

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

Labor Department be strengthened and restored to its original position as the central agency of the Government for dealing with labor problems.

BUREAU OF EMPLOYMENT SECURITY

One of the most essential steps in improving the organization of labor functions is the transfer of the Bureau of Employment Security to the Department of Labor. This Bureau administers the activities of the Federal Government with respect to employment services and unemployment insurance. These activities mainly involve the review and apportionment of grants-in-aid, approval of State plans and grants, the conduct of research and developmental activities, and the provision of advice and assistance to the State agencies which actually conduct the services.

Public employment services and unemployment insurance are companion programs inextricably interrelated both in purpose and operation. The first assists workers in finding jobs and employers in obtaining workers; the second provides cash benefits for the support of workers and their families when suitable jobs cannot be obtained. Thus, each complements the other. At the local operating level the two programs are almost invariably carried on in the same unit—the local employment office. At the State level they are administered by the same agency in nearly every State. As a result, an unusually high degree of coordination at the Federal level is essential.

There can be no question as to the basic consideration which must govern the administration of both of these programs. From the standpoint of all interested parties—the worker, the employer, and the public—the primary concern is employment. Essential as they are, unemployment benefits at a fraction of regular wages are a poor substitute for the earnings from a steady job. In the administration of these programs, therefore, primary attention must be focused on achieving the maximum effectiveness of the employment services. On them depend the prosperity and well-being of the worker and the extent of the unemployment-compensation burden on the employer and the public.

I have long been convinced that the Department of Labor is the agency which can contribute most to the development of sound and efficient employment service. It has the understanding of employment problems and of the operation of the labor market which is essential in this field. It possesses the necessary specialists and the wealth of information on occupations, employment trends, wage rates, working conditions, labor legislation and other matters essential to employment counseling and placement.

Close working relations between the United States Employment Service and most of the agencies of the Labor Department are vital to the success of both. The Bureau of Labor Statistics has a fund of information on employment and occupations which is basic to the planning and operation of the Service. The Women's Bureau and the Child Labor Branch of the Wage and Hour Division afford expert advice on employment problems relating to women and adolescents. The Bureau of Labor Standards can assist the Service on questions of working conditions and other labor standards, and the Bureau of Apprenticeship on occupational-training problems. At the same time the various agencies of the Labor Department need the detailed current information on labor problems and the condition of the labor market which the United States Employment Service possesses.

Experience has demonstrated that unemployment insurance must be administered in close relationship with employment service and other employment programs. In many of our industrial States, and in most foreign countries, unemployment insurance is administered by the agency responsible for labor functions. Furthermore, the unemployment-insurance system has a vital stake in the effectiveness of the program for employment services, for what benefits the employment service also benefits the unemployment-insurance program.

The transfer of the Bureau of Employment Security, including the United States Employment Service and the Unemployment Insurance Service, together with the functions thereof, will give assurance that primary emphasis will be placed on the improvement of the employment services and that maximum effort will be made to provide jobs in lieu of cash benefits.

The plan also transfers to the Department of Labor the Federal Advisory Council created by the act establishing the United States Employment Service. This Council consists of outstanding representatives of labor, management, and the public who are especially familiar with employment problems.

VETERANS' PLACEMENT SERVICE BOARD

Although the Veterans' Employment Service operates through the regular employment office system, its policies are determined by the Veterans' Placement Service Board created by the Servicemen's Readjustment Act of 1944. This Board consists of the heads of three Federal agencies, only one of which administers employment services. Furthermore, the full-time director of the Service is appointed by the Chairman of this Board, who is not otherwise engaged in employment-service activity, rather than by the head of the agency within which the service is administered. Such an arrangement is cumbersome and results in an undue division of authority and responsibility.

In order to simplify the administration of the Veterans' Employment Service and assure the fullest cooperation between it and the general employment service, the plan eliminates the Veterans' Placement Service Board and transfers its functions and those of its Chairman to the Secretary of Labor. By thus concentrating responsibility for the success of the Service, the plan will make for better service to the veteran seeking employment or vocational counseling.

This plan is a major step in the rebuilding and strengthening of the Department of Labor, which I am convinced is essential to the sound and efficient organization of the executive branch of the Government.

HARRY S. TRUMAN.

THE WHITE HOUSE, June 20, 1949.

REORGANIZATION PLAN NO. 3 OF 1949

Eff. Aug. 20, 1949, 14 F.R. 5225, 63 Stat. 1066

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.].

POST OFFICE DEPARTMENT

SECTION 1. FUNCTIONS OF THE POSTMASTER GENERAL

(a) There are hereby transferred to the Postmaster General the functions of all subordinate officers and agencies of the Post Office Department, including the functions of each Assistant Postmaster General, the Purchasing Agent for the Post Office Department, the Comptroller, and the Bureau of Accounts.

(b) The Postmaster General is hereby authorized to delegate to any officer, employee, or agency of the Post Office Department designated by him such of his functions as he deems appropriate.

SEC. 2. DEPUTY POSTMASTER GENERAL

There shall be in the Post Office Department a Deputy Postmaster General, who shall be appointed by the President by and with the advice and consent of the Senate, shall perform such duties as the Postmaster General may designate, and shall receive compensation at the rate of \$10,330 per annum or such other compensation as may be provided by law for the under secretaries of executive departments after the date of transmittal of this reorganization plan to the Congress.

SEC. 3. ASSISTANT POSTMASTERS GENERAL

There shall be in the Post Office Department four Assistant Postmasters General, who shall be appointed by