

Housing Administrator, provided for by Executive Order No. 9070 and the Federal Housing Administrator, have received salaries of \$12,000 a year. I do not consider the salary of \$10,000 provided in the plan as compensation commensurate with the responsibilities of the Administrator, the members of the Home Loan Bank Board, and the Commissioners of the other constituent agencies, or consistent with a salary scale which must be paid if the Government is to attract and retain public servants of the requisite caliber. Accordingly, I recommend that the Congress act to increase the salary of the Housing and Home Finance Administrator to \$15,000 per annum, and to increase the salaries of the members of the Home Loan Bank Board and the two Commissioners provided for by this plan to \$12,000 per annum.

The essential and important difference between the organization established by the plan and the prewar arrangement, to which housing agencies and functions would otherwise automatically revert on the termination of title I of the First War Powers Act, is that under the old arrangement these agencies and functions were scattered among many different establishments primarily dealing with matters other than housing, whereas under the plan the major permanent housing programs are placed in a single establishment concerned exclusively with housing. Thus, the plan effectuates the basic objective enunciated by the Congress in the Reorganization Act of 1945 of grouping agencies and functions by major purpose, and provides the necessary framework for a more effective administration of Federal housing activities in the postwar period.

HARRY S. TRUMAN.

THE WHITE HOUSE, May 27, 1947.

#### REORGANIZATION PLAN NO. 1 OF 1949

Reorganization Plan No. 1 of 1949, which proposed establishment of a Department of Welfare, was submitted to Congress on June 20, 1949, and was disapproved by the Senate on Aug. 16, 1949.

#### REORGANIZATION PLAN NO. 2 OF 1949

Eff. Aug. 20, 1949, 14 F.R. 5225, 63 Stat. 1065

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, June 20, 1949, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949 [see 5 U.S.C. 901 et seq.].

#### DEPARTMENT OF LABOR

##### SECTION 1. BUREAU OF EMPLOYMENT SECURITY

The Bureau of Employment Security of the Federal Security Agency, including the United States Employment Service and the Unemployment Insurance Service, together with the functions thereof, is transferred as an organizational entity to the Department of Labor. The functions of the Federal Security Administrator with respect to employment services, unemployment compensation, and the Bureau of Employment Security, together with his functions under the Federal Unemployment Tax Act (as amended, and as affected by the provisions of Reorganization Plan No. 2 of 1946, 60 Stat. 1095, 26 U.S.C. [former] 1600-11) [26 U.S.C. 3301 et seq.], are transferred to the Secretary of Labor. The functions transferred by the provisions of this section shall be performed by the Secretary of Labor or, subject to his direction and control, by such officers, agencies, and employees of the Department of Labor as he shall designate.

##### SEC. 2. VETERANS' PLACEMENT SERVICE BOARD

The functions of the Veterans' Placement Service Board under Title IV of the Servicemen's Readjustment Act of 1944 (58 Stat. 284, as amended; 38 U.S.C. 695-695f) [see 38 U.S.C. 2001 et seq.] are transferred to and shall be performed by the Secretary of Labor. The functions of the Chairman of the said Veterans' Placement Service

Board are transferred to the Secretary of Labor and shall be performed by the Secretary or, subject to his direction and control, by the Chief of the Veterans' Employment Service. The Veterans' Placement Service Board is abolished.

##### SEC. 3. FEDERAL ADVISORY COUNCIL

The Federal Advisory Council established pursuant to section 11(a) of the Act of June 6, 1933 (48 Stat. 116, as amended, 29 U.S.C. 49j(a)), is hereby transferred to the Department of Labor and shall, in addition to its duties under the aforesaid Act, advise the Secretary of Labor and the Director of the Bureau of Employment Security with respect to the administration and coordination of the functions transferred by the provisions of this reorganization plan.

##### SEC. 4. PERSONNEL, RECORDS, PROPERTY, AND FUNDS

There are transferred to the Department of Labor, for use in connection with the functions transferred by the provisions of this reorganization plan, the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds (available or to be made available) of the Bureau of Employment Security, together with so much as the Director of the Bureau of the Budget shall determine of other personnel, property, records, and unexpended balances of appropriations, allocations, and funds (available or to be made available) of the Federal Security Agency which relate to functions transferred by the provisions of this reorganization plan.

##### MESSAGE OF THE PRESIDENT

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 2 of 1949, prepared in accordance with the provisions of the Reorganization Act of 1949. This plan transfers the Bureau of Employment Security, now in the Federal Security Agency, to the Department of Labor and vests in the Secretary of Labor the functions of the Federal Security Administrator with respect to employment services and unemployment compensation, the latter of which is now more commonly referred to as unemployment insurance. The plan also transfers to the Secretary of Labor the functions of the Veterans' Placement Service Board and of its Chairman and abolishes that Board. These changes are in general accord with recommendations made by the Commission on Organization of the Executive Branch of the Government.

After investigation, I have found and hereby declare that each reorganization included in Reorganization Plan No. 2 of 1949 is necessary to accomplish one or more of the purposes set forth in section 2(a) of said act. The primary benefits from these reorganizations will take the form of improvements in administration and service. It is probable that a significant reduction in expenditures will result from the taking effect of the plan as compared with the current estimates and workload assumptions contained in the 1950 budget as amended, but an itemization of such savings is not possible in advance of the transfer.

One of the major needs of the executive branch is a sound and effective organization of labor functions. More than 35 years ago the Federal Government's labor functions were brought together in the Department of Labor. In recent years, however, the tendency has been to disperse such functions throughout the Government. New labor programs have been placed outside of the Department and some of its most basic functions have been transferred from the Department to other agencies.

In my judgment, this course has been fundamentally unsound and should be reversed. The labor programs of the Federal Government constitute a family of interrelated functions requiring generally similar professional training and experience, involving numerous overlapping problems, and calling for strong, unified leadership. Together they form one of the most important areas of Federal activity. It is imperative that the