have been submitted by the auditors for approval, disapproval, or modification; and a large number of the advance decisions on proposed payments which have been rendered on the requests of disbursing officers and heads of executive departments or other

Government establishments have necessarily contained original constructions of statutes by the comptroller. This latter, however, is but an indirect means of accomplishing a result for which a direct procedure as between accounting officers was provided by law. A summary for the last few years of direct constructions of statutes obtained through the method of submission by the auditors, as prescribed by law, and advance decisions rendered to disbursing officers and heads of Government establishments, which are necessarily based on statutory construction in some degree, follows:

	1913	1914	1915	1916	1917	1918	1919
Auditor's construction of statutes	41	69	48	104	91	40	53
Advance decisions to heads of establishments	591	669	720	487	546	582	755
Advance decisions to disbursing officers	189	231	262	166	166	344	599

The total number of legal matters handled by the Comptroller General's office during the fiscal year ending June 30, 1939, including reports and recommendations to the Attorney General respecting pending litigation, collection matters, etc., is 10,962. This may be compared with the 4,377 decisions rendered by the former Comptroller General during the fiscal year ending June 30, 1929 (Comptroller General's annual report, fiscal year 1929, p. 67), and with the 1,407 rendered by the Comptroller of the Treasury during the year 1919. Also, it is noteworthy that whereas the construction of statutes by the independent auditors, submitted during the years 1913 to 1919, was less than 100 each year and advance decisions rendered at the request of department heads or disbursing officers ranged from a total of 780 in 1913 to a total of 1,354 in 1919, the number of questions arising on requests for review or by direct submission during the fiscal year ending June 30, 1939, was in excess of 4,000 and there were rendered approximately 1,700 advance decisions upon requests from heads of departments and establishments. However, the regularity of accounting has been complicated during the economic emergency of the past few years by situations almost identical with those which were observed in connection with the examination of World War accounts by the former Comptroller of the Treasury and which were the subject of comment in his annual report for the fiscal year 1919, at pages 18 and 19, as follows:

In the war period we have seen the services of civilians without Government experience or knowledge of the legal restrictions placed by law upon the Government's accountable officers utilized to a degree never known before in the financial operations of the Government. It was natural that men thus brought into the Government service without previous contact with the safeguards thrown around Government operations by legislative enactment covering the whole period of national existence should have sought in vain to become acquainted with all the intricacies of statutory requirement while actually discharging the duties falling upon them. And it was equally to be expected that they should

seek guidance for their actions from their own experiences in commercial organizations and from the advice and opinions of commercial accountants. The result has been that the Treasury has received for audit and settlement many accounts of questionable form when viewed in the light of the limitations and restrictions imposed from time to time by the Congress. In so gigantic an undertaking as a World War some such mixed condition of accounting principles was to be looked for in accomplished results, but the influence of commercial accountants and the example of civilian business men bid fair to live after them when the emergency conditions of war no longer exist.

It would seem to be advisable, if a way can be found, to bring to the attention of those charged with financial accountability under Government laws the fact that commercial methods which do not accord with recognized statutory construction may be condoned in a time of emergency, but cannot be tolerated after the emergency has passed. The influence of this period will undoubtedly prove an insidious one, and unless sharply counteracted by the accounting officers or corrected by further legislative action may prove difficult of eradication. Its effects are manifested, in some degree, by the control that administrative officers have assumed over disbursing officers with financial accountability, either by personal orders or by the regulations of the various finance or accounting divisions which have become a favorite form of administration in many establishments.

* * * * *

The whole fabric of Government accountability is built upon the individual responsibility of the officer properly designated for the disbursement of public moneys. This responsibility cannot be relieved or lessened by the orders of a superior possessing the authority of seniority or rank, but remains distinctly personal to the accountable officer himself. The financial or pecuniary liability is his whether the transactions are consummated voluntarily by him or are carried out by him in obedience to administrative regulations or personal orders from an official superior. Administrative regulations have the force of law only to the extent that they accord with the requirements of law or are not in contravention of law and no legal liability before the accounting officers of the Treasury is borne by others for the acts of an accountable officer, whether or not the accountable officer is held amenable to discipline for refusal to obey instructions directed to him.

In the absence of an accountability the good faith and accuracy of which is insured by the giving of adequate surety bonds, there is no genuine or responsible accounting for the public funds appropriated by the Congress.

The official returns of accountable officers of the United States are required to be made at stated intervals to the General Accounting Office, accompanied with supporting vouchers and documents to show the legality of the disbursements made or other lawful disposition of the public moneys with which the officers properly are chargeable. Section 3622, Revised Statutes, as amended, 31 U. S. Code, 496; section 4, act of August 30, 1890, 26 Stat. 413, as amended, 31 U. S. Code 497; and section 12, act of July 31, 1894, 28 Stat. 209, as amended by section 4, act of March 2, 1895, 28 Stat. 807, and by section 304 of the act of June 10, 1921, 42 Stat. 24, 31 U. S. Code 78.

The accounting returns and the claims for credit thereon by the accountable officers are required to be settled and adjusted in the General Accounting Office. Section 236, Revised Statutes, as amended, 31 U. S. Code 71; section 3862, Revised Statutes, as amended, 39 U. S. Code 66; and section 7, act of July 31, 1894, 28 Stat. 206, as amended, 31 U. S. Code 72.

In the settlement of the fiscal accounts of accountable officers of the United States final action on claims for credit may be suspended by the General Accounting Office in order to obtain further evidence or explanations necessary to their settlement. Section 8 of the act of July 31, 1894, 28 Stat. 207, as amended. Until such claims for credit finally have been disallowed and the indebtedness to the United States thus found due on the account has been certified, the items covered by such claims for credit—suspended or otherwise—are not available to the accountable officer for the purpose of counterclaim or set-off in any suit brought by the United States. Section 951, Revised Statutes, as amended, 28 U. S. Code 774.

Upon the settlement and adjustment of the accounts and claims in the General Accounting Office it is provided by law that the balances certified due thereon by the Comptroller General of the United States shall be final and conclusive upon the Executive branch of the Government. Section 304, act of June 10, 1921, 42 Stat. 24, 31 U. S. Code 44 and 74. This provision in the Budget and Accounting Act for such finality, superseded earlier similar provisions which appeared in the act of March 20 1868, 15 Stat. 54; in section 191, Revised Statutes; and in section 8 of the act of July 31, 1894, 28 Stat. 207.

The balances certified due the United States are for collection under the Department of Justice upon proceedings initiated by the General Accounting Office. Sections 3624 to 3638, Revised Statutes, as amended, 31 U. S. Code 505 to 520; section 4, act of July 31, 1894, 28 Stat. 206, as amended by section 304, act of June 10, 1921, 42 Stat. 24, 31 U. S. Code 93; section 5 of Executive Order No. 6166 of June 10, 1933. The transcript of the books and proceedings of the General Accounting Office showing the certified balance due the United States when duly authenticated by the Comptroller General of the United States, or by an official properly designated by him, establish a prima facie case upon being introduced in evidence and the United States is entitled to have judgment thereon, upon proper motion made by the United States attorney in charge of the collection proceedings. Section 886, Revised Statutes, as amended, 28 U. S. Code 665; sections 957 to 964, Revised Statutes, as amended, 28 U. S. Code 781 to 788.

Among the hundreds of decided cases wherein restitution or deposit has been compelled by a court judgment pursuant to the summary procedure prescribed by statute, commencing with the act of March 3, 1797, 1 Stat. 512, the following leading cases are apparently representative: *United States v. Prescott*, 3 How. 578; *Hoyt v. United States*, 10 How. 109; *Bruce v. United States*, 17 How. 437; *United States v. Keechler*, 9 Wall. 83; *Watkins v. United States*, 9 Wall. 759; *Hall v. United States* 91 U. S. 559; *Soule v. United States*, 100 U. S. 8; *Smythe v. United States*, 188 U. S. 156; *United States v. Zabriskie*, 87 F. 714; *Yates v. United States*, 90 F. 57; *Bryan v. United States*, 90 F. 473; *United States v. Moore*, (C. C. A. 2) 168 F. 36, 24 L. R. A. (N. S.) 309; *United States v. DuPerow*, 208 F. 895; *Maryland Casualty Co. v. United States*, 37 F. (2d) 318; *Fidelity and Deposit Co. of Maryland v. United States*, 55 F. (2d) 100.

Under the rules of these cases entire good faith and the most honest intentions on the part of the accountable officer were held to constitute no defense either as to him or his surety in a suit by the United States brought upon his bond to recover the certified balance found due under the bond. Either a deposit in the Treasury or a showing of authorized and lawful application upon the basis of the vouchers and accounts which were rendered was held necessary to avoid the entry of judgment upon the bond. In view of the fact that accountable officers of the United States are compensated in direct accordance with the legislative conception of their fiduciary responsibility—the sureties likewise being paid compensation or premiums in direct proportion to the liability assumed on the sureties' bonds—and the further fact that the officer can always protect himself against disallowances in his accounts by obtaining, in advance of payment, a decision of the Comptroller General as to the legality of any proposed payment concerning which there is doubt, there would seem to be no occasion for a relaxing of these rules early adopted by the Congress and the courts as hereinbefore shown in the matter of enforcing a strict accountability. However—possibly as a result of a misconception as to the effect of a certain provision in the act of August 23, 1912, 37 Stat. 360, 375, as amended, 31 U. S. Code 82, and of section 4 of Executive Order No. 6166 of June 10, 1933—there has appeared a growing tendency in certain quarters to minimize or avoid bonded responsibility for a showing, by proper accounts, of the legal correctness of the disbursements made, as a preliminary to receiving any credit therefor in the official accounts covered by the bond, and particularly a growing tendency on the part of disbursing officers to make payments of doubtful legality without first submitting the question to the Comptroller General for decision in accordance with

the procedure provided by law for their protection—some disbursing officers apparently preferring to rely upon the administrative office concerned to obtain legislative relief in the event of disallowances in the accounts.

The above referred-to provision in the act of August 23, 1912, 31 U. S. Code 82, is as follows:

Except as otherwise provided, the administrative examination of all public accounts, preliminary to their audit by the General Accounting Office, shall be made as contemplated by section 78 of this title, and all vouchers and pay rolls shall be prepared and examined by and through the administrative heads of divisions and bureaus in the executive departments and not by the disbursing clerks of said departments, except those vouchers prepared outside of Washington prior to August 23, 1912, may continue to be so prepared and the disbursing officers shall make only such examination of vouchers as may be necessary to ascertain whether they represent legal claims against the United States.

This provision was intended primarily to require a more effective administrative examination of disbursing accounts under the heads of the departments or establishments concerned before their transmission to the accounting officers of the Government for final audit and settlement. Although said provision relieves the disbursing officers to whom it applies of certain duties theretofore performed by them in the matter of the preparation and examination of vouchers, it clearly requires that the disbursing officers shall make such examination of vouchers as may be necessary to ascertain whether they represent legal claims against the United States. While this provision was finally enacted in H. R. 26371, it was originally introduced as an amendment in the Committee of the Whole House when H. R. 24023 came up for consideration on May 4, 1912; and in presenting the amendment Mr. Johnson of South Carolina in explaining its purpose stated:

Mr. Chairman, when the subcommittee was engaged in making up the bill we found a marked difference in the cost of disbursing money in the different departments. For instance, the Treasury Department which disburses about \$17,000,000, does it this year at a cost of about \$15,000. We found that the Department of Justice, which disburses only about \$4,000,000, and that largely in salaries, cost very much more, possibly twice as much, as to disburse the money in the Treasury Department.

* * * * *

Now, when we looked into the question of this marked difference in the cost of disbursing money we found that the disbursing officers had from time to time come to the Committee on Appropriations and asked for so many clerks of class 4, so many of class 3, and so on, and that they had built around themselves a complete and perfect auditing system—that is, in some of the departments—so that they ceased to be disbursing officers and became auditing and disbursing officers.

We sent for the Comptroller of the Treasury and we went over this whole question with him and got the benefit of his views as to the trouble. We had the

benefit of his suggestions as to what would cure the trouble, and in consequence of the conferences we had with the Comptroller of the Treasury and in consequence of the investigation which I have endeavored to call to your attention, we framed this amendment, submitted it to the full Committee on Appropriations, and I think it meets with the unqualified approval of every member of the committee.

* * * * *

I think it will expedite it, because instead of having an auditing office in each department we simply require the disbursing officer to ascertain to his satisfaction that it is a legal claim and that there is an appropriation to pay it when the warrant goes to him, not that he will, like an Auditor or Comptroller of the Treasury, go to examining the facts and inquire into the expediency and propriety of the claim.

While this provision of law does not appear ever to have been pleaded successfully as a defense to a suit upon the bond of a disbursing officer and has not been understood as intended to modify to any extent the summary proceedings for judgment on motion provided in the cited act of March 3, 1797, 1 Stat. 512, reenacted as sections 886, 951, 957, and 3624, Revised Statutes, nevertheless it appears to have contributed to the apparent assumption on the part of many disbursing officers that the administrative examination and certification relieves them of all responsibility of ascertaining whether vouchers presented to them for payment represent legal obligations under available appropriations. Also, it appears to have contributed in some measure to the attitude which gradually has grown up in administrative offices to foster relief legislation for the disbursing officers who have made illegal payments. Such assumption on the part of disbursing officers and such attitude in administrative offices have become even more noticeable since the consolidation of disbursing activities under section 4 of Executive Order No. 6166 of June 10, 1933, paragraphs 2 and 3 of which read:

The Division of Disbursement of the Treasury Department is authorized to establish local offices, or to delegate the exercise of its functions locally to officers or employees of other agencies, according as the interests of efficiency and economy may require.

The Division of Disbursement shall disburse moneys only upon the certification of persons by law duly authorized to incur obligations upon behalf of the United States. The function of accountability for improper certification shall be transferred to such persons, and no disbursing officer shall be held accountable therefor.

Neither this section of the Executive order nor the above quoted provision of the act of August 23, 1912, as amended, has been regarded by the codemakers as modifying the summary procedure for recovering on the bonds of disbursing officers; and no case has been found where either of said provisions has been successfully pleaded as a defense in a suit upon a bond of a disbursing officer. However, the practical effect of the above-quoted paragraphs of the Executive order



appears to have been such that it is believed the Congress should give serious consideration to the matter in order that its long-established policy of requiring a strict accountability for public funds may be maintained and that appropriated moneys may be used only for the purposes for which appropriated. The present situation appears to be that many of the disbursing officers, although bonded, feel no responsibility in the matter, and the certifying officers are not bonded and the departments and establishments have been reluctant to act administratively to compel restitution by certifying officers who have made incorrect certificates resulting in illegal and unauthorized payments.

While the consolidation of the disbursing functions materially reduced the number of disbursing officers there now are several thousand duly designated certifying officers. If these certifying officers are to be an effective check on improper disbursement, then their responsibility should be at least equal to that of disbursing officers under sections 886, 951, 957, 1766, and 3624 of the Revised Statutes, and the correctness of payments made on their certificates should be insured by the furnishing of adequate bonds. Also, there might be more careful consideration by the Congress of applications for relief legislation where unauthorized and illegal payments have been made as the result of error by certifying or disbursing officers. It occurs with increasing frequency that balances representing incorrect and unauthorized payments which have been outstanding for some time have been authorized for credit in private or public relief acts. It is not understood, in reason, why the United States should assume these losses which the accountable officers and their compensated corporate sureties have been paid to assume, and it is submitted that the repeated and routine granting of such relief in session after session tends to give rise to a contempt for the restraints which the Congress has imposed on the uses of appropriated moneys.

The procedure since the founding of our Government appears to have recognized the importance of disbursing functions. The Congress has provided for well-paid disbursing officers who should become expert in the matter of observing the statutory requirements and has provided a procedure whereby they could protect themselves by obtaining advance decisions on questions of genuine doubt, etc. Also, the legal correctness of their official action has been required to be insured by the furnishing of adequate bonds. If now, their responsibility is to be reduced to that of mere mechanical cashiers and the serious responsibility for proper disbursement is to be transferred to certifying officers, it is recommended that there be enacted legislation requiring such certifying officers to be bonded and defining clearly the respective liabilities of disbursing officers and certifying officers.

CHAPTER IV

Financial Statements

THE STATEMENTS comprising this chapter are "matters relating to the receipt, disbursement, and application of public funds." They bring to the attention of the Congress, as fully as the accounting records of the Government make possible, information regarding the public funds on deposit in the Treasury of the United States and in other depositories authorized by law, the value of gold and silver holdings of the Government, accounts receivable in isolated cases, investment holdings of the Government, all as reported, but not verified by audit by the General Accounting Office; and miscellaneous loans receivable reported in isolated cases but not verified by audit. In opposition to the assets there are set forth items representing certain ascertained liabilities, commitments in the form of appropriations, special deposit funds and trust funds. Among such items are the Exchange Stabilization Fund which is exempted by law from audit by the General Accounting Office; public debt, the transactions of which have not been audited by the General Accounting Office; special deposit accounts and depositary accounts of Government Corporations and Agencies, many of which have not been audited by the General Accounting Office; and balances to the credit of disbursing officers as to some of which the audit by the General Accounting Office is not current.

Each of the items contained in the statement (exhibit A) is described in some detail in the following paragraphs and is supported by statements on which comments deemed pertinent have been made:

GOLD UNENCUMBERED (SCHEDULE A-1)

This item shows the book value of gold unencumbered as recorded on the records of the Treasurer of the United States and shown to be

in the custody of the Superintendents of the several mints, assay offices, and Fort Knox, Ky. Verification or physical inspection has not been made by the General Accounting Office.

SILVER UNENCUMBERED (SCHEDULE A-2)

This item states the book value of silver on hand as shown by the records of the Treasurer. The quantities held in Washington were verified by the General Accounting Office by actual count during the fiscal year 1938 and were at that time placed under seal in the vaults of the Treasury. The bulk of the silver, however, is in the custody of the Superintendents of the mints and assay offices, and such quantities have not been verified by actual count.

CASH—TREASURY OFFICES (SCHEDULE A-3)

This item reflects the cash (coin, currency, etc.) in Treasury Offices as shown by the books of the Treasurer. No actual verification of this amount has been made by the General Accounting Office.

DEPOSITARIES (SCHEDULE A-4)

This item reflects the amount on deposit with Federal Reserve Banks and approved depositaries as recorded on the books of the Treasurer. The General Accounting Office has made no verification of this account.

ACCOUNTS RECEIVABLE (SCHEDULE A-5)

This item represents the amount of receivable items carried on the books of the Treasurer as being in the process of collection and has not been verified by the General Accounting Office.

INVESTMENTS (SCHEDULE A-6)

No account for investments as such is carried in the general ledger of the Treasurer. There are maintained by the Treasurer memorandum records of securities in his possession, and in the Office of the Commissioner of Accounts and Deposits investment records of a memorandum character are found. Such records, however, are not complete, and for the purpose of this statement computations based on information received from the several Government agencies have been used.

LOANS RECEIVABLE (SCHEDULE A-7)

Loans receivable, as shown by the records of the Treasurer and the Commissioner of Accounts and Deposits, subject to adjustments found to be necessary in order to reflect information furnished by administrative agencies charged with the duty of collecting, are stated in this account. No attempt has been made to evaluate loans except in those cases where the administrative office has seen fit to set up a reserve for losses, in which event the reserves have been reflected. With the exception of loans to foreign governments, most Government lending is accomplished through Government corporations and credit agencies functioning as business enterprises. Such loans are excluded from schedule A-7 and reflected in schedule A-6, "Investments of the United States," for the reason that the evidences of debt resulting from the loans are carried as assets of the lending agencies.

CASH SHORTAGE—PUBLIC DEBT

The cash shortage, public debt, carried in this account represents a deficiency in deposits to the account of the Treasurer of the United States, the larger portion of such shortage—\$542,011.51—having occurred in connection with the sales of Thrift Stamps and War Savings Stamps by the various postmasters during the war period.

The Sixty-fifth Congress (40 Stat. P. 754, sec. 10) enacted legislation providing for the relief of postmasters whose accounts were short in connection with the sales of such securities in the amount of \$423,520.67, thus leaving a balance of \$118,490.84 due the United States from such postmasters.

The shortage in the public-debt accounts of the Treasurer of the United States consists of the above-mentioned postmasters' shortage of \$542,011.51 together with an additional shortage of \$34,232.12 which was caused by the overissue of public-debt securities for various reasons, such as theft, fraud, etc., making a total as of June 30, 1939, of \$576,243.63.

On August 10, 1939, the Congress provided for the relief of the Treasurer of the United States in the total amount of this public-debt shortage (Private, No. 250, 76th Cong.).

FOREIGN GOVERNMENT OBLIGATIONS RECEIVABLE (SCHEDULE A-8)

This item reflects the amount of the foreign government obligations to the United States as shown by the books of the Treasury adjusted by the amount of accrued interest to June 30, 1939.

POST OFFICE DEPARTMENT (SCHEDULE A-9)

This account reflects the amount shown to the credit of the Post Office Department on the books of the Treasurer and represents the amount available to the Post Office Department for expenditure.

FIVE PERCENT REDEMPTION FUND, NATIONAL BANK NOTES (SCHEDULE A-10)

This account shows the amount to the credit of the 5 percent redemption fund, national bank notes, on the books of the Treasurer and reflects moneys due national banks since the abolition of the right of national banks to issue notes.

EXCHANGE STABILIZATION FUND (SCHEDULE A-11)

This account shows the amount to the credit of the exchange stabilization fund on the books of the Treasurer and represents the unexpended balance of the appropriation of \$2,000,000,000 made by Congress under the Gold Reserve Act.

SPECIAL-DEPOSIT ACCOUNTS

This account reflects the amounts carried on the books of the Treasurer to the credit of various individuals and agencies under an agreement whereby the Treasurer is acting as a depository in a relationship similar to that of bank and depositor.

DEPOSITORY ACCOUNTS OF GOVERNMENTAL CORPORATIONS AND AGENCIES

This account shows the amount carried on the books of the Treasurer to the credit of several corporations and Government agencies which operate as independent units of the Government.

TRUST FUNDS, UNADVANCED

This item reflects the balance to the credit of trust funds which has not been advanced to disbursing officers.

PUBLIC DEBT (SCHEDULE A-12)

This item reflects the amount shown for outstanding public-debt obligations on the books of the Treasury Department after adjustment by the General Accounting Office to include accrued interest on adjusted-service bonds and Treasury war savings certificates. Accrued interest on other classes of unmatured indebtedness has not been included. There is also included in this account a further adjustment in the amount of \$568,524.60, such amount consisting

principally of a shortage of \$542,011.51 in receipts from the sales of Treasury (war) Savings securities by the Post Office Department during the war period. The balance of this adjustment was caused by the overissues and overredemptions of the various classes of public-debt securities.

COMMITMENTS

Commitments consist of three items, namely: "To credit of general fund appropriations, unadvanced," the balance of appropriations made by Congress which on June 30, 1939, had not been made available to disbursing officers; "To credit of special fund appropriations, unadvanced," the balance of appropriations made from special-fund receipts which on June 30, 1939, had not been made available to disbursing officers; and "To credit of disbursing officers, advances," the unexpended balance of advances to disbursing officers.

NATIONAL DEFICIT

This item reflects the difference between the assets and liabilities as shown by this financial statement, and is subject to adjustment on account of several items such as the realizable value of the assets, particularly foreign obligations receivable under schedule A-8; accounts receivable of many types not included in the statement because of the lack of reliable information; tax levies due and uncollected; whatever net worth may be applied to the Tennessee Valley Authority; and for other reasons of similar importance. The amount, therefore, should be considered only as a basis for adjustment by all of the elements when they become known.

GENERAL COMMENT

Financial statements for the various agencies of the Government provide detailed support to the general financial statement. Pertinent notations have been made thereon to show the source of information and whether the transactions reflected have been audited by the General Accounting Office.

EXHIBIT A

*Financial statement of the United States, June 30, 1939*¹

ASSETS	
Gold unencumbered (schedule A-1).....	\$2,358,547,588.83
Silver unencumbered (schedule A-2).....	615,085,905.30
Cash, Treasury offices (schedule A-3).....	\$34,131,730.08
Depositories (schedule A-4).....	1,803,432,187.73
	\$1,837,563,917.81
Deduct: Outstanding checks and interest coupons obligations.....	277,097,755.78
	1,560,466,162.03
Accounts receivable (schedule A-5).....	3,196,873.86
Investments (schedule A-6).....	3,788,974,184.55
Loans receivable (schedule A-7).....	738,218,959.03
Cash shortage—public debt.....	576,243.63
Foreign government obligations receivable (schedule A-8).....	14,026,099,965.65
Total assets.....	23,091,165,882.88
LIABILITIES	
Post Office Department (schedule A-9).....	107,748,848.88
5 percent redemption fund, national bank notes (schedule A-10).....	255,615.16
Exchange stabilization fund (schedule A-11).....	1,804,065,435.31
Special deposit accounts.....	122,509,851.65
Depository accounts of governmental corporations and agencies.....	521,174,510.90
Trust funds, unadvanced.....	74,488,824.46
Public debt (schedule A-12).....	40,475,241,584.78
Commitments:	
To credit of general fund appropriations, unadvanced.....	\$2,378,120,111.91
To credit of special fund appropriations, unadvanced.....	202,103,124.86
To credit of disbursing officers, advances.....	1,108,976,010.43
	3,689,199,247.20
Total liabilities and commitments.....	46,794,683,918.34
National deficit.....	23,703,518,035.46

SCHEDULE A-1.—Statement of gold on hand, June 30, 1939

ASSETS	
Gold bullion and coin.....	\$16,110,078,913.04
LIABILITIES	
Gold certificates (old series).....	\$32,535,489.00
Gold certificates (new series).....	41,611,980.00
Gold certificates (series of 1934).....	2,815,444,500.00
	\$2,889,891,969.00
Deduct:	
Gold certificates held by Treasury offices.....	2,517,590.00
	2,887,374,379.00
Gold certificate fund, Board of Governors, Federal Reserve System.....	10,699,275,119.95
Gold reserve against United States notes.....	156,039,430.93
Redemption fund, Federal Reserve notes.....	8,842,304.33
Total.....	13,751,531,324.21
Gold unencumbered.....	2,358,547,588.83

SCHEDULE A-2.—Statement of silver on hand, June 30, 1939

ASSETS	
Silver bullion (monetary value).....	\$1,230,585,527.01
Silver bullion (cost value).....	585,834,925.29
Silver bullion (recoinage value).....	273,020.00
Silver dollars (standard).....	502,162,924.00
Total.....	2,318,856,396.30
LIABILITIES	
Silver certificates (old series).....	\$31,770,892.00
Silver certificates (series of 1933).....	31,210.00
Silver certificates (series of 1928, 1934, and 1935).....	1,675,568,176.00
	\$1,707,370,278.00
Deduct:	
Silver certificates held by Treasury offices.....	4,766,259.00
	1,702,604,019.00
Treasury notes (act 1890).....	1,167,948.00
Deduct: Treasury notes held by Treasury offices.....	1,476.00
	1,166,472.00
Total.....	1,703,770,491.00
Silver unencumbered.....	615,085,905.30

¹ All items in the above statement are subject to the attached comments and supporting schedules.

SCHEDULE A-3.—Cash, Treasury offices, June 30, 1939

193302-40-8

	United States notes	Federal Reserve notes	Federal Reserve Bank notes	National bank notes	Subsidiary silver coin	Minor coin	Unclassified cash	Shortage and reconnoice losses	Balance June 30, 1939
Cash division.....	\$1,884,238	\$4,669,620	0	0	\$261,463.60	\$65,007.31	\$13,383.21	\$521.15	\$6,894,233.27
Currency redemption division.....	300,837	2,533,530	\$306,566	\$1,336,276.50	0	0	1,742.04	0	4,478,9 ^F 1.54
U. S. Mint, Denver.....	20,000	121,700	0	0	1,489,883.90	600,346.29	635.33	47,428.40	2,279,993.92
U. S. Mint, Philadelphia.....	0	4,000	0	0	1,360,249.15	1,627,365.32	3,745.82	218,964.35	3,214,324.64
U. S. Mint, San Francisco.....	0	38,000	0	0	465,803.00	201,079.28	4,164.23	24,318.21	733,364.72
U. S. Mint, New Orleans.....	0	0	0	0	0	0	0	0	0
Assay Office, New York.....	0	2,530,840	0	0	27,000.00	0	13,993,779.96	235.97	16,551,855.93
Assay Office, Seattle.....	0	0	0	0	0	0	0	0	0
Depository, Fort Knox.....	0	0	0	0	0	0	0	0	0
Transit account.....	0	0	0	0	0	0	6,846.06	0	6,846.06
Deduct: Redemption and exchange, U. S. currency and coin (unclassified).....	0	0	0	0	0	0	127,840.00	0	127,840.00
Total.....	2,205,075	9,897,690	306,566	1,336,276.50	3,604,399.65	2,493,798.20	13,996,456.65	291,468.08	34,131,730.08

¹ Credit.

SCHEDULE A-4.—Amounts on deposit with depositaries, June 30, 1939

Federal Reserve banks and branches.....	\$1,760,886,415.35
National and other bank depositaries.....	42,545,772.38
Total.....	1,803,432,187.73

SCHEDULE A-5.—Accounts receivable, June 30, 1939

COLLECTION ITEMS IN TRANSIT	COLLECTION ITEMS IN TRANSIT—Contd.	
Federal Reserve banks and branches:	Federal Reserve banks and branches—	
Boston.....	Continued.	
New York.....	Seattle.....	\$28,574.98
Buffalo.....	Spokane.....	0
Philadelphia.....	Miscellaneous:	
Cleveland.....	Insular banks.....	13,379.53
Cincinnati.....	National Metropolitan.....	262,990.76
Pittsburgh.....	Unpaid checks (credit).....	-503.15
Richmond.....	Cash room (credit).....	-11,309.01
Baltimore.....		
Charlotte.....	Total items in transit.....	4,027,099.90
Atlanta.....	Prior items cleared in July (deduct).....	832,706.72
Birmingham.....		
Jacksonville.....		3,194,393.18
Nashville.....	Overpayments by postmasters:	
New Orleans.....	Postmaster, Brooklyn, N. Y.	
Chicago.....	Checks for \$600 and \$300 issued	
Detroit.....	to William J. B. Nichols in pay-	
St. Louis.....	ment of adjusted service bonds	
Little Rock.....	amounting to \$300.....	600.00
Louisville.....	Postmaster, New York, N. Y.	
Memphis.....	Two checks for \$300 each issued	
Minneapolis.....	to Robert John Parker in pay-	
Helena.....	ment for adjusted service bonds	
Kansas City.....	amounting to \$300. Two checks	
Denver.....	for \$100 each issued to Daniel R.	
Oklahoma City.....	Lemons in payment for adjusted	
Omaha.....	service bonds amounting to \$100.	400.00
Dallas.....	Adjustment items. This account	
El Paso.....	represents principally public-debt	
Houston.....	securities—that have not matured—	
San Antonio.....	transmitted in error by Federal	
San Francisco.....	Reserve banks for redemption.....	1,480.68
Los Angeles.....		
Portland.....	Total.....	3,196,873.86
Salt Lake City.....		

SCHEDULE A-6.—Investments of the United States in corporations and other business enterprises, June 30, 1939

	Net worth as per agency statement	Adjustments	Privately owned equity in net worth	Adjustments—premium (–) and discount (+) on Treasury obligations owned ¹	Net worth to United States
Agricultural Marketing Act revolving fund	\$168,509,459.39	+\$12,202,550.24		–\$1,872,915.71	\$178,839,093.92
*Alaska R. R.	58,935,055.91				58,935,055.91
*Alley Dwelling Authority for the District of Columbia—conversion of inhabited alleys fund	744,449.61				744,449.61
*Alley Dwelling Authority for the District of Columbia—low-rent housing fund					
*Bonneville project	23,979,086.86				23,979,086.86
Commodity Credit Corporation	100,000,000.00	–121,832,020.78			–21,832,020.78
Dairy Products Marketing Association, Inc.	418,689.65		\$400.00		418,289.65
Disaster Loan Corporation	16,905,288.20				16,905,288.20
Electric Home and Farm Authority	938,136.77				938,136.77
Export-Import Bank of Washington	1,902,034.30				² 1,902,034.30
*Farm Security Administration	404,663,920.18				404,663,920.18
Farmers' Home Corporation	None				None
Federal Crop Insurance Corporation	20,000,000.00				20,000,000.00
Federal Deposit Insurance Corporation	424,482,167.77	–135,182,610.78	139,299,556.99	–1,004,780.08	148,995,219.92
Federal Farm Mortgage Corporation	200,000,000.00	–33,531,409.93			166,468,590.07
Federal Home Loan Banks—consolidated	173,123,615.70		41,756,202.30	–783,229.00	130,584,184.40
*Federal Housing Administration	117,555,814.85	–81,287,853.41		–775,478.05	35,492,483.39
*Mutual mortgage insurance fund					
*Housing insurance fund					
Federal Intermediate Credit Banks—consolidated	118,392,676.27	–67,931.95		*+433.48	118,325,227.80
Federal Land Banks—combined	510,395,058.93		203,518,522.98	–702,626.24	306,083,909.71
Federal Prison Industries, Inc.	7,353,632.56				7,353,632.56
Federal Savings and Loan Associations (583)	412,425,921.89		367,371,543.39		45,054,378.47
Federal Subsistence Homesteads Corporation	10,000.00	–10,000.00			None
Federal Surplus Commodities Corporation	(³)	(³)	(³)	(³)	Unknown
*Helium production and sale	Unknown				Unknown
Home Owners' Loan Corporation	140,437,971.05	+5,283,980.73		–256,779.42	145,435,172.36
Inland Waterways Corporation and Warrior River Terminal Co. (wholly owned subsidiary)	24,834,234.45			–41,390.86	24,792,873.59
Miller Printing Co.	171,971.00		Unknown		171,971.00
*Panama Canal	508,349,347.26				508,349,347.26
Panama R. R. Co.	(³)		(³)	(³)	Unknown
Production Credit Corporations—consolidated	122,078,095.61	+2,840,970.64			124,917,066.25
Reclamation projects—Boulder Canyon	150,049,653.92				150,049,653.92
Reclamation projects—miscellaneous	Not shown	+326,440,501.25			326,440,501.25

See footnotes at end of table.

SCHEDULE A-6.—Investments of the United States in corporations and other business enterprises, June 30, 1939—Continued

	Net worth as per agency statement	Adjustments	Privately owned equity in net worth	Adjustments—premium (–) and discount (+) on Treasury obligations owned ¹	Net worth to United States
Reconstruction Finance Corporation.....	\$748,158,873.57	+\$2,166,523.24			\$750,325,396.81
Regional Agricultural Credit Corporations (in liquidation)—consolidated.....	18,677,084.63				18,677,084.63
*Rural Electrification Administration.....	(²)	(²)	(²)	(²)	Unknown
Tennessee Valley Authority. (See sec. 9b Tennessee Valley Authority Act, 1933.).....					
Tennessee Valley Associated Cooperatives, Inc.....	300,961.76				⁴ 300,961.76
U. S. Housing Authority.....					
U. S. Housing Corporation (in liquidation).....	1,888,502.72				1,888,502.72
*U. S. Maritime Commission.....	87,914,748.10				87,914,748.10
U. S. Spruce Production Corporation.....	222,947.22				222,947.22
Virgin Islands Co.....	618,901.74				618,901.74
War Finance Corporation (in liquidation).....	2,000.00				2,000.00
Chicago, Milwaukee, St. Paul & Pacific R. R.....	3,207,000.00	–3,190,955.00			16,035.00
Total.....	4,572,560,391.84	–26,168,265.75	\$751,946,225.66	–\$5,471,715.88	3,788,974,184.55

*Unincorporated.

¹ Inasmuch as direct obligations of the United States appear on the financial statement of the United States, exhibit A, as a liability at face value, it is necessary to eliminate the premium and discount on such obligations reflected in the portion of the net worth of business enterprises which accrues to the United States. For the purposes of exhibit A such premium and discount represent a realized loss or profit, respectively.

² In addition, an equity in the Export-Import Bank of Washington of \$45,632,465.76 accrues to the Reconstruction Finance Corporation.

³ No information available.

⁴ As of Dec. 31, 1938, the latest figure available.

SCHEDULE A-7.—Loans receivable, June 30, 1939

Agency responsible for collection	Principal as per books	Accumulated interest	Present value
TREASURY DEPARTMENT			
Reconstruction Finance Corporation, series Q notes, 1 percent, due Jan. 1, 1942.....	\$243,047,627.43	\$1,187,000.20	\$244,234,627.63
Home Owners' Loan Corporation series J bonds, ¼ of 1 percent, due Oct. 15, 1939.....	20,000,000.00	10,416.67	20,010,416.67
Tennessee Valley Authority, series A bonds, 2½ percent, due Dec. 15, 1948.....	272,500.00	324.61	272,824.61
Commodity Credit Corporation interim notes, first series, ½ of 1 percent, due Aug. 1, 1939.....	10,000,000.00	24,315.00	10,024,315.00
Obligations of railroads.....	27,023,232.55	28,396,487.20	55,419,719.75
Loans receivable from municipalities, counties, etc.....	2,570,400.00	792,676.66	3,363,076.66
Receivable from sales of surplus property (Navy).....	4,645,070.50	174,076.00	4,819,146.50
FARM CREDIT ADMINISTRATION			
Crop production and seed loans receivable.....	79,511,107.92	(1)	79,511,107.92
Loans receivable from joint stock land banks.....	33,981.64	(1)	33,981.64
INTERIOR DEPARTMENT			
Receivable from reclamation projects.....	249,917,945.20	(1)	249,917,945.20
Loans receivable from Indian corporations, associations, cooperatives, and individuals.....	2,474,706.42	(1)	2,474,706.42
Puerto Rican hurricane-relief loans.....	5,462,915.67	1,435,070.46	6,897,986.13
FEDERAL ADMINISTRATION OF PUBLIC WORKS			
Obligations of States, municipalities, and other public bodies.....	59,385,335.18	1,853,769.72	61,239,104.90
Total.....	704,344,822.51	33,874,136.52	738,218,959.03

(1) No information available.

SCHEDULE A-8.—Foreign government obligations receivable, June 30, 1939

[Agency responsible for collection—Treasury Department]

	Principal as per Treasury books	Accumulated interest	Book value
Funded indebtedness of foreign governments under debt-funding agreements and moratorium agreements.....	\$11,231,081,200.76	\$1,679,801,972.29	\$12,910,883,173.05
Unfunded indebtedness of foreign governments represented by obligations received for (1) cash advances, (2) surplus war supplies sold on credit, (3) relief supplies sold on credit by American Relief Administration, (4) relief supplies sold on credit by United States Grain Corporation.....	241,563,660.51	205,265,538.78	446,829,199.29
German bonds for account of reimbursements of the costs of the United States Army of Occupation and awards of the Mixed Claims Commission.....	654,354,250.00	14,033,343.31	668,387,593.31
Total.....	12,126,999,111.27	1,899,100,854.38	14,026,099,965.65

SCHEDULE A-9.—*Post Office Department, June 30, 1939*

Board of trustees, Postal Savings System, 5-percent reserve fund (42002).....	\$59,300,000.00
The act establishing postal-savings depositories, approved June 16, 1933 (sec. 9), provides that 5 percent of all postal savings deposits shall be deposited with the Treasurer of the United States as a reserve fund. This account reflects these deposits. The balance of such funds are in depositories approved under the Postal Savings System.	
Board of trustees, Postal Savings System, miscellaneous deposits (42201).....	11,445,244.64
This is the bank account of the Postal Savings System on deposit with the Treasurer of the United States.	
Post Office Department (47-001).....	5,713,738.80
This balance consists of excess postal revenues which will be transferred to postmasters' disbursing accounts as needed.	
Postmasters' disbursing accounts.....	31,289,865.94
Total.....	107,748,848.83

SCHEDULE A-10.—*Five percent redemption fund, national-bank notes, June 30, 1939*

Originally the balance in this account represented approximately 5 percent of the total amount of national-bank notes (currency) issued and outstanding which was required by law to be maintained in the Treasury at Washington, D. C., by the issuing banks for the payment and redemption of their notes when presented.	
Since the issuance of national-bank notes has been discontinued the 5-percent redemption fund, as such, no longer exists.	
Although the United States Government has assumed the payment and redemption of all outstanding national bank notes and included these notes as part of the public debt, all expenses incidental to the handling of such notes are assessed against the particular national banks having their notes presented. Some of the balances remaining in this account are charged with such expenses while others are the subject of litigation between the U. S. Treasury and the national banks involved.	
Total.....	\$255,615.16
Total.....	255,615.16

SCHEDULE A-11.—*Exchange stabilization fund, June 30, 1939*

Secretary of the Treasury, exchange stabilization fund.....	\$1,800,000,000.00
This fund was established by an act "To protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes," approved Jan. 30, 1934. Sec. 10 of the act provides: "(a) For the purpose of stabilizing the exchange value of the dollar, the Secretary of the Treasury, with the approval of the President, directly or through such agencies as he may designate, is authorized, for the account of the fund established in this section, to deal in gold and foreign exchange and such other instruments of credit and securities as he may deem necessary to carry out the purpose of this section. An annual audit of such fund shall be made and a report thereof submitted to the President. (b) To enable the Secretary of the Treasury to carry out the provisions of this section, there is hereby appropriated, out of the receipts which are directed to be covered into the Treasury under sec. 7 hereof, the sum of \$2,000,000,000, which sum when available shall be deposited with the Treasurer of the United States in a stabilization fund (hereinafter called the "fund") under the exclusive control of the Secretary of the Treasury, with the approval of the President, whose decisions shall be final and not be subject to review by any other officer of the United States. The fund shall be available for expenditure, under the direction of the Secretary of the Treasury and in his discretion, for any purpose in connection with carrying out the provisions of this section, including the investment and reinvestment in direct obligations of the United States of any portions of the fund which the Secretary of the Treasury, with the approval of the President, may from time to time determine are not currently required for stabilizing the exchange value of the dollar. The proceeds of all sales and investments and all earnings and interest accruing under the operations of this section shall be paid into the fund and shall be available for the purposes of the fund. * * *	
Secretary of the Treasury, exchange reimbursement account.....	2,450,619.03
This account appears to consist of deposits, the nature of which were not disclosed due to instructions of the Secretary of the Treasury.	
Exchange stabilization fund (disbursing accounts (17613-19)).....	1,614,816.28
Total.....	1,804,065,435.31

SCHEDULE A-12.—Public debt, June 30, 1939

Title	Amount out-standing	Title	Amount out-standing
Bonds:		Treasury notes—Continued.	
3-percent Panama Canal loan of 1961	\$49,800,000.00	2-percent Government life insurance fund: Series 1943 and 1944	\$86,359,000.00
3-percent conversion bonds of 1946-47	28,894,500.00	2-percent Federal Deposit Insurance Corporation series, maturing Dec. 1, 1939, 1942, and 1943	101,000,000.00
2½-percent postal savings bonds (17th to 49th series)	117,776,160.00	Certificates of indebtedness—special:	
Treasury bonds:		4-percent adjusted service certificate fund—series 1940	19,500,000.00
4¼-percent bonds of 1947-52	758,945,800.00	2½-percent unemployment trust fund—series 1940	1,267,000,000.00
4-percent bonds of 1944-54	1,036,692,900.00	Treasury bills (maturity value)—series maturing:	
3½-percent bonds of 1946-56	489,080,100.00	July 5, 1939	100,287,000.00
3½-percent bonds of 1943-47	454,135,200.00	July 12, 1939	100,167,000.00
3½-percent bonds of 1940-43	352,993,450.00	July 19, 1939	100,444,000.00
3½-percent bonds of 1941-43	544,870,050.00	July 26, 1939	100,205,000.00
3½-percent bonds of 1946-49	818,627,000.00	Aug. 2, 1939	100,384,000.00
3-percent bonds of 1951-55	755,432,000.00	Aug. 9, 1939	101,918,000.00
3¼-percent bonds of 1941	834,453,200.00	Aug. 16, 1939	100,341,000.00
3¼-percent bonds of 1943-45	1,400,528,250.00	Aug. 23, 1939	101,001,000.00
3¼-percent bonds of 1944-46	1,518,737,650.00	Aug. 30, 1939	100,521,000.00
3-percent bonds of 1946-48	1,035,874,400.00	Sept. 6, 1939	100,912,000.00
3½-percent bonds of 1949-52	491,375,100.00	Sept. 13, 1939	100,342,000.00
2½-percent bonds of 1955-60	2,611,093,650.00	Sept. 20, 1939	100,938,000.00
2½-percent bonds of 1945-47	1,214,428,950.00	Sept. 27, 1939	100,109,000.00
2½-percent bonds of 1948-51	1,223,495,850.00	Other obligations:	
2½-percent bonds of 1951-54	1,626,687,150.00	Old debt matured—issued prior to Apr. 1, 1917	3,896,790.26
2½-percent bonds of 1956-59	981,827,050.00	2½-percent postal savings bonds	37,800.00
2½-percent bonds of 1949-53	1,786,140,650.00	3½-percent, 4-percent, and 4¼-percent First Liberty Loan of 1932-47	12,440,300.00
2½-percent bonds of 1945	540,843,550.00	4-percent and 4¼-percent Second Liberty Loan of 1927-42	1,271,600.00
2½-percent bonds of 1948	450,978,400.00	4¼-percent Third Liberty Loan of 1928	1,987,700.00
2½-percent bonds of 1958-63	918,780,600.00	4¼-percent Fourth Liberty Loan of 1933-38	17,894,250.00
2½-percent bonds of 1950-52	1,185,841,700.00	3½-percent and 4¾-percent Victory notes of 1922-23	614,500.00
2½-percent bonds of 1960-65	1,485,385,100.00	Treasury notes, at various interest rates	24,660,350.00
2-percent bonds of 1947	701,074,900.00	Certificates of indebtedness, at various interest rates	4,344,800.00
United States savings bonds:		Treasury bills	74,945,000.00
Series A-1935	177,329,119.50	Treasury saving certificates	223,200.00
Series B-1936	325,404,288.50	Treasury (War) savings certificates, matured series	3,999,074.60
Series C-1937	425,805,175.25	Obligations required to be reissued when redeemed:	
Series D-1938	515,331,821.88	United States notes—\$346,681,016.00	
Series D-1939	333,033,431.25	Less: Gold reserve 156,039,430.93	
Unclassified sales	97,120,040.72		190,641,585.07
3-percent adjusted service bonds of 1945	308,696,842.08	Obligations to be retired on presentation:	
4½-percent adjusted service bonds (Government life insurance fund series 1946)	500,157,956.40	Old demand notes	53,012.50
Treasury notes:		National bank notes and Federal Reserve bank notes assumed by the United States on deposit of lawful money for their retirement	215,365,126.50
1½-percent series B-1939	7,242,709,700.00	Fractional currency	1,978,715.78
1½-percent series D-1939		Thrift and Treasury savings stamps, unclassified sales, etc.	3,241,094.49
1½-percent series A-1940		Total public debt	40,475,241,584.78
1½-percent series B-1940			
1½-percent series C-1940			
1½-percent series A-1941			
1½-percent series B-1941			
1½-percent series C-1941			
1¾-percent series A-1942			
2-percent series B-1942			
1¾-percent series C-1942			
1½-percent series A-1943			
1½-percent series B-1943			
¾-percent series A-1944			
3-percent old-age reserve account: Series 1941 to 1944		1,177,200,000.00	
3-percent railroad retirement account: Series 1942 and 1943	67,200,000.00		
4-percent civil service retirement fund: Series 1940 to 1944	465,400,000.00		
4-percent Foreign Service retirement fund: Series 1940 to 1944	3,528,000.00		
4-percent Canal Zone retirement fund: Series 1940 to 1944	3,946,000.00		
4-percent Alaska Railroad retirement fund: Series 1941 to 1944	563,000.00		
2-percent Postal Savings System series, maturing June 30, 1940, 1942, and 1943	128,000,000.00		

EXHIBIT B

Statement of receipts and expenditures (warrant-issued basis),¹ general fund, June 30, 1939

Revenue:		
Income taxes.....	\$2,182,684,378.91	
Social security taxes.....	630,445,144.01	
Other internal revenue.....	2,233,659,304.00	
Customs.....	319,033,835.80	
Miscellaneous.....	294,636,750.22	
Total revenue.....		\$5,660,459,412.94
Less expenditures:		
Legislative (schedule B-1).....	\$26,443,471.30	
Judicial (schedule B-2).....	8,980,749.61	
Executive (schedule B-3).....	608,963.64	
Agriculture (schedule B-4).....	1,198,325,018.06	
Commerce (schedule B-5).....	38,674,199.91	
Interior (schedule B-6).....	207,016,116.51	
Justice (schedule B-7).....	37,831,809.46	
Labor (schedule B-8).....	27,970,538.89	
Navy (schedule B-9).....	665,163,529.43	
Post Office (schedule B-10).....	40,908,844.47	
State (schedule B-11).....	20,078,740.16	
Treasury (schedule B-12).....	884,283,652.55	
War (schedule B-13).....	943,209,142.50	
Independent offices (schedule B-14).....	1,870,801,878.79	
Emergency (schedule B-15).....	2,299,241,791.76	
Public debt interest.....	940,960,392.87	
Reconstruction Finance Corporation notes canceled pursuant to act of Feb. 24, 1938.....	20,644,538.85	
Total expenditures.....		9,231,143,378.76
Excess of expenditures over revenues.....		3,570,683,965.82
Add nonrevenue receipts:		
Public debt increase.....	\$3,284,178,004.99	
Sales of assets, rents, etc.....	33,395,128.57	
Collections on loans and investments.....	41,946,793.20	
Total nonrevenue receipts.....		3,359,519,926.76
Excess of expenditures over receipts.....		211,164,039.06

¹ Expenditure (warrant-issued basis) represents advances to the credit of disbursing officers for the purpose of making expenditures for the benefit of the Government as well as direct payments by the Treasurer of the United States.

² The "Reconstruction Finance Corporation notes" were originally received by the Treasury Department from the Reconstruction Finance Corporation for cash advances made in previous fiscal years.

Summary of appropriation balances, fiscal year ending June 30, 1939

SCHEDULE B-1.—LEGISLATIVE

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$2,749,801.94	\$12,755.26	\$1,059,933.21	\$3,822,490.41
Add:				
Appropriations, current year.....	27,936,899.48	28,676.42	824,006.92	28,789,582.82
Appropriations transferred from other agencies.....	1,160,760.40			1,160,760.40
Total funds available.....	31,847,461.82	41,431.68	1,883,940.13	33,772,833.63
Deduct:				
Appropriations transferred to other agencies.....	539,663.43			539,663.43
Amounts returned to surplus fund.....	1,479,920.21			1,479,920.21
Total deductions.....	2,019,583.64			2,019,583.64
Balances available, current year.....	29,827,878.18	41,431.68	1,883,940.13	31,753,249.99
Unadvanced balance, June 30, 1939.....	3,384,406.88	1,359.40	1,142,723.67	4,528,489.95
Total advances to disbursing officers, fiscal year 1939.....	26,443,471.30	40,072.28	741,216.46	27,224,760.04

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-2.—JUDICIAL

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$925,436.16		\$961,116.33	\$1,886,552.49
Add:				
Appropriations, current year.....	9,028,652.77		2,516,492.42	11,545,145.19
Appropriations transferred from other agencies.....	80,000.00			80,000.00
Total funds available.....	10,034,088.93		3,477,608.75	13,511,697.68
Deduct:				
Appropriations transferred to other agencies.....	136,000.00			136,000.00
Amounts returned to surplus fund.....	448,774.57		847.23	449,621.80
Total deductions.....	584,774.57		847.23	585,621.80
Balances available, current year.....	9,449,314.36		3,476,761.52	12,926,075.88
Unadvanced balance, June 30, 1939.....	468,564.75		439,971.70	908,536.45
Total advanced to disbursing officers, fiscal year 1939.....	8,980,749.61		3,036,789.82	12,017,539.43

SCHEDULE B-3.—EXECUTIVE OFFICE

Balance from appropriations for prior years.....	\$159,644.24			\$159,644.24
Add:				
Appropriations, current year.....	1,954,907.23			1,954,907.23
Appropriations transferred from other agencies.....	434,179.51			434,179.51
Total funds available.....	2,548,730.98			2,548,730.98
Deduct:				
Appropriations transferred to other agencies.....	1,491,407.96			1,491,407.96
Amounts returned to surplus fund.....	302,280.71			302,280.71
Total deductions.....	1,793,688.67			1,793,688.67
Balances available, current year.....	755,042.31			755,042.31
Unadvanced balance, June 30, 1939.....	146,078.67			146,078.67
Total advances to disbursing officers fiscal year 1939.....	608,963.64			608,963.64

SCHEDULE B-4.—DEPARTMENT OF AGRICULTURE

Balance from appropriations for prior years.....	\$723,259,284.02	\$33,085.68	\$3,187,605.23	\$726,479,974.93
Add:				
Appropriations, current year.....	707,884,428.46	1,590,648.55	6,354,817.33	715,829,894.34
Appropriations transferred from other agencies.....	478,726,178.67			478,726,178.67
Total funds available.....	1,909,869,891.15	1,623,734.23	9,542,422.56	1,921,036,047.94
Deduct:				
Appropriations transferred to other agencies.....	467,602,136.56			467,602,136.56
Amounts returned to surplus fund.....	11,314,881.14			11,314,881.14
Total deductions.....	478,917,017.70			478,917,017.70
Balances available, current year.....	1,430,952,873.45	1,623,734.23	9,542,422.56	1,442,119,030.24
Unadvanced balance, June 30, 1939.....	232,626,843.27	72,883.26	3,801,783.40	236,501,509.93
Total advances to disbursing officers, fiscal year 1939.....	1,198,326,030.18	1,550,850.97	5,740,639.16	1,205,617,520.31

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-5.—DEPARTMENT OF COMMERCE

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$6,265,631.45		\$27,446.66	\$6,293,078.11
Add:				
Appropriations, current year.....	47,826,709.51		62,270.85	47,888,980.36
Appropriations transferred from other agencies.....	3,979,228.39			3,979,228.39
Total funds available.....	58,071,569.35		89,717.51	58,161,286.86
Deduct:				
Appropriations transferred to other agencies.....	15,450,193.89			15,450,193.89
Amounts returned to surplus fund.....	492,618.29		203.52	492,821.81
Total deductions.....	15,942,812.18		203.52	15,943,015.70
Balances available, current year.....	42,128,757.17		89,513.99	42,218,271.16
Unadvanced balance, June 30, 1939.....	3,454,557.26		17,369.54	3,471,926.80
Total advances to disbursing officers, fiscal year 1939.....	38,674,199.91		72,144.45	38,746,344.36

SCHEDULE B-6.—DEPARTMENT OF THE INTERIOR

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$117,740,822.96	\$13,072,552.30	\$14,464,858.75	\$145,278,234.01
Add:				
Appropriations, current year.....	196,775,444.62	32,666,400.89	17,480,249.42	246,931,094.93
Appropriations transferred from other agencies.....	58,899,771.23	7,744,294.96	63,822.12	66,707,888.31
Total funds available.....	373,416,038.81	53,483,248.15	32,017,930.29	458,917,217.25
Deduct:				
Appropriations transferred to other agencies.....	38,872,015.53	8,400.00	130,592.03	39,011,007.56
Amounts returned to surplus fund.....	2,925,620.58	115.00	5,351.23	2,931,086.81
Total deductions.....	41,797,636.11	8,515.00	135,943.26	41,942,094.37
Balances available, current year.....	331,618,402.70	53,474,733.15	31,881,987.03	416,975,122.88
Unadvanced balance, June 30, 1939.....	124,602,286.19	19,266,875.51	25,028,562.05	168,897,723.75
Total advances to disbursing officers, fiscal year 1939.....	207,016,116.51	34,207,857.64	6,853,424.98	248,077,399.13

SCHEDULE B-7.—DEPARTMENT OF JUSTICE

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$16,756,703.47		\$298,359.01	\$17,055,062.48
Add:				
Appropriations, current year.....	34,630,126.06		1,262,982.12	35,893,108.18
Appropriations transferred from other agencies.....	1,019,179.53			1,019,179.53
Total funds available.....	52,406,009.06		1,561,341.13	53,967,350.19
Deduct:				
Appropriations transferred to other agencies.....	12,156,821.97		116,400.00	12,273,221.97
Amounts returned to surplus fund.....	513,837.23		66,026.95	579,864.18
Total deductions.....	12,670,659.20		182,426.95	12,853,086.15
Balances available, current year.....	39,735,349.86		1,378,914.18	41,114,264.04
Unadvanced balance, June 30, 1939.....	1,903,540.40		313,745.52	2,217,285.92
Total advances to disbursing officers, fiscal year 1939.....	37,831,809.46		1,065,168.66	38,896,978.12

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-8.—DEPARTMENT OF LABOR

	General	Speeial	Trust	Total
Balance from appropriations for prior years.....	2,976,652.74		\$86,865.68	\$3,063,518.42
Add:				
Appropriations, current year.....	25,434,298.76		268,502.14	25,702,800.90
Appropriations transferred from other agencies.....	192,275.40			192,275.40
Total funds available.....	28,603,226.90		355,367.82	28,958,594.72
Deduct:				
Appropriations transferred to other agencies.....	23,849.41			23,849.41
Amounts returned to surplus fund.....	283,370.80			283,370.80
Total deductions.....	307,220.21			307,220.21
Balances available, current year.....	28,296,006.69		355,367.82	28,651,374.51
Unadvanced balance, June 30, 1939.....	315,467.80		101,125.66	416,593.46
Total advances to disbursing officers, fiscal year 1939.....	27,980,538.89		254,242.16	28,234,781.05

SCHEDULE B-9.—NAVY DEPARTMENT

Balance from appropriations for prior years.....	\$130,507,375.28	\$52,321,354.02	2,812,059.22	\$135,640,788.52
Add:				
Appropriations, current year.....	635,725,700.97		2,345,039.98	638,070,740.95
Appropriations transferred from other agencies.....	27,638,502.14		125,000.00	27,763,502.14
Total funds available.....	793,871,578.39	2,321,354.02	5,282,099.20	801,475,031.61
Deduct:				
Appropriations transferred to other agencies.....	19,286,263.35		125,000.00	19,411,263.35
Amounts returned to surplus fund.....	8,319,116.73		1,583.54	8,320,700.27
Total deductions.....	27,605,380.08		126,583.54	27,731,963.62
Balances available, current year.....	766,266,198.31	2,321,354.02	5,155,515.66	773,743,067.99
Unadvanced balance, June 30, 1939.....	101,102,668.88	883,494.43	2,875,528.04	104,861,691.35
Total advances to disbursing officers, fiscal year 1939.....	665,163,529.43	1,437,859.59	2,279,987.62	668,881,376.64

SCHEDULE B-10.—POST OFFICE DEPARTMENT

(See comments following statement)

Balance from appropriations for prior years.....	\$487,232.71	\$24.60		\$487,257.31
Add:				
Appropriations, current year.....	41,369,928.14			41,369,928.14
Appropriations transferred from other agencies.....	555,000.00			555,000.00
Total funds available.....	42,412,160.85	24.60		42,412,185.45
Deduct:				
Appropriations transferred to other agencies.....	2,857.59	24.60		2,882.19
Amounts returned to surplus fund.....	1,038,115.78			1,038,115.78
Total deductions.....	1,040,973.37	24.60		1,040,997.97
Balances available, current year.....	41,371,187.48			41,371,187.48
Unadvanced balance, June 30, 1939.....	462,343.01			462,343.01
Total advances to disbursing officers, fiscal year 1939.....	40,908,844.47			40,908,844.47

POST OFFICE DEPARTMENT

The following statements showing the financial position of the Post Office Department postal and money order services on June 30, 1939, and the results of operation of those services for the fiscal year 1939, have been prepared from the records of the Postal Accounts Division. Section 277, Revised Statutes.

Brief descriptions of the various items therein follow the statements.

Statement of current assets and liabilities, Postal Service, June 30, 1939

ASSETS		
Cash:		
Treasurer of the United States.....	\$ 2,625,131.59	
Postmasters.....	20,368,679.51	
Superintendent of finance.....	64,384.69	
Disbursing clerk.....	31,947.16	
		\$23,090,142.95
Accounts receivable:		
Money order service—money order revenue.....	11,714,975.20	
Postal Savings System—interest and profits.....	4,329,358.75	
Meter deposits.....	87.50	
Foreign countries—balance due from.....	1,058,998.76	
		17,103,420.21
Unavailable cash:		
Assistant Treasurer of the United States, New Orleans, La., 1861.....	31,164.44	
Depositories at—		
Savannah, Ga., 1861.....	205.76	
Galveston, Tex., 1861.....	83.36	
Little Rock, Ark., 1861.....	5,823.50	
		37,277.06
Trust funds, postal, deposited by postmasters.....		4,006,999.64
Deferred debits: Transportation of mails by foreign countries.....		508,067.82
Total.....		<u>44,745,907.68</u>

LIABILITIES		
Warrants, etc., outstanding:		
Post Office Department warrants.....	\$2,268,470.35	
Postmaster General drafts.....	16,124.63	
Postal service checks.....	705.51	
		2,285,300.49
Accounts payable:		
Postmasters.....	281,180.96	
Postal Savings System—postmasters' balances.....	78,490.83	
U. S. Treasury—grants.....	26,049,428.19	
U. S. Treasury—telephone commissions.....	9,769.89	
Money order service—transfers.....	9,359,208.90	
U. S. Treasury—general fund transfers.....	9,000.00	
U. S. Treasury—postmasters' balances.....	4,393.80	
Foreign countries—balances due to.....	508,067.82	
		36,299,540.39
Special deposits:		
Superintendent of finance.....	64,384.69	
Disbursing clerk.....	2,006.05	
Meter.....	87.50	
		66,478.24
Trust funds, postal—received by postmasters.....		4,006,999.64
Unadjusted excess of assets over liabilities, July 1, 1908.....		1,028,590.16
Deferred credits: Transportation of mails for foreign countries.....		1,058,998.76
Total.....		<u>44,745,907.68</u>

Statement of current assets and liabilities, Money Order Service, June 30, 1939

ASSETS		
Cash:		
Treasurer of the United States.....	\$13,344,905.24	
Postmasters.....	22,050,712.59	
		\$35,395,617.83
Accounts receivable:		
Foreign countries.....	173,814.34	
Postal service—transfers.....	9,359,208.90	
		9,533,023.24
Deferred debits.....		2,570.10
Total.....		<u>44,931,211.17</u>

Statement of current assets and liabilities, Money Order Service, June 30, 1939—
Continued

LIABILITIES		
Checks and warrants outstanding:		
Postmaster General's warrants and checks.....	\$238, 466. 65	
Postmasters' checks.....	9, 860, 355. 79	\$10, 098, 822. 44
Accounts payable:		
Postmasters.....	812. 90	
Foreign countries.....	1, 236, 282. 71	
Postal service—money order revenue.....	11, 714, 975. 20	12, 952, 070. 81
Money orders outstanding:		
Domestic.....	20, 137, 602. 30	
International—United States issued.....	319, 038. 85	
International—foreign countries issued.....	98, 070. 48	20, 554, 711. 63
Unadjusted excess of assets over liabilities, July 1, 1908.....		1, 325, 556. 09
Deferred credits.....		50. 20
Total.....		<u>44, 931, 211. 17</u>

Operating statement, Postal Service, fiscal year ended June 30, 1939

Operating revenue:		
Postage:		
Sales of stamps and stamped paper.....	\$514, 868, 805. 89	
Second-class matter—collected in money.....	21, 830, 708. 59	
Permit matter—collected in money.....	161, 955, 409. 21	
Mailings, other Government departments—collected in money.....	22, 447. 46	\$698, 677, 371. 15
Fees:		
Applications for mailing of second-class matter.....	58, 195. 00	
Applications for mailing of nonmetered matter.....	108, 860. 00	167, 055. 00
Box rents.....		7, 685, 528. 65
Foreign mail transit service.....		2, 494, 664. 09
Gross operating revenue.....		709, 024, 618. 89
Operating expenditures:		
Salaries.....	\$348, 592, 021. 40	
Supplies.....	3, 024, 544. 56	
Travel expenses.....	3, 884, 203. 05	
Collection and delivery of mails.....	257, 348, 663. 73	
Transportation of mails.....	146, 510, 859. 66	
Rent, light, fuel, and water.....	13, 556, 542. 32	
Miscellaneous items.....	2, 356, 832. 05	
Freight, etc., on supplies and equipment.....	666, 075. 15	
Manufacture of stamps and stamped paper.....	4, 345, 095. 42	
Indemnities on registered, insured and c. o. d. mail.....	522, 893. 49	
Equipment.....	2, 458, 474. 96	
Transportation of mails, etc., by foreign countries.....	1, 123, 849. 68	784, 390, 085. 47
Net operating deficit.....		75, 365, 466. 58
Other revenue:		
Miscellaneous receipts (including dead letters).....	\$396, 396. 88	
Fines and penalties.....	35, 017. 41	
Sales of post route maps.....	5, 089. 20	
Revenue from money-order business.....	23, 460, 237. 89	
Interest and profits, postal-savings system.....	13, 033, 714. 97	
Balances due postmasters (postal)—unclaimed.....	4, 116. 18	
	36, 934, 572. 53	
Other deductions:		
Losses by burglary, fire, and other unavoidable casualties.....	159, 756. 08	
Debts, compromised and remitted.....	171. 21	
Balances (postal) due from former postmasters—uncollectible.....	88, 975. 34	
Relief of postmasters—private acts.....	12, 066. 22	
	260, 968. 85	
Net nonoperating revenue.....		36, 673, 603. 68
Net deficiency in postal revenues.....		<u>38, 691, 862. 90</u>

Operating statement, Money Order Service, fiscal year ended June 30, 1939

Operating revenue:			
Fees:			
Domestic money orders.....	\$23,379,353.59		
International money orders.....	275,359.52		
Money orders paid at offices other than drawn on.....	97,463.13		
		\$23,752,176.24	
Commissions for payment of money orders of foreign countries.....		11,212.77	
Gain on foreign exchange.....		152,251.12	
Gross operating revenue.....		23,915,640.13	
Operating expenditures:			
Commissions allowed postmasters for issuing money orders.....	\$952,053.78		
Commissions allowed foreign countries for paying United States money orders.....	71,124.15		
Incidental expenses.....	39.12		
		1,023,217.05	
Net operating revenue.....		22,892,423.08	
Other revenue:			
Money orders more than 1 year old—unclaimed.....	\$651,328.71		
Miscellaneous items.....	4,572.01		
Balances due postmasters—unclaimed.....	1,355.40		
		657,256.12	
Gross revenue.....		23,549,679.20	
Other deductions:			
Losses by burglary, fire, and other unavoidable casualties.....	\$22,986.95		
Balances due from former postmasters—uncollectible.....	62,731.53		
Debts, compromised and remitted.....	3,664.11		
Relief of postmasters—private acts.....	58.72		
		89,441.31	
Net revenue.....		23,460,237.89	

Current assets and liabilities, Postal Service.—The items of cash are taken from the verified transcripts of the Treasurer of the United States and from the detailed audited accounts current of postmasters, and departmental officers.

By the provisions of the act of June 8, 1872 (17 Stat. 290), the net revenues of the money-order business are required to be covered into the Treasury as postal revenues. The amount is determined each fiscal year after audit and settlement of accounts of postmasters for that year and including the accounts with foreign countries audited and settled during the same fiscal year. Interest and profits of the Postal Savings System are required by law to be turned in to the Treasury as postal revenues each year (act of June 25, 1910, 36 Stat. 817). The amounts shown are still due the Postal Service on account of the fiscal year 1939.

At the outbreak of the Civil War, Postal Service funds in possession of the Assistant Treasurer of the United States, New Orleans, La., and Government depositories at Savannah, Ga., Galveston, Tex., and Little Rock, Ark., were seized by the Confederate States authorities. For many years these amounts have been carried as unavailable cash, there being no authority of law for writing them off. Under date of February 27, 1935, this office made recommendation to the Congress as to removal of the total of \$37,277.06 from the list of assets of the Post Office Department.

Postmasters hold various small sums deposited by patrons to secure purchase of stamped envelopes, to replace lockbox keys, to pay for shipments of second-class mail, etc. These trust funds are reported in their returns to this office and at close of business, June 30, 1939, amounted to \$4,006,999.64.

Outstanding postal warrants, drafts, and checks represent payments by the Postmaster General and postmasters. If not negotiated within 1 full fiscal year after date of issue, the proceeds are transferred to the outstanding liability account of the Treasury. Ledger accounts of these items are periodically verified with the detailed records of outstanding paper.

Accounts payable, postmasters, is the total of audited balances due postmasters on postal account.

Amounts due the United States on postal-savings accounts are taken up for convenience in the Postal Service account and as collected adjustment is made with the Postal Savings System. On June 30, 1939, the sum of \$78,490.83 was unadjusted.

Expenditures of the Postal Service are paid from the postal revenues (sec. 4054 Rev. Stats.). However, each appropriation act provides that any deficiency in

revenues may be met by the Treasury out of any money in the general fund not otherwise appropriated. An account with the Treasury for these advances or grants is kept and adjusted from time to time for each fiscal year. The balance in that account on June 30, 1939, was \$26,049,428.19.

The item of \$9,769.89 is total of commissions on telephone calls from public booths in buildings operated by the Postal Service which is required to be deposited in the general fund of the Treasury as a miscellaneous receipt.

Money order service transfers represents the amount due on account of funds borrowed for use of the Postal Service.

Of the amounts transferred from the general fund of the Treasury, for expenditures for account of other Departments there remained unexpended on June 30, 1939, \$9,000.

The amount of \$4,393.80 due the United States Treasury is the total of balances due from postmasters on account of sales of United States savings bonds and war savings certificates. When collected the amount will be turned over to the Treasury. See comments above on postal savings balances.

The Superintendent of Finance and the Disbursing Clerk of the Department receive and account for special deposits, that is, money which at time of receipt cannot be immediately disposed of. See statement relative to current assets—cash. The item "meter" records deposits made by postmasters in order to obtain electric service, water service, etc., and which is subject to refund.

In setting up the present system of accounting, all known current assets and liabilities were made of record resulting in an excess of assets amounting to several million dollars. That amount was reduced from time to time and now stands at figure given. Recommendation has been made to the Congress for the disposition of this amount. See statement on unavailable cash.

Current assets and liabilities, money-order service.—The items of cash are taken from the verified transcripts of the Treasurer of the United States and from the detailed audited accounts current of postmasters.

The amount due from foreign countries is the total of balances on accounts with various countries as audited during the fiscal year 1939.

Postal Service—transfers, represents amount borrowed by that Service and not yet returned.

Checks and warrants drawn to cover payments on money order account outstanding and unpaid June 30, 1939, totaled \$10,098,822.44. See comment on outstanding checks under current assets and liabilities—postal service.

Accounts payable, postmasters, is the total of audited balances due postmasters on money order account. The amount due foreign countries is the total of audited balances on money order account.

Postal service, money order revenue, shows the amount still due the postal service on account of the net revenue arising from the money order business in fiscal year 1939.

Money orders outstanding represent the value of all domestic and international money orders issued less all such orders paid, to June 30, 1939, as shown by audited accounts of postmasters and foreign countries.

The explanation of the item of unadjusted excess of assets over liabilities, July 1, 1908, is the same as for the similar item in the postal service statement.

Deferred debits and credits consist of minor items unadjusted in the accounts at the time of preparing the statement.

Operating statement, postal service.—Under the heading operating revenue, are shown the audited revenues by main classes, the designations of which clearly indicate the sources except possibly that of foreign mail transit service. That revenue is derived from the carriage of mails of foreign countries by the postal administration of the United States under Universal Postal Convention stipulations or under individual agreements. It covers carriage by air, land, and water facilities.

The expenditures in the fiscal year 1939, were paid from more than 150 appropriations. As the titles of many of those appropriations are technical and would mean little to the public, the total expended has been analyzed under 12 simple classes.

Nonoperating revenues are segregated into six self-explanatory classes. Except for the item, "relief of postmasters," the classes under "other deductions" are also understandable. Losses suffered by postmasters which cannot or may not be

relieved by the Postmaster General under authority of law, are often relieved by the Congress through enactment of a special or "private" law. Hence the designation "private acts."

The net deficiency or net loss from operations during the fiscal year 1939, was \$33,691,862.90. However, the Post Office Department over the years has performed more and more service, imposed by law, for which no reimbursement is made, thus tending to prevent an accurate statement of the results of purely postal operations. The Congress recognized this situation and by the Act of June 9, 1930 (46 Stat. 523), authorized a procedure by which an analysis of certain classes of nonreimbursable services and expenditures would be certified by the Postmaster General and set up on the books of the Government.

Operating statement, money order service.—The items in this statement are believed to be sufficiently clear to render explanatory comment unnecessary. The heading "other deductions" consists of deductions of a character similar to those in the operating statement of the postal service.

It will be noted that the net revenue shown is not the net revenue in the commercial sense, as no clerical, rental, and supply expenditures are included under operating expenditures, all such operating costs being appropriated for and paid from the revenues of the postal service. Actual operating costs of this service are ascertained by the Department from data separately obtained.

Audit of receipts and expenditures: Postal and money order services.—Postal revenues amounting to \$745,955,075.24, postal expenditures amounting to \$784,646,938.14, and expenditures from appropriations of other departments of \$527,186.14, were audited during the fiscal year 1939, and also domestic and international money orders paid, amounting to approximately \$2,063,000,000, and issued, amounting to approximately \$2,090,000,000.

There were examined in the course of the audit over 440,000 vouchers, 46,000 pay rolls, 25,248 contracts (long term), 200,000 accounts, 251,000,000 paid money orders, and 248,000,000 issued money orders.

The following tabulation shows the number and value of items suspended and disallowed in the audit, and also those removed or allowed for the same period.

Class	Number of differences	Suspended and disallowed	Removed or allowed	
			Number	Value
1. Accounts (post-audited).....	49,374	\$2,673,777.53	38,371	\$2,228,630.68
2. Pay rolls and contract vouchers.....	28,598	1,544,432.69	22,804	1,379,432.28
3. Accounts and claims (preaudited).....	1,580	406,983.15	216	79,164.08
4. Money orders.....	360,479	178,453.93	-----	-----
Total.....	440,031	4,803,647.30	61,391	3,687,227.04

Of the total amount suspended or disallowed under class 1, it is estimated that \$445,146.85 represents disallowances which will have to be made good by postmasters or their sureties; as to suspensions and disallowances under class 2, \$50,000 to \$60,000 will probably be removed or allowed later leaving about \$110,000 net, accountable by postmasters. Of the net amount of suspensions and disallowances under class 3, it is doubtful if further removals or allowances will reduce the amount by more than \$40,000, making the total of disallowances approximately \$288,000. Any adjustments in amount under class 4 will be negligible. The total disallowed amounts, therefore, to approximately \$1,021,600.00.

Suspensions and disallowances against postmasters were due largely to failure to follow the regulations and instructions of the Department, and the procedures and rulings of the Comptroller General, and failure to verify entries in accounts, records, and vouchers. Claims for alleged nonpayment of 758 money orders amounting to \$10,840.58 were disallowed, the records not sustaining the claimants' applications.

Miscellaneous claims amounting to \$10,213.68 were disallowed in 25 cases for various reasons. Two hundred and sixty disallowances for an aggregate amount of \$259,688.00 were made in the settlement of mail transit services by foreign countries and of domestic air-mail service and the purchase of supplies.

The audit of the accounts and claims of the two services are current and can be kept so with slight increases of personnel if the increase in postal and money order business continues at a normal rate.

Attention is again called to the comments in last year's report on the great volume of correspondence relative to observance of the requirements of section 3709 Revised Statutes, that purchases of supplies and nonpersonal services should be made only after advertising (except in emergencies), and that many suspensions result from failure to properly conform to the requirements or to furnish satisfactory evidence of compliance. While these requirements are salutary, nevertheless, where a multitude of small purchases made by 15,000 postmasters are involved the amount of paper work and time required is burdensome and it is doubtful if there is any advantage to the United States in the procedure.

Many departments have obtained from the Congress exemption from the operation of the statute where the value of the purchase or hire does not exceed a specified amount, \$25 or \$50, etc. Considering the large number of postmasters making purchases in connection with the operation of their offices, the amount of time and labor saved in the field would be large even if the exemption were as low as \$50.

In the annual report for 1938, attention was directed to the poor accounting practice followed in charging amounts appropriated by private acts and deficiency acts to the general fund of the Treasury instead of to postal revenues. To correct the matter does not require an act of the Congress, but merely slight changes in the wording of the acts appropriating the money.

The collection of amounts due to the United States, by set-off and otherwise, from postmasters, contractors, et al., was given special attention during the past fiscal year. Of the \$201,970.28 collected from former postmasters the amount due on account of the fiscal year 1939, \$23,380.62, was collected with a minimum of effort; but the \$178,589.66 due on account of charges originating in 1938, 1937, and prior fiscal years was not collected without considerable correspondence with former postmasters and their sureties, and the preparation of numerous transcripts and statements of account. Over \$2,400,000 was received in the settlement of accounts with foreign countries for air mail, parcel post and other services, and approximately \$13,000 was collected by set-off in 59 cases of claims presented against the Government. At the beginning of the fiscal year there were 3,530 unsettled accounts of former postmasters on hand and 2,885 accounts were received during the year, a total of 5,915. Of that number, 3,450 were closed out leaving 2,465 unsettled accounts on hand June 30, 1939, all of which were, however, in process of settlement.

In a number of cases it was necessary to request the Department of Justice to bring suit against the former postmaster and his surety to enforce collection where correctness of charges against the former postmaster was disputed by principal and surety. Offers in compromise of certain charges have been made by some surety companies in a number of such cases after request of this office for a reconsideration of a previous refusal.

The practice followed for several years past of promptly informing sureties of exceptional charges in postmasters' accounts has, without doubt, expedited the collection of such charges from postmaster or surety.

Audit of postal savings accounts.—The following statistics show the volume of this work and the amounts involved:

Accounts (number).....		86, 738
Receipts.....	\$901, 077, 066. 44	
Disbursements.....	\$936, 400, 058. 30	
Paid certificates audited (number).....		15, 789, 920
Paid certificates arranged (number).....		16, 530, 151
Paid certificates filed (number).....		17, 542, 381
Payments of certificates investigated, reconciliations of postmasters' liabilities, etc (number).....		70, 346
	<i>Number</i>	<i>Amount</i>
Disallowances.....	1, 937	\$32, 995. 09
Suspensions.....	6, 588	929, 368. 07
Suspensions removed.....	6, 327	825, 331. 46

The paid postal savings certificates are examined for proper indorsements by depositors, for correct amounts of interest payments, and to determine generally that they have been properly issued. That there are many imperfect vouchers

submitted, vouchers that cannot be regarded as giving the United States a good acquittance, is shown by the number of suspensions, 6,588, made in course of the audit. After audit, the certificates are arranged and filed for future reference, there being frequent searches of the files for various purposes such as disclosing, or preventing, erroneous and duplicate payments, settling disputes as to payment, and reconciling postmasters' accounts with depositors.

It will be noted that no financial statements of the postal-savings business appear in this report. The accounting records of the system are kept by the Post Office Department and have been since the inauguration of the system in 1911. The procedure was viewed by the former Comptroller General as violating the basic principles of post office audit and accounting established by the acts of July 2, 1836 (5 stat. 80), and June 8, 1872 (17 Stat. 283), and correction of the situation was undertaken in 1922, shortly after the creation of the General Accounting Office. The opposition to the proposed accounting regulation of the Comptroller General by the Board of Trustees was supported by the opinion of the Attorney General, dated January 21, 1924 (34 Op. Att. Gen. 83), which held that the proposed regulations were unwarranted by statutory authority. The members of the Board of Trustees are, the Postmaster General, the Secretary of the Treasury and the Attorney General (act of June 25, 1910, 36 Stat. 814).

Audit of United States savings bond accounts.—By the act of February 4, 1935 (49 Stat. 20), the Secretary of the Treasury was authorized to issue through the Postal Service, or otherwise, United States Savings Bonds. Accounts were received from approximately 4,721 first- and second-class offices; the smaller offices accounting to central offices. Accountability of postmasters for sale of bonds is determined from reports of transactions by denominations and serial numbers; all serial numbers in each denomination furnished postmasters must be accounted for as sold, returned, or on hand. Here, as in the sale of stamps, money orders, and postal savings certificates, administrative practices are prescribed that insure proper check on the handling of such transactions in post offices.

Receipts from sales ultimately reach the Treasury as public debt receipts, the Postmaster General rendering a summary monthly accounting for all transactions.

During the fiscal year 1939, 46,501 accounts, showing sales amounting to \$333,068,343.75 were audited and settled. The period covered by the accounts was March 1, 1938, to December 31, 1938.

Audit of internal revenue stamp accounts.—For convenience of the public, internal stamps (documentary) are on sale at all post offices of the first and second classes and at post offices of other classes located at county seats (act of March 1, 1933 47 Stat. 1413).

Stamps are handled on an imprest basis and 50-odd central accounting post offices control the shipment of stamps and receive and deposit in the Treasury as internal-revenue collections the receipts from sales. The shipment of stamps to the central accounting post offices, the return of unsold, spoiled, or damaged stamps, transfers of stock between post offices are under the direction of the Third Assistant Postmaster General, who renders quarterly a summary account in the name of the Postmaster General of all documentary stamp transactions.

The amount of sales audited during the fiscal year 1939 was \$4,188,605.74, the 843 accounts of postmasters submitted with the Postmaster General's accounts covering the period January 1, 1938, to March 31, 1939. The March quarter accounts were received May 27, 1939, and the audit and settlement completed June 9, 1939. Two suspensions amounting to \$30 were made.

Audit of migratory bird hunting stamp accounts.—The act of March 16, 1934, amended by the act of June 15, 1935, required that migratory bird hunting stamps be sold at all post offices of the first and second classes and at such others as directed by the Postmaster General.

These stamps are handled in the same manner as internal-revenue stamps, i. e. on the imprest basis, and transactions are accounted for through 50-odd central post offices. A summary account of all transactions is rendered by the Postmaster General.

The accounts for the period April 1, 1938, to December 31, 1938, numbering 244, were audited and settled during the fiscal year 1939. There were 20 suspensions for \$386. Sales amounted to \$1,831,527.

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-11.—DEPARTMENT OF STATE

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$8,003,733.87	\$186.03	\$2,849,585.49	\$10,853,505.39
Add:				
Appropriations, current year.....	16,970,210.51		1,237,977.56	18,208,188.07
Appropriations transferred from other agencies.....	4,784,619.68			4,784,619.68
Total funds available.....	29,758,564.06	186.03	4,087,563.05	33,846,313.14
Deduct:				
Appropriations transferred to other agencies.....	4,431,913.13		534,480.20	4,966,393.33
Amounts returned to surplus fund.....	556,466.64		.43	556,467.07
Total deductions.....	4,988,379.77		534,480.63	5,522,860.40
Balances available, current year.....	24,770,184.29	186.03	3,553,082.42	28,323,452.74
Unadvanced balance, June 30, 1939.....	4,691,444.13	300.25	1,787,300.87	6,479,045.25
Total advances to disbursing officers, fiscal year 1939.....	20,078,740.16	-114.22	1,765,781.55	21,844,407.49

SCHEDULE B-12.—TREASURY DEPARTMENT

Balance from appropriations for prior years.....	\$280,686,227.02	\$111,767,343.48	\$11,423,760.54	\$403,877,331.04
Add:				
Appropriations, current year.....	777,347,434.74	7,940.31	46,556,150.27	823,911,525.32
Appropriations transferred from other agencies.....	78,646,055.26			78,646,055.26
Total funds available.....	1,136,679,717.02	111,775,283.79	57,979,910.81	1,306,434,911.62
Deduct:				
Appropriations transferred to other agencies.....	57,681,976.43	32,670.23		57,714,646.66
Amounts returned to surplus fund.....	8,582,245.85	18,050.38	1,127,294.50	9,727,590.73
Total deductions.....	66,264,222.28	50,720.61	1,127,294.50	67,442,237.39
Balances available, current year.....	1,070,415,494.74	111,724,563.18	56,852,616.31	1,238,992,674.23
Unadvanced balance, June 30, 1939.....	186,131,842.19	111,769,708.90	8,375,608.66	306,277,159.75
Total advances to disbursing officers, fiscal year 1939.....	884,283,652.55	-45,145.72	48,477,007.65	932,715,514.48

SCHEDULE B-13.—WAR DEPARTMENT

Balance from appropriations for prior years.....	\$530,328,476.25	\$134,469.78	\$8,610,071.29	\$539,073,017.32
Add:				
Appropriations, current year.....	848,873,011.75	1,018,978.37	8,981,650.98	858,873,641.10
Appropriations transferred from other agencies.....	332,486,720.70		12,135.46	332,498,856.16
Total funds available.....	1,711,688,208.70	1,153,448.15	17,603,857.73	1,730,445,514.58
Deduct:				
Appropriations transferred to other agencies.....	62,865,531.63	10,000.00	12,135.46	62,887,667.09
Amounts returned to surplus fund.....	19,326,350.67	1.00	5,805.84	19,332,157.51
Total deductions.....	82,191,882.30	10,001.00	17,941.30	82,219,824.60
Balances available, current year.....	1,629,496,326.40	1,143,447.15	17,585,916.43	1,648,225,689.98
Unadvanced balance, June 30, 1939.....	686,287,183.90	1,306,491.54	9,504,478.75	697,098,154.19
Total advances to disbursing officers, fiscal year 1939.....	943,209,142.50	-163,044.39	8,081,437.68	951,127,535.79

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-14.—INDEPENDENT OFFICES

(See schedules B-14-1 to B-14-46 for details)

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$1,662,857,335.11	\$142,185,867.04	\$9,591,640.57	\$1,814,634,842.72
Add:				
Appropriations, current year.....	1,516,359,020.36	9,081,190.80	207,252,611.69	1,732,692,822.85
Appropriations transferred from other agencies.....	901,350,512.19	28,264,320.45	120,175.73	929,735,008.37
Total funds available.....	4,080,566,867.66	179,531,378.29	216,964,427.99	4,477,062,673.94
Deduct:				
Appropriations transferred to other agencies.....	1,187,185,969.23	37,264,320.45	100,130.68	1,224,550,420.36
Amounts returned to surplus fund.....	73,130,179.84	506,905.89	1,802,005.65	75,439,091.38
Total deductions.....	1,260,316,149.07	37,771,226.34	1,902,136.33	1,299,989,511.74
Balances available, current year.....	2,820,250,718.59	141,760,151.95	215,062,291.66	3,177,073,162.20
Unadvanced balance, June 30, 1939.....	949,448,839.80	68,802,011.57	13,182,681.38	1,031,433,532.75
Total advances to disbursing officers, fiscal year 1939.....	1,870,801,878.79	72,958,140.38	201,879,610.28	2,145,639,629.45

SCHEDULE B-14-1.—CENTRAL STATISTICAL BOARD

Balance from appropriations for prior years.....	\$6,997.63			\$6,997.63
Add:				
Appropriations, current year.....	126,000.00			126,000.00
Appropriations transferred from other agencies.....				
Total funds available.....	132,997.63			132,997.63
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....	7,563.39			7,563.39
Total deductions.....	7,563.39			7,563.39
Balances available, current year.....	125,434.24			125,434.24
Unadvanced balance, June 30, 1939.....	188.56			188.56
Total advances to disbursing officers, fiscal year 1939.....	125,245.68			125,245.68

SCHEDULE B-14-2.—CIVIL AERONAUTICS AUTHORITY

Balance from appropriations for prior years.....				
Add:				
Appropriations, current year.....	\$1,186,195.00			\$1,186,195.00
Appropriations transferred from other agencies.....	21,334,181.81			21,334,181.81
Total funds available.....	22,520,376.81			22,520,376.81
Deduct:				
Appropriations transferred to other agencies.....	166,636.45			166,636.45
Amounts returned to surplus fund.....	93,858.69			93,858.69
Total deductions.....	260,495.14			260,495.14
Balances available, current year.....	22,259,881.67			22,259,881.67
Unadvanced balance, June 30, 1939.....	4,398,091.10			4,398,091.10
Total advances to disbursing officers, fiscal year 1939.....	17,861,790.57			17,861,790.57

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-14-3.—CIVILIAN CONSERVATION CORPS

	General	Special	Trust	Total
Balance from appropriations for prior years.....				
Add:				
Appropriations, current year.....	\$251,331,000.00			\$251,331,000.00
Appropriations transferred from other agencies.....	82,402,130.00			82,402,130.00
Total funds available.....	333,733,130.00			333,733,130.00
Deduct:				
Appropriations transferred to other agencies.....	333,733,130.00			333,733,130.00
Amounts returned to surplus fund.....				
Total deductions.....	333,733,130.00			333,733,130.00
Balances available, current year.....				
Unadvanced balances, June 30, 1939.....				
Total advances to disbursing officers, fiscal year 1939.....				

SCHEDULE B-14-4.—COMMODITY CREDIT CORPORATION

	General	Special	Trust	Total
Balance from appropriations for prior years.....				
Add:				
Appropriations, current year.....			\$1,980,000.00	\$1,980,000.00
Appropriations transferred from other agencies.....				
Total funds available.....			1,980,000.00	1,980,000.00
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....				
Total deductions.....				
Balances available, current year.....			1,980,000.00	1,980,000.00
Unadvanced balance, June 30, 1939.....				
Total advances to disbursing officers, fiscal year 1939.....			1,980,000.00	1,980,000.00

SCHEDULE B-14-5.—DISTRICT OF COLUMBIA ALLEY DWELLING AUTHORITY

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$49,245.62			\$49,245.62
Add:				
Appropriations, current year.....			\$609,709.20	609,709.20
Appropriations transferred from other agencies.....	109,640.54			109,640.54
Total funds available.....	158,886.16		609,709.20	768,595.36
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....				
Total deductions.....				
Balances available, current year.....	158,886.16		609,709.20	768,595.36
Unadvanced balance, June 30, 1939.....	42,100.35		8,897.34	50,997.69
Total advances to disbursing officers, fiscal year 1939.....	116,785.81		600,811.86	717,597.67

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-14-6.—ELECTRIC HOME AND FARM AUTHORITY

	General	Special	Trust	Total
Balance from appropriations for prior years				
Add:				
Appropriations, current year			\$380,000.00	\$380,000.00
Appropriations transferred from other agencies				
Total funds available			380,000.00	380,000.00
Deduct:				
Appropriations transferred to other agencies				
Amounts returned to surplus fund				
Total deductions				
Balances available, current year			380,000.00	380,000.00
Unadvanced balance, June 30, 1939				
Total advances to disbursing officers, fiscal year 1939			380,000.00	380,000.00

SCHEDULE B-14-7.—EXPORT-IMPORT BANK OF WASHINGTON

Balance from appropriations for prior years		\$372.86		\$372.86
Add:				
Appropriations, current year			\$60,000.00	60,000.00
Appropriations transferred from other agencies				
Total funds available		372.86	60,000.00	60,372.86
Deduct:				
Appropriations transferred to other agencies				
Amounts returned to surplus fund				
Total deductions				
Balances available, current year		372.86	60,000.00	60,372.86
Unadvanced balance, June 30, 1939		288.84		288.84
Total advances to disbursing officers, fiscal year 1939		84.02	60,000.00	60,084.02

SCHEDULE B-14-8.—FARM CREDIT ADMINISTRATION

Balance from appropriations for prior years	\$23,644,938.92	\$339,464.64		\$23,984,403.56
Add:				
Appropriations, current year	3,753,195.91	700,663.62		4,453,859.53
Appropriations transferred from other agencies	2,802,547.16			2,802,547.16
Total funds available	30,200,681.99	1,040,128.26		31,240,810.25
Deduct:				
Appropriations transferred to other agencies	2,807,000.00			2,807,000.00
Amounts returned to surplus fund	4,147,356.29	506,905.89		4,654,262.18
Total deductions	6,954,356.29	506,905.89		7,461,262.18
Balances available, current year	23,246,325.70	533,222.37		23,779,548.07
Unadvanced balance, June 30, 1939	19,623,074.29	372,687.84		19,995,762.13
Total advances to disbursing officers, fiscal year 1939	3,623,251.41	160,534.53		3,783,785.94

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-14-9.—FEDERAL COMMUNICATIONS COMMISSION

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$154, 578. 03			\$154, 578. 03
Add:				
Appropriations, current year.....	1, 745, 035. 75			1, 745, 035. 75
Appropriations transferred from other agencies.....				
Total funds available.....	1, 899, 613. 78			1, 899, 613. 78
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....	17, 678. 51			17, 678. 51
Total deductions.....	17, 678. 51			17, 678. 51
Balances available, current year.....	1, 881, 935. 27			1, 881, 935. 27
Unadvanced balance, June 30, 1939.....	100, 048. 44			100, 048. 44
Total advances to disbursing officers, fiscal year 1939.....	1, 781, 886. 83			1, 781, 886. 83

SCHEDULE B-14-10.—FEDERAL COORDINATOR OF TRANSPORTATION—SPECIAL FUND

Balance from appropriations for prior years.....		\$2, 752. 41		\$2, 752. 41
Add:				
Appropriations current year.....				
Appropriations transferred from other agencies.....				
Total funds available.....		2, 752. 41		2, 752. 41
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....				
Total deductions.....				
Balances available, current year.....		2, 752. 41		2, 752. 41
Unadvanced balance, June 30, 1939.....		2, 752. 41		2, 752. 41
Total advances to disbursing officers, fiscal year 1939.....				

SCHEDULE B-14-11.—FEDERAL DEPOSIT INSURANCE CORPORATION

Balance from appropriations for prior years.....		\$2, 807. 56		\$2, 807. 56
Add:				
Appropriations, current year.....				
Appropriations transferred from other agencies.....				
Total funds available.....		2, 807. 56		2, 807. 56
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....				
Total deductions.....				
Balances available, current year.....		2, 807. 56		2, 807. 56
Unadvanced balance, June 30, 1939.....		1, 247. 61		1, 247. 61
Total advances to disbursing officers, fiscal year 1939.....		1, 559. 95		1, 559. 95

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-14-12.—FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$825, 448, 189. 74	\$141, 692, 624. 47	\$756. 89	\$967, 141, 571. 10
Add:				
Appropriations, current year.....	4, 076. 61			4, 076. 61
Appropriations transferred from other agencies.....	771, 814, 634. 89	28, 192, 491. 86		800, 007, 126. 75
Total funds available.....	1, 597, 266, 901. 24	169, 885, 116. 33	756. 89	1, 767, 152, 774. 46
Deduct:				
Appropriations transferred to other agencies.....	825, 054, 879. 69	37, 192, 491. 86	756. 89	862, 248, 123. 44
Amounts returned to surplus fund.....	26, 088. 35			26, 088. 35
Total deductions.....	825, 080, 968. 04	37, 192, 491. 86	756. 89	862, 274, 216. 79
Balances available, current year.....	772, 185, 933. 20	132, 692, 624. 47		904, 878, 557. 67
Unadvanced balance, June 30, 1939.....	355, 378, 707. 08	62, 130, 157. 30		417, 508, 864. 38
Total advances to disbursing officers, fiscal year 1939.....	416, 807, 226. 12	70, 562, 467. 17		487, 369, 693. 29

SCHEDULE B-14-13.—FEDERAL EMERGENCY RELIEF ADMINISTRATION

Balance from appropriations for prior years.....	\$1, 196, 430. 72			\$1, 196, 430. 72
Add:				
Appropriations, current year.....				
Appropriations transferred from other agencies.....				
Total funds available.....	1, 196, 430. 72			1, 196, 430. 72
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....				
Total deductions.....				
Balances available, current year.....	1, 196, 430. 72			1, 196, 430. 72
Unadvanced balance, June 30, 1939.....	1, 182, 466. 59			1, 182, 466. 59
Total advances to disbursing officers, fiscal year 1939.....	13, 964. 13			13, 964. 13

SCHEDULE B-14-14.—FEDERAL HOUSING ADMINISTRATION

Balance from appropriations for prior years.....	\$1, 154, 760. 89			\$1, 154, 760. 89
Add:				
Appropriations, current year.....			\$13, 500, 000. 00	13, 500, 000. 00
Appropriations transferred from other agencies.....				
Total funds available.....	1, 154, 760. 89		13, 500, 000. 00	14, 654, 760. 89
Deduct:				
Appropriations transferred to other agencies.....	711. 15		42, 623. 79	43, 334. 94
Amounts returned to surplus fund.....				
Total deductions.....	711. 15		42, 623. 79	43, 334. 94
Balances available, current year.....	1, 154, 049. 74		13, 457, 376. 21	14, 611, 425. 95
Unadvanced balance, June 30, 1939.....	1, 352, 844. 75		501, 176. 55	1, 854, 021. 30
Total advances to disbursing officers, fiscal year 1939.....	-198, 795. 01		12, 956, 199. 66	12, 757, 404. 65

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-14-15.—FEDERAL HOME LOAN BANK BOARD

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$1,198.14	\$53,476.60	-----	\$54,674.74
Add:				
Appropriations, current year.....	-----	1,129,115.80	-----	1,129,115.80
Appropriations transferred from other agencies.....	-----	71,828.59	-----	71,828.59
Total funds available.....	1,198.14	1,254,420.99	-----	1,255,619.13
Deduct:				
Appropriations transferred to other agencies.....	34.59	71,828.59	-----	71,863.18
Amounts returned to surplus fund.....	-----	-----	-----	-----
Total deductions.....	34.59	71,828.59	-----	71,863.18
Balances available, current year....	1,163.55	1,182,592.40	-----	1,183,755.95
Unadvanced balance, June 30, 1939..	1,198.14	97,328.99	-----	98,527.13
Total advances to disbursing officers, fiscal year 1939.....	-34.59	1,085,263.41	-----	1,085,228.82

SCHEDULE B-14-16.—FEDERAL POWER COMMISSION

Balance from appropriations for prior years.....	\$633,914.02	\$16,786.49	-----	\$650,700.51
Add:				
Appropriations, current year.....	2,125,000.00	19,398.11	-----	2,144,398.11
Appropriations transferred from other agencies.....	50,000.00	-----	-----	50,000.00
Total funds available.....	2,808,914.02	36,184.60	-----	2,845,098.62
Deduct:				
Appropriations transferred to other agencies.....	350.00	-----	-----	350.00
Amounts returned to surplus fund.....	528,539.60	-----	-----	528,539.60
Total deductions.....	528,889.60	-----	-----	528,889.60
Balances available, current year....	2,280,024.42	36,184.60	-----	2,316,209.02
Unadvanced balance, June 30, 1939..	383,966.59	19,429.08	-----	403,395.67
Total advances to disbursing officers, fiscal year 1939.....	1,896,057.83	16,755.52	-----	1,912,813.35

SCHEDULE B-14-17.—FEDERAL PRISON INDUSTRIES, INCORPORATED

Balance from appropriations for prior years.....	\$1,619,633.49	-----	-----	\$1,619,633.49
Add:				
Appropriations, current year.....	-----	-----	-----	-----
Appropriations transferred from other agencies.....	-----	-----	-----	-----
Total funds available.....	1,619,633.49	-----	-----	1,619,633.49
Deduct:				
Appropriations transferred to other agencies.....	-----	-----	-----	-----
Amounts returned to surplus fund.....	-----	-----	-----	-----
Total deductions.....	-----	-----	-----	-----
Balances available, current year....	1,619,633.49	-----	-----	1,619,633.49
Unadvanced balance, June 30, 1939..	2,585,941.57	-----	-----	2,585,941.57
Total advances to disbursing officers, fiscal year 1939.....	-966,308.08	-----	-----	-966,308.08

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-14-18. FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

	General	Special	Trust	Total
Balance from appropriations for prior years.....				
Add:				
Appropriations, current year.....			\$215,000.00	\$215,000.00
Appropriations transferred from other agencies.....				
Total funds available.....			215,000.00	215,000.00
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....				
Total deductions.....				
Balances available, current year.....			215,000.00	215,000.00
Unadvanced balance, June 30, 1939.....			1,000.28	1,000.28
Total advances to disbursing officers, fiscal year 1939.....			213,999.72	213,999.72

SCHEDULE B-14-19.—FEDERAL TRADE COMMISSION

Balance from appropriations for prior years.....	\$112,974.45			\$112,974.45
Add:				
Appropriations, current year.....	2,180,812.73			2,180,812.73
Appropriations transferred from other agencies.....	102,795.00			102,795.00
Total funds available.....	2,396,582.18			2,396,582.18
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....	45,974.26			45,974.26
Total deductions.....	45,974.26			45,974.26
Balances available, current year.....	2,350,607.92			2,350,607.92
Unadvanced balance, June 30, 1939.....	131,712.35			131,712.35
Total advances to disbursing officers, fiscal year 1939.....	2,218,895.57			2,218,895.57

SCHEDULE B-14-20.—HOME OWNERS' LOAN CORPORATION

Balance from appropriations for prior years.....				
Add:				
Appropriations, current year.....			\$26,100,000.00	\$26,100,000.00
Appropriations transferred from other agencies.....			12,465.00	12,465.00
Total funds available.....			26,112,465.00	26,112,465.00
Deduct:				
Appropriations transferred to other agencies.....			56,750.00	56,750.00
Amounts returned to surplus fund.....				
Total deductions.....			56,750.00	56,750.00
Balances available, current year.....			26,055,715.00	26,055,715.00
Unadvanced balance, June 30, 1939.....			106,203.80	106,203.80
Total advances to disbursing officers, fiscal year 1939.....			25,949,511.20	25,949,511.20

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-14-21.—INTERSTATE COMMERCE COMMISSION

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$525,892.11			\$525,892.11
Add:				
Appropriations, current year.....	8,735,678.83			8,735,678.83
Appropriations transferred from other agencies.....				
Total funds available.....	9,261,570.94			9,261,570.94
Deduct:				
Appropriations transferred to other agencies.....	184,606.50			184,606.50
Amounts returned to surplus fund.....	54,887.82			54,887.82
Total deductions.....	239,494.32			239,494.32
Balances available, current year.....	9,022,076.62			9,022,076.62
Unadvanced balance, June 30, 1939.....	592,492.14			592,492.14
Total advances to disbursing officers, fiscal year 1939.....	8,429,584.48			8,429,584.48

SCHEDULE B-14-22.—MARITIME LABOR BOARD

Balance from appropriations for prior years.....	\$75,000.00			\$75,000.00
Add:				
Appropriations, current year.....	20,000.00			20,000.00
Appropriations transferred from other agencies.....				
Total funds available.....	95,000.00			95,000.00
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....				
Total deductions.....				
Balances available, current year.....	95,000.00			95,000.00
Unadvanced balance, June 30, 1939.....	4,917.42			4,917.42
Total advances to disbursing officers, fiscal year 1939.....	90,082.58			90,082.58

SCHEDULE B-14-23.—MISCELLANEOUS INDEPENDENT ESTABLISHMENTS¹

Balance from appropriations for prior years.....	\$3,835,382.02	\$20,601.78	\$155,509.42	\$4,011,493.22
Add:				
Appropriations, current year.....	1,435,024.45		2,826,114.20	4,261,138.65
Appropriations transferred from other agencies.....	486,777.67			486,777.67
Total funds available.....	5,757,184.14	20,601.78	2,981,623.62	8,759,409.54
Deduct:				
Appropriations transferred to other agencies.....	880,994.16			880,994.16
Amounts returned to surplus fund.....	548,038.34		1.00	548,039.34
Total deductions.....	1,429,032.50		1.00	1,429,033.50
Balances available, current year.....	4,328,151.64	20,601.78	2,981,622.62	7,330,376.04
Unadvanced balance, June 30, 1939.....	993,624.48	15,339.55	223,901.19	1,232,865.22
Total advances to disbursing officers, fiscal year 1939.....	3,334,527.16	5,262.23	2,757,721.43	6,097,510.82

¹ Includes appropriations for small agencies of a temporary nature such as American Battle Monuments Commission, Great Lakes Exposition, New York World's Fair, etc.

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-14-24.—NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

	General	Special	Trust	Total
Balance from appropriations for prior years	\$445,316.64			\$445,316.64
Add:				
Appropriations, current year	4,063,980.00			4,063,980.00
Appropriations transferred from other agencies	1,733.32			1,733.32
Total funds available	4,511,029.96			4,511,029.96
Deduct:				
Appropriations transferred to other agencies	77,482.40			77,482.40
Amounts returned to surplus fund	2,290.74			2,290.74
Total deductions	79,773.14			79,773.14
Balances available, current year	4,431,256.82			4,431,256.82
Unadvanced balance, June 30, 1939	2,267,659.04			2,267,659.04
Total advances to disbursing officers, fiscal year 1939	2,163,597.78			2,163,597.78

SCHEDULE B-14-25.—NATIONAL ARCHIVES

Balance from appropriations for prior years	\$37,829.28			\$37,829.28
Add:				
Appropriations, current year	789,073.89			789,073.89
Appropriations transferred from other agencies				
Total funds available	826,903.17			826,903.17
Deduct:				
Appropriations transferred to other agencies				
Amounts returned to surplus fund	10,034.45			10,034.45
Total deductions	10,034.45			10,034.45
Balances available, current year	816,868.72			816,868.72
Unadvanced balance, June 30, 1939	14,475.73			14,475.73
Total advances to disbursing officers, fiscal year 1939	802,392.99			802,392.99

SCHEDULE B-14-26.—NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Balance from appropriations for prior years	\$695,450.00			\$695,450.00
Add:				
Appropriations, current year	925,000.00			925,000.00
Appropriations transferred from other agencies				
Total funds available	1,620,450.00			1,620,450.00
Deduct:				
Appropriations transferred to other agencies	15,000.00			15,000.00
Amounts returned to surplus fund	1,162.18			1,162.18
Total deductions	16,162.18			16,162.18
Balances available, current year	1,604,287.82			1,604,287.82
Unadvanced balance, June 30, 1939	798,360.82			798,360.82
Total advances to disbursing officers, fiscal year 1939	805,927.00			805,927.00

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-14-27.—NATIONAL EMERGENCY COUNCIL

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$11.09			\$11.09
Add:				
Appropriations, current year.....				
Appropriations transferred from other agencies.....	1,511.75			1,511.75
Total funds available.....	1,522.84			1,522.84
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....				
Total deductions.....				
Balances available, current year.....	1,522.84			1,522.84
Unadvanced balance, June 30, 1939.....	6,203.51			6,203.51
Total advances to disbursing officers, fiscal year 1939.....	-4,680.67			-4,680.67

SCHEDULE B-14-28.—NATIONAL LABOR RELATIONS BOARD

Balance from appropriations for prior years.....	\$67,587.92			\$67,587.92
Add:				
Appropriations, current year.....	2,955,000.00			2,955,000.00
Appropriations transferred from other agencies.....				
Total funds available.....	3,022,587.92			3,022,587.92
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....	6,288.06			6,288.06
Total deductions.....	6,288.06			6,288.06
Balances available, current year.....	3,016,299.86			3,016,299.86
Unadvanced balance, June 30, 1939.....	111,948.72			111,948.72
Total advances to disbursing officers, fiscal year 1939.....	2,904,351.14			2,904,351.14

SCHEDULE B-14-29.—NATIONAL MEDIATION BOARD

Balance from appropriations for prior years.....	\$151,496.24			\$151,496.24
Add:				
Appropriations, current year.....	374,200.00			374,200.00
Appropriations transferred from other agencies.....	102,429.30			102,429.30
Total funds available.....	628,125.54			628,125.54
Deduct:				
Appropriations transferred to other agencies.....	102,429.30			102,429.30
Amounts returned to surplus fund.....	28,610.48			28,610.48
Total deductions.....	131,039.78			131,039.78
Balances available, current year.....	497,085.76			497,085.76
Unadvanced balance, June 30, 1939.....	114,263.02			114,263.02
Total advances to disbursing officers, fiscal year 1939.....	382,822.74			382,822.74

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-14-30.—NATIONAL RESOURCES COMMITTEE

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$8,503.55			\$8,503.55
Add:				
Appropriations, current year.....				
Appropriations transferred from other agencies.....	325,000.00			325,000.00
Total funds available.....	333,503.55			333,503.55
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....				
Total deductions.....				
Balances available, current year.....	333,503.55			333,503.55
Unadvanced balance, June 30, 1939.....	174,997.20			174,997.20
Total advances to disbursing officers, fiscal year 1939.....	158,506.35			158,506.35

SCHEDULE B-14-31.—PANAMA CANAL

Balance from appropriations for prior years.....	\$3,949,871.69	\$54,972.33	\$5,250.56	\$4,010,094.58
Add:				
Appropriations, current year.....	10,405,125.00	329,522.27		10,734,647.27
Appropriations transferred from other agencies.....				
Total funds available.....	14,354,996.69	384,494.60	5,250.56	14,744,741.85
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....			5,250.56	5,250.56
Total deductions.....			5,250.56	5,250.56
Balances available, current year.....	14,354,996.69	384,494.60		14,739,491.29
Unadvanced balance, June 30, 1939.....	4,184,192.40	67,546.22		4,251,738.62
Total advances to disbursing officers, fiscal year 1939.....	10,170,804.29	316,948.38		10,487,752.67

SCHEDULE B-14-32.—RAILROAD ADMINISTRATION

Balance from appropriations for prior years.....	\$468,008.84			\$468,008.84
Add:				
Appropriations, current year.....				
Appropriations transferred from other agencies.....				
Total funds available.....	468,008.84			468,008.84
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....				
Total deductions.....				
Balances available, current year.....	468,008.84			468,008.84
Unadvanced balance, June 30, 1939.....	533,897.41			533,897.41
Total advances to disbursing officers, fiscal year 1939.....	-65,888.57			-65,888.57

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-14-33.—RURAL ELECTRIFICATION ADMINISTRATION

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$19,774,266.37			\$19,774,266.37
Add:				
Appropriations, current year.....	41,702,000.00			41,702,000.00
Appropriations transferred from other agencies.....				
Total funds available.....	61,476,266.37			61,476,266.37
Deduct:				
Appropriations transferred to other agencies.....	6.89			6.89
Amounts returned to surplus fund.....	16,418.17			16,418.17
Total deductions.....	16,425.06			16,425.06
Balances available, current year.....	61,459,841.31			61,459,841.31
Unadvanced balance, June 30, 1939.....	20,868,895.55			20,868,895.55
Total advances to disbursing officers, fiscal year 1939.....	40,590,945.76			40,590,945.76

SCHEDULE B-14-34.—RECONSTRUCTION FINANCE CORPORATION—SPECIAL FUND

Balance from appropriations for prior years.....		\$2,007.90		\$2,007.90
Add:				
Appropriations, current year.....				
Appropriations transferred from other agencies.....				
Total funds available.....		2,007.90		2,007.90
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....				
Total deductions.....				
Balances available, current year.....		2,007.90		2,007.90
Unadvanced balance, June 30, 1939.....		6,974.56		6,974.56
Total advances to disbursing officers, fiscal year 1939.....		-4,966.66		-4,966.66

SCHEDULE B-14-35.—RAILROAD RETIREMENT BOARD

Balance from appropriations for prior years.....	\$131,016.77		\$140,634.24	\$271,651.01
Add:				
Appropriations, current year.....	121,331,458.56	\$6,902,491.00	2,201,876.72	130,435,826.28
Appropriations transferred from other agencies.....	348.00			348.00
Total funds available.....	121,462,823.33	6,902,491.00	2,342,510.96	130,707,825.29
Deduct:				
Appropriations transferred to other agencies.....	239,411.89			239,411.89
Amounts returned to surplus fund.....	9,919.04			9,919.04
Total deductions.....	249,330.93			249,330.93
Balances available, current year.....	121,213,492.40	6,902,491.00	2,342,510.96	130,458,494.36
Unadvanced balance, June 30, 1939.....	11,290,275.75	6,088,259.17	1,955,872.83	19,334,407.75
Total advances to disbursing officers, fiscal year 1939.....	109,923,216.65	814,231.83	386,638.13	111,124,086.61

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-14-36.—SECURITIES AND EXCHANGE COMMISSION

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$748,988.74			\$748,988.74
Add:				
Appropriations, current year.....	4,872,204.07		\$10,000.00	4,882,204.07
Appropriations transferred from other agencies.....			107,710.73	107,710.73
Total funds available.....	5,621,192.81		117,710.73	5,738,903.54
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....	565,687.57			565,687.57
Total deductions.....	565,687.57			565,687.57
Balances available, current year.....	5,055,505.24		117,710.73	5,173,215.97
Unadvanced balance, June 30, 1939.....	243,057.09			243,057.09
Total advances to disbursing officers, fiscal year 1939.....	4,812,448.15		117,710.73	4,930,158.88

SCHEDULE B-14-37.—SMITHSONIAN INSTITUTION

Balance from appropriations for prior years.....	\$43,803.04		\$1,000,000.00	\$1,043,803.04
Add:				
Appropriations, current year.....	1,121,165.00			1,121,165.00
Appropriations transferred from other agencies.....				
Total funds available.....	1,164,968.04		1,000,000.00	2,164,968.04
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....	1,339.08			1,339.08
Total deductions.....	1,339.08			1,339.08
Balances available, current year.....	1,163,628.96		1,000,000.00	2,163,628.96
Unadvanced balance, June 30, 1939.....	75,263.53		1,000,000.00	1,075,263.53
Total advances to disbursing officers, fiscal year 1939.....	1,088,365.43			1,088,365.43

SCHEDULE B-14-38.—SOCIAL SECURITY BOARD

Balance from appropriations for prior years.....	\$210,122,381.78			\$210,122,381.78
Add:				
Appropriations, current year.....	359,300,077.97			359,300,077.97
Appropriations transferred from other agencies.....	10,933,675.20			10,933,675.20
Total funds available.....	580,356,134.95			580,356,134.95
Deduct:				
Appropriations transferred to other agencies.....	10,985,622.09			10,985,622.09
Amounts returned to surplus fund.....	1,773,558.31			1,773,558.31
Total deductions.....	12,759,180.40			12,759,180.40
Balances available, current year.....	567,596,954.55			567,596,954.55
Unadvanced balance, June 30, 1939.....	27,466,145.71			27,466,145.71
Total advances to disbursing officers, fiscal year 1939.....	540,130,808.84			540,130,808.84

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-14-39.—TENNESSEE VALLEY AUTHORITY

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$9,278,586.12			\$9,278,586.12
Add:				
Appropriations, current year.....	40,000,000.00			40,000,000.00
Appropriations transferred from other agencies.....	10,057,903.14			10,057,903.14
Total funds available.....	59,336,489.26			59,336,489.26
Deduct:				
Appropriations transferred to other agencies.....	10,175,183.66			10,175,183.66
Amounts returned to surplus fund.....				
Total deductions.....	10,175,183.66			10,175,183.66
Balances available, current year.....	49,161,305.60			49,161,305.60
Unadvanced balance, June 30, 1939.....	8,801,481.60			8,801,481.60
Total advances to disbursing officers, fiscal year 1939.....	40,359,824.00			40,359,824.00

SCHEDULE B-14-40.—UNITED STATES BOARD OF TAX APPEALS

Balance from appropriations for prior years.....	\$40,518.27			\$40,518.27
Add:				
Appropriations, current year.....	538,327.81			538,327.81
Appropriations transferred from other agencies.....				
Total funds available.....	578,846.08			578,846.08
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....	20,663.98			20,663.98
Total deductions.....	20,663.98			20,663.98
Balances available, current year.....	558,182.10			558,182.10
Unadvanced balance, June 30, 1939.....	4,617.21			4,617.21
Total advances to disbursing officers, fiscal year 1939.....	553,564.89			553,564.89

SCHEDULE B-14-41.—UNITED STATES CIVIL SERVICE COMMISSION

Balance from appropriations for prior years.....	\$78,434.02	\$1,023,737.09	\$1,102,171.11
Add:			
Appropriations, current year.....	78,235,802.44	59,207,407.06	137,443,209.50
Appropriations transferred from other agencies.....			
Total funds available.....	78,314,236.46	60,231,144.15	138,545,380.61
Deduct:			
Appropriations transferred to other agencies.....			
Amounts returned to surplus fund.....	24,210.47		24,210.47
Total deductions.....	24,210.47		24,210.47
Balances available, current year.....	78,290,025.99	60,231,144.15	138,521,170.14
Unadvanced balance, June 30, 1939.....	140,371.95	1,240,023.79	1,380,395.74
Total advances to disbursing officers, fiscal year 1939.....	78,149,654.04	58,991,120.36	137,140,774.40

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-14-42.—UNITED STATES EMPLOYEES COMPENSATION COMMISSION

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$6,136,651.41		\$29,714.80	\$6,166,366.21
Add:				
Appropriations, current year.....	5,278,976.67		19,112.02	5,298,088.69
Appropriations transferred from other agencies.....	816,300.00			816,300.00
Total funds available.....	12,231,928.08		48,826.82	12,280,754.90
Deduct:				
Appropriations transferred to other agencies.....	816,300.00			816,300.00
Amounts returned to surplus fund.....	413,302.42			413,302.42
Total deductions.....	1,229,602.42			1,229,602.42
Balances available, current year.....	11,002,325.66		48,826.82	11,051,152.48
Unadvanced balance, June 30, 1939.....	5,457,118.26		26,350.88	5,483,469.14
Total advances to disbursing officers, fiscal year 1939.....	5,545,207.40		22,475.94	5,567,683.34

SCHEDULE B-14-43.—UNITED STATES MARITIME COMMISSION

Balance from appropriations for prior years.....	\$105,067,495.70			\$105,067,495.70
Add:				
Appropriations, current year.....				
Appropriations transferred from other agencies.....	4,004.65			4,004.65
Total funds available.....	105,071,500.35			105,071,500.35
Deduct:				
Appropriations transferred to other agencies.....	371,488.03			371,488.03
Amounts returned to surplus fund.....	4.65			4.65
Total deductions.....	371,492.68			371,492.68
Balances available, current year.....	104,700,007.67			104,700,007.67
Unadvanced balance, June 30, 1939.....	60,237,732.72			60,237,732.72
Total advances to disbursing officers, fiscal year 1939.....	44,462,274.95			44,462,274.95

SCHEDULE B-14-44.—UNITED STATES TARIFF COMMISSION

Balance from appropriations for prior years.....	\$69,706.72			\$69,706.72
Add:				
Appropriations, current year.....	933,000.00			933,000.00
Appropriations transferred from other agencies.....	2,500.00			2,500.00
Total funds available.....	1,005,206.72			1,005,206.72
Deduct:				
Appropriations transferred to other agencies.....	2,586.03			2,586.03
Amounts returned to surplus fund.....	21,329.84			21,329.84
Total deductions.....	23,915.87			23,915.87
Balances available, current year.....	981,290.85			981,290.85
Unadvanced balance, June 30, 1939.....	58,121.71			58,121.71
Total advances to disbursing officers, fiscal year 1939.....	923,169.14			923,169.14

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-14-45.—WORKS PROGRESS ADMINISTRATION

	General	Special	Trust	Total
Balance from appropriations for prior years.....	\$60,020.46		\$424.16	\$60,444.62
Add:				
Appropriations, current year.....	22,866.13		16.50	22,882.63
Appropriations transferred from other agencies.....				
Total funds available.....	82,886.59		440.66	83,327.25
Deduct:				
Appropriations transferred to other agencies.....				
Amounts returned to surplus fund.....				
Total deductions.....				
Balances available, current year.....	82,886.59		440.66	83,327.25
Unadvanced balance, June 30, 1939..	14,682.71		440.66	15,123.37
Total advances to disbursing officers, fiscal year 1939.....	68,203.88			68,203.88

SCHEDULE B-14-46.—VETERANS' ADMINISTRATION

Balance from appropriations for prior years.....	\$447,022,254.68		\$7,235,613.41	\$454,257,868.09
Add:				
Appropriations, current year.....	570,868,743.54		100,143,375.99	671,012,119.53
Appropriations transferred from other agencies.....	2,399.76			2,399.76
Total funds available.....	1,017,893,397.98		107,378,989.40	1,125,272,387.38
Deduct:				
Appropriations transferred to other agencies.....	1,572,116.40			1,572,116.40
Amounts returned to surplus fund.....	64,765,375.15		1,796,754.09	66,562,129.24
Total deductions.....	66,337,491.55		1,796,754.09	68,134,245.64
Balances available, current year.....	951,555,906.43		105,582,235.31	1,057,138,141.74
Unadvanced balance, June 30, 1939..	419,813,704.31		8,118,814.06	427,932,518.37
Total advances to disbursing officers, fiscal year 1939.....	531,742,202.12		97,463,421.25	629,205,623.37

SCHEDULE B-15.—EMERGENCY RELIEF ¹

Balance from appropriations for prior years.....	\$1,297,499,747.02			\$1,297,499,747.02
Add:				
Appropriations, current year.....	1,116,055,000.00			1,116,055,000.00
Appropriations transferred from other agencies.....	235,915,038.84			235,915,038.84
Total funds available.....	2,649,469,785.86			2,649,469,785.86
Deduct:				
Appropriations transferred to other agencies.....	257,015,038.84			257,015,038.84
Amounts returned to surplus fund.....	10,118,910.48			10,118,910.48
Total deductions.....	267,133,949.32			267,133,949.32
Balances available, current year.....	2,382,335,836.54			2,382,335,836.54
Unadvanced balance, June 30, 1939..	83,094,044.78			83,094,044.78
Total advances to disbursing officers, fiscal year 1939.....	2,299,241,791.76			2,299,241,791.76

¹ Consists principally of funds appropriated to the Works Progress Administration for relief purposes.

Summary of appropriation balances, fiscal year ending June 30, 1939—Continued

SCHEDULE B-16.—DISTRICT OF COLUMBIA

	General	Special	Trust	Total
Balance from appropriations for prior years.....			\$9,189,644.52	\$9,189,644.52
Add:				
Appropriations, current year.....			53,793,265.28	53,793,265.28
Appropriations transferred from other agencies.....			8,850,352.49	8,850,352.49
Total funds available.....			71,833,262.29	71,833,262.29
Deduct:				
Appropriations transferred to other agencies.....			8,694,482.38	8,694,482.38
Amounts returned to surplus fund.....			796,645.34	796,645.34
Total deductions.....			9,491,127.72	9,491,127.72
Balances available, current year.....			62,342,134.57	62,342,134.57
Unadvanced balance, June 30, 1939.....			7,917,945.22	7,917,945.22
Total advances to disbursing officers, fiscal year 1939.....			54,424,189.35	54,424,189.35

EXHIBIT C

Statement of receipts and expenditures (warrant issued basis),¹ special funds, June 30, 1939

Revenues.....		\$13,511,617.70
Less expenditures:		
Legislative (schedule B-1).....	\$40,072.28	
Judicial (schedule B-2).....		
Executive (schedule B-3).....		
Agriculture (schedule B-4).....	1,550,850.97	
Commerce (schedule B-5).....		
Interior (schedule B-6).....	34,207,857.64	
Justice (schedule B-7).....		
Labor (schedule B-8).....		
Navy (schedule B-9).....	1,437,859.59	
Post Office (schedule B-10).....		
State (schedule B-11).....	2114.22	
Treasury (schedule B-12).....	245,145.72	
War (schedule B-13).....	2163,044.39	
Independent offices (schedule B-14).....	72,958,140.83	
Emergency (schedule B-15).....		
Total disbursements.....		109,986,476.98
Excess expenditures over revenue.....		96,474,859.28
Add nonrevenue receipts:		
Sale of assets, rents, etc.....	7,976,413.19	
Collection of loans and investments.....	1,891,186.49	
Total nonrevenue receipts.....		9,867,599.68
Excess of expenditures over receipts.....		86,607,259.60

¹ Expenditure (warrant issued basis) represents advances to the credit of disbursing officers for the purpose of making expenditures for the benefit of the Government as reflected on subsidiary statements as well as direct payments by the Treasurer of the United States.

² Credit.

EXHIBIT D

*Statement of receipts and expenditures (warrant issued basis),¹ trust funds,
June 30, 1939*

Revenue:		
Internal revenue.....	\$19,504,487.54	
Customs.....	144,516.63	
Miscellaneous.....	283,859,446.88	
Total revenue.....		\$303,508,451.05
Less expenditures:		
Legislative (schedule B-1).....	\$741,216.46	
Judicial (schedule B-2).....	3,036,789.82	
Executive (schedule B-3).....		
Agriculture (schedule B-4).....	5,741,651.28	
Commerce (schedule B-5).....	72,144.45	
Interior (schedule B-6).....	6,853,424.98	
Justice (schedule B-7).....	1,065,168.66	
Labor (schedule B-8).....	264,242.16	
Navy (schedule B-9).....	2,279,987.62	
Post Office (schedule B-10).....		
State (schedule B-11).....	1,765,781.55	
Treasury (schedule B-12).....	48,477,007.65	
War (schedule B-13).....	8,081,437.68	
Independent offices (schedule B-14).....	201,879,610.28	
District of Columbia (schedule B-16).....	54,424,189.35	
Total disbursements.....		334,682,651.94
Excess of expenditures over receipts.....		31,174,200.89

¹ Expenditure (warrant issued basis) represents advances to the credit of disbursing officers for the purpose of making expenditures for the benefit of the Government as reflected on subsidiary statements as well as direct payments by the Treasurer of the United States.

