Text as published on gao.gov, https://www.gao.gov/products/b-131361, archived 2026-09-13. GAO published no original file for this decision. Rendered by Comptroller Desk.

B-131361, April 12, 1957, 36 Comp. Gen. 699

Number: B-131361

Date: 1957-04-12

B-131361, APRIL 12, 1957, 36 COMP. GEN. 699

APPROPRIATIONS - ANTIDEFICIENCY ACT - APPORTIONMENT COMPLIANCE THE APPROPRIATION APPORTIONMENT PROVISION IN SUBSECTION 2 (C) (1) OF THE ANTIDEFICIENCY ACT MUST BE CONSTRUED AS A MANDATE OF CONGRESS THAT FISCAL YEAR APPROPRIATIONS ARE TO BE APPORTIONED TO PREVENT OBLIGATION OR EXPENDITURE IN A MANNER WHICH WOULD INDICATE THE NECESSITY FOR EITHER A DEFICIENCY OF SUPPLEMENTAL APPROPRIATION OR A DRASTIC CURTAILMENT OF THE ACTIVITY FOR WHICH THE APPROPRIATION IS MADE. IF, AS THE RESULT OF A REAPPORTIONMENT OF POST OFFICE DEPARTMENT APPROPRIATIONS DECREASING THE FOURTH QUARTER APPORTIONMENT SUBSTANTIALLY LESS THAN THE APPORTIONMENT FOR THE THIRD QUARTER OF THE FISCAL YEAR, THE CONGRESS DETERMINES THAT A DEFICIENCY APPROPRIATION IS NECESSARY, OR IF THE SERVICES OF THE POST OFFICE ARE DRASTICALLY CURTAILED IN THE EVENT A DEFICIENCY APPROPRIATION IS NOT MADE, THE DIRECTOR OF THE BUREAU OF THE BUDGET, WHO IS RESPONSIBLE FOR THE APPORTIONMENT OF APPROPRIATIONS, MAY NOT BE REGARDED AS HAVING COMPLIED WITH THE APPORTIONMENT REQUIREMENTS OF SUBSECTION (C) (1) OF THE ANTIDEFICIENCY ACT. ALTHOUGH THE ACTION OF THE POST OFFICE DEPARTMENT IN REQUESTING THE REAPPORTIONMENT OF FISCAL YEAR APPROPRIATIONS IN A PATTERN WHICH RESULTS IN THE NECESSITY FOR A DEFICIENCY OR SUPPLEMENTAL APPROPRIATION OR A DRASTIC CURTAILMENT OF SERVICES IS NOT TECHNICALLY A VIOLATION OF ANY SPECIFIC PROVISIONS OF THE ANTIDEFICIENCY ACT, 31 U.S.C. 665, IT IS NOT CONSISTENT WITH THE PURPOSE AND SPIRIT OF THE ACT. ALTHOUGH THE PENAL PROVISION OF THE ANTIDEFICIENCY ACT, 31 U.S.C. 665, IS APPLICABLE TO VIOLATIONS OF SUBSECTIONS (A) (B) AND (H) OF THE ACT RELATING TO EXPENDITURES OR OBLIGATIONS IN EXCESS OF FUNDS, ACCEPTANCE OF VOLUNTARY SERVICES, AND OBLIGATIONS OR EXPENDITURES IN EXCESS OF APPORTIONMENT OR REAPPORTIONMENT, OR IN EXCESS OF AMOUNT PERMITTED BY REGULATIONS RESPECTIVELY, IT MAY NOT BE INVOKED FOR FAILURE TO COMPLY WITH THE APPROPRIATION APPORTIONMENT PROVISIONS IN SUBSECTION (C) (1) OF THE ACT. A DRASTIC CURTAILMENT TOWARD THE CLOSE OF A FISCAL YEAR OF GOVERNMENTAL OPERATIONS CARRIED ON UNDER A FISCAL YEAR APPROPRIATION IS PRIMA FACIE INDICATION OF A FAILURE TO APPORTION THE APPROPRIATION TO PREVENT OBLIGATION OR EXPENDITURE IN A MANNER WHICH WOULD INDICATE A NECESSITY FOR DEFICIENCY OR SUPPLEMENTAL APPROPRIATIONS FOR SUCH PERIOD.

TO THE POSTMASTER GENERAL, APRIL 12, 1957:

YOUR LETTER OF APRIL 4, 1957, REQUESTS A STATEMENT OF OUR FINDINGS RESULTING FROM A STUDY OF THE RECORDS OF THE POST OFFICE DEPARTMENT TO ASCERTAIN WHETHER DURING FISCAL YEAR 1957 THERE HAS BEEN A VIOLATION OF THE PROVISIONS OF SECTION 3679, REVISED STATUTES, AS AMENDED (31 U.S.C. 665), COMMONLY KNOWN AS THE ANTIDEFICIENCY ACT. AN INFORMAL REQUEST FOR SIMILAR ADVICE WAS RECEIVED FROM A STAFF MEMBER OF THE HOUSE APPROPRIATIONS COMMITTEE FOLLOWING THE HEARINGS MARCH 26 AND 27, AND APRIL 3, 1957, BEFORE THE SUBCOMMITTEE ON TREASURY-POST OFFICE

APPROPRIATIONS, ON THE POST OFFICE DEPARTMENT'S SUPPLEMENTAL REQUEST FOR FUNDS FOR " OPERATIONS.'

AT THE OUTSET, WE WISH TO EXPLAIN THAT OUR REVIEW WAS MADE IN A VERY LIMITED TIME TO OBTAIN INFORMATION READILY AVAILABLE AS TO WHETHER THE POST OFFICE DEPARTMENT HAD VIOLATED THE ANTIDEFICIENCY ACT. BECAUSE OF THE TIME LIMIT, OUR REVIEW HAS RESTRICTED TO A COMPARISON OF APPORTIONMENTS, BY APPROPRIATION, APPROVED BY THE BUREAU OF THE BUDGET FOR THE POSTAL QUARTERLY REPORTING PERIODS ENDED OCTOBER 19, 1956, AND JANUARY 11, 1957, WITH OBLIGATIONS INCURRED FOR THE SAME QUARTERS AS THEY APPEAR IN PUBLISHED STATEMENTS OF THE POST OFFICE DEPARTMENT. NO OVEROBLIGATION OF THE APPORTIONMENTS FOR THOSE QUARTERS WAS REVEALED BY THIS COMPARISON. RESULTS OF OPERATIONS FOR THE POSTAL QUARTER ENDING APRIL 5, 1957, WERE NOT AVAILABLE AT THE TIME OF OUR REVIEW.

WE DID NOT REVIEW THE OBLIGATIONS UNDER ADMINISTRATIVE SUBDIVISIONS OF FUNDS WITHIN THE APPORTIONMENTS, BUT WE WERE INFORMED THAT IN THE QUARTER ENDED OCTOBER 19, 1956, FUNDS ALLOTTED TO TWO REGIONAL DIRECTORS HAD BEEN OVEROBLIGATED BY $27,613 AND THE REQUIRED REPORTS TO THE PRESIDENT AND THE CONGRESS WERE MADE ON FEBRUARY 14, 1957.

YOUR LETTER, HOWEVER, AND THE COMMITTEE INQUIRY REQUEST OUR FINDINGS AS TO WHETHER THE PROVISIONS OF THE ANTIDEFICIENCY ACT WERE VIOLATED DURING FISCAL YEAR 1957. THIS REQUIRES CONSIDERATION NOT ONLY OF THE QUESTION AS TO WHETHER THE APPORTIONMENTS OF THE FUNDS FOR THE FISCAL YEAR 1957 WERE OVEROBLIGATED BUT ALSO AS TO WHETHER THEY WERE MADE IN ACCORDANCE WITH THE PROVISIONS OF THAT ACT, WHICH PROVIDES, IN PERTINENT PART, AS FOLLOWS:

(C) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, ALL APPROPRIATIONS OR FUNDS AVAILABLE FOR OBLIGATION FOR A DEFINITE PERIOD OF TIME SHALL BE SO APPORTIONED AS TO PREVENT OBLIGATION OR EXPENDITURE THEREOF IN A MANNER WHICH WOULD INDICATE A NECESSITY FOR DEFICIENCY OR MENTAL APPROPRIATIONS FOR SUCH PERIOD; * * *

(D) (2) ANY APPROPRIATION AVAILABLE TO AN AGENCY, WHICH IS REQUIRED TO BE APPORTIONED UNDER SUBSECTION (C) OF THIS SECTION, SHALL BE APPORTIONED OR REAPPORTIONED IN WRITING BY THE DIRECTOR OF THE BUREAU OF THE BUDGET. THE HEAD OF EACH AGENCY TO WHICH ANY SUCH APPROPRIATION IS AVAILABLE SHALL SUBMIT TO THE BUREAU OF THE BUDGET INFORMATION, IN SUCH FORM AND MANNER AND AT SUCH TIME OR TIMES AS THE DIRECTOR MAY PRESCRIBE, AS MAY BE REQUIRED FOR THE APPORTIONMENT OF SUCH APPROPRIATION. * * *

(E) (1) NO APPORTIONMENT OR REAPPORTIONMENT WHICH, IN THE JUDGMENT OF THE OFFICER MAKING SUCH APPORTIONMENT OR REAPPORTIONMENT, WOULD INDICATE A NECESSITY FOR A DEFICIENCY OR SUPPLEMENTAL ESTIMATE SHALL BE MADE EXCEPT UPON A DETERMINATION BY SUCH OFFICER THAT SUCH ACTION IS REQUIRED BECAUSE OF (A) ANY LAWS ENACTED SUBSEQUENT TO THE TRANSMISSION TO THE CONGRESS OF THE ESTIMATES FOR AN APPROPRIATION WHICH REQUIRE EXPENDITURES BEYOND ADMINISTRATIVE CONTROL; OR (B) EMERGENCIES INVOLVING THE SAFETY OF HUMAN LIFE, THE PROTECTION OF PROPERTY, OR THE IMMEDIATE WELFARE OF INDIVIDUALS IN CASES WHERE AN APPROPRIATION HAS BEEN MADE TO ENABLE THE UNITED STATES TO MAKE PAYMENT OF, OR CONTRIBUTIONS TOWARD, SUMS WHICH ARE REQUIRED TO BE PAID TO INDIVIDUALS EITHER IN SPECIFIC AMOUNTS FIXED BY LAW OR IN ACCORDANCE WITH FORMULAE PRESCRIBED BY LAW.

(2) IN EACH CASE OF AN APPORTIONMENT OR A REAPPORTIONMENT WHICH, IN THE JUDGMENT OF THE OFFICER MAKING SUCH APPORTIONMENT OR REAPPORTIONMENT, WOULD INDICATE A

NECESSITY FOR A DEFICIENCY OR SUPPLEMENTAL ESTIMATE, SUCH OFFICER SHALL IMMEDIATELY SUBMIT A DETAILED REPORT OF THE FACTS OF THE CASE TO THE CONGRESS. IN TRANSMITTING ANY DEFICIENCY OR SUPPLEMENTAL ESTIMATES REQUIRED ON ACCOUNT OF ANY SUCH APPORTIONMENT OR REAPPORTIONMENT, REFERENCE SHALL BE MADE TO SUCH REPORT.

SINCE THE DEPARTMENT'S SUPPLEMENTAL REQUEST FOR FUNDS FOR FISCAL YEAR 1957 IS LIMITED TO THE APPROPRIATION FOR OPERATIONS, WHAT IS SAID HEREINAFTER IS ADDRESSED TO THAT APPROPRIATION.

THE APPORTIONMENTS OF THAT APPROPRIATION, WITH A POSSIBLE EXCEPTION OF ABOUT $2 MILLION REFERRED TO ON PAGE 97 OF THE HOUSE HEARINGS ON THE SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1957, DO NOT APPEAR TO COME WITHIN THE EXCEPTIONS SET OUT IN SUBSECTION (E) (1) ABOVE AND, APPARENTLY, SUBSECTION (E) WAS NOT RELIED UPON IN MAKING THE APPORTIONMENTS. THE COMMUNICATION TRANSMITTING THE SUPPLEMENTAL ESTIMATES TO THE CONGRESS MARCH 12, 1957, CONTAINS NO REFERENCE TO ANY DETAILED REPORT TO THE CONGRESS OF THE FACTS INVOLVED AS REQUIRED IN SUBSECTION (E) (2), AND THE TESTIMONY IN THESE HEARINGS CONTAINS NO INDICATION OF RELIANCE UPON SUBSECTION (E) (1) IN MAKING THE APPORTIONMENTS.

THE APPORTIONMENT OF APPROPRIATIONS TO PREVENT DEFICIENCY OR SUPPLEMENTAL APPROPRIATIONS WAS FIRST REQUIRED IN THE AMENDMENT TO SECTION 3679, REVISED STATUTES, CONTAINED IN SECTION 4 OF THE ACT OF MARCH 3, 1905, 33 STAT. 1257. SECTION 3679, REVISED STATUTES, WAS AMENDED AGAIN BY SECTION 3 OF THE ACT OF FEBRUARY 23, 1906, 34 STAT. 27, 48, AND LASTLY, BY SECTION 1211 OF THE GENERAL APPROPRIATION ACT, 1951, 64 STAT. 765. EACH OF THESE AMENDMENTS WAS INTENDED TO REDUCE FURTHER THE NEED FOR DEFICIENCY OR SUPPLEMENTAL APPROPRIATIONS.

EVEN PRIOR TO THE COMPLETE REVISION OF SECTION 3679 IN THE GENERAL APPROPRIATION ACT, 1951, THE ANTIDEFICIENCY ACT WAS CONSIDERED TO REQUIRE THAT APPROPRIATIONS BE APPORTIONED SO AS TO PREVENT EITHER A DEFICIENCY APPROPRIATION OR THE SUSPENSION OR DRASTIC CURTAILMENT OF AN ACTIVITY FOR LACK OF FUNDS. IN HOUSE REPORT 221, 79TH CONGRESS, ST SESSION, ON THE FIRST DEFICIENCY APPROPRIATION BILL, 1945, IT IS STATED:

THE COMMITTEE MET WITH INSTANCES WHICH INDICATED EITHER A LACK OF KNOWLEDGE OR AN UTTER DISREGARD OF THE SO-CALLED ANTIDEFICIENCY LAW (31 U.S.C. 665), IN THAT AGENCIES REPORTED OVEROBLIGATIONS DURING THE FIRST HALF OF THE CURRENT FISCAL YEAR TO AN EXTENT WHICH PLACES THE CONGRESS IN THE POSITION EITHER OF GRANTING ADDITIONAL FUNDS OR FORCING THE CURTAILMENT OF OPERATIONS WHICH IN SOME CASES WOULD BE UNWISE AND HARMFUL. THAT SORT OF PRACTICE CANNOT BE CONTINUED, PARTICULARLY WHEN THE CONGRESS IS IN CONTINUOUS SESSION. IT MUST BE STOPPED.

IN HOUSE REPORT 1817, 79TH CONGRESS, 2D SESSION, ON THE SECOND DEFICIENCY APPROPRIATION BILL, 1946, IT IS STATED:

* * * INSTANCES HAVE OCCURRED WHERE AGENCIES DO NOT ACTUALLY INCUR DEFICIENCIES BUT PROCEED AT AN OBLIGATIONAL RATE WHICH MAKE NECESSARY EITHER A DEFICIENCY APPROPRIATION OR THE SUSPENSION OR DRASTIC CURTAILMENT OF AN ACTIVITY FOR LACK OF FUNDS. THE COMMITTEE DOES NOT PROPOSE TO TOLERATE THAT PRACTICE ANY LONGER. IT INTENDS TO SEE THAT THE ANTIDEFICIENCY LAW (31 U.S.C. 665) IS OBSERVED IN LETTER AND SPIRIT AND SHALL EXPECT THE BUREAU OF THE BUDGET TO REPORT QUARTERLY, STARTING AT THE CLOSE OF THE FIRST QUARTER OF THE NEXT FISCAL YEAR, THE TITLE OF ANY APPROPRIATION NOT BEING ADMINISTERED IN ACCORDANCE WITH THE LETTER AND SPIRIT OF SUCH LAW, THE REASONS THEREFOR, AND THE NAME AND POSITION OF THE

OFFICIAL IMMEDIATELY RESPONSIBLE.

THE FOREGOING QUOTATION WAS REFERRED TO IN A LETTER DATED AUGUST 22, 1946, OF THE ASSISTANT CHIEF, ESTIMATES, BUREAU OF THE BUDGET, TO THE POSTMASTER GENERAL PRINTED AT PAGE 116 OF THE SENATE HEARINGS ON THE SECOND DEFICIENCY APPROPRIATION BILL FOR 1947. AS RECORDED ON PAGE 142 OF THOSE HEARINGS, THE SUBCOMMITTEE ON DEFICIENCIES, SENATE COMMITTEE ON APPROPRIATIONS, AFTER HEARING TESTIMONY AS TO DEFICIENCIES WHICH HAD OCCURRED IN THE POST OFFICE DEPARTMENT REQUESTED THE BUREAU OF THE BUDGET AND THE GENERAL ACCOUNTING OFFICE TO REVIEW THE PROBLEM AND SUBMIT A REPORT THEREON.

THE ACTING DIRECTOR OF BUREAU OF THE BUDGET AND THE ACTING COMPTROLLER GENERAL JOINTLY SUBMITTED A REPORT ON JUNE 5, 1947, B 66949, TO THE SENATE COMMITTEE ON APPROPRIATIONS WITH THE UNDERSTANDING THAT THE SUBCOMMITTEE DESIRED RECOMMENDATIONS (1) AS TO WHAT CAN BE DONE TO CONTROL THE USE OF APPROPRIATIONS SO AS TO PREVENT THE INCURRING OF OBLIGATIONS AT A RATE WHICH WILL LEAD TO DEFICIENCY OR SUPPLEMENTAL APPROPRIATIONS OR TO CURTAILMENT OF NECESSARY ACTIVITIES IF SUCH APPROPRIATIONS ARE NOT MADE; AND (2) TO FIX RESPONSIBILITY ON THOSE OFFICERS OF THE GOVERNMENT WHO INCUR DEFICIENCIES OR OBLIGATE APPROPRIATIONS WITHOUT PROPER AUTHORIZATION OR AT AN EXCESSIVE RATE. INCLUDED IN THE REPORT WAS A DRAFT OF LEGISLATION TO ACCOMPLISH THOSE TWO PURPOSES.

THIS DRAFT OF LEGISLATION TO AMEND SECTION 3679, REVISED STATUTES, WITH SOME REVISIONS, WAS ENACTED AS SECTION 1211 OF THE GENERAL APPROPRIATION ACT, 1951. A SECTION-BY-SECTION ANALYSIS OF THAT PROPOSED LEGISLATION APPEARS ON PAGES 6835-6836 OF VOLUME 96, PART 5, OF THE CONGRESSIONAL RECORD. IT IS STATED IN THAT ANALYSIS THAT SUBSECTION (C) (1) IS---

* * * DESIGNED TO INSURE THAT APPROPRIATIONS WHICH ARE AVAILABLE FOR A FISCAL YEAR, OR FOR OTHER TIME PERIODS--- USUALLY RELATED TO FISCAL YEARS- -- WILL NOT BE OBLIGATED AT A RATE WHICH WOULD EXHAUST THE APPROPRIATION PRIOR TO THE END OF THE PERIOD FOR WHICH THE APPROPRIATION WAS MADE AND THUS RESULT IN A NEED FOR A DEFICIENCY OR SUPPLEMENTAL APPROPRIATION, OR AN INCREASE IN THE AUTHORIZATION FOR ADMINISTRATIVE EXPENSES OF A CORPORATION, OR IN DRASTIC CURTAILMENT OF THE ACTIVITY FOR WHICH THE APPROPRIATION OR AUTHORIZATION WAS MADE.

A DRASTIC CURTAILMENT TOWARD THE CLOSE OF A FISCAL YEAR OF OPERATIONS CARRIED ON UNDER A FISCAL YEAR APPROPRIATION IS A PRIMA FACIE INDICATION OF A FAILURE TO SO APPORTION AN APPROPRIATION "AS TO PREVENT OBLIGATION OR EXPENDITURE THEREOF IN A MANNER WHICH WOULD INDICATE A NECESSITY FOR DEFICIENCY OR SUPPLEMENTAL APPROPRIATIONS FOR SUCH PERIOD.' IN OUR VIEW, THIS IS THE VERY SITUATION THE AMENDMENT OF THE LAW IN 1950 WAS INTENDED TO REMEDY. THIS VIEW IS ENTIRELY CONSISTENT WITH THE VIEWS EXPRESSED IN THE JOINT REPORT DATED JUNE 5, 1947, OF THE BUREAU OF THE BUDGET AND THE GENERAL ACCOUNTING OFFICE. IN VIEW THEREOF AND THE LEGISLATIVE HISTORY OF THE ANTIDEFICIENCY ACT SET OUT ABOVE, SUBSECTION (C) (1) OF THE ACT MUST BE, AND IS, CONSTRUED AS A MANDATE OF THE CONGRESS THAT FISCAL YEAR APPROPRIATIONS BE SO APPORTIONED AS TO PREVENT OBLIGATION OR EXPENDITURE THEREOF IN A MANNER WHICH WOULD INDICATE THE NECESSITY FOR EITHER A DEFICIENCY OR SUPPLEMENTAL APPROPRIATION OR A DRASTIC CURTAILMENT OF THE ACTIVITY FOR WHICH AN APPROPRIATION IS MADE.

THE RESPONSIBILITY FOR MAKING THE APPORTIONMENTS IS VESTED IN THE DIRECTOR OF THE BUREAU OF THE BUDGET BY SUBSECTION (D) (2) OF THE ACT, WHICH ALSO REQUIRES THE HEAD OF THE AGENCY CONCERNED TO SUBMIT TO THE BUREAU OF THE BUDGET INFORMATION, IN SUCH FORM AND MANNER AND AT SUCH TIME OR TIMES AS THE DIRECTOR

MAY PRESCRIBE, AS MAY BE REQUIRED FOR THE APPORTIONMENT OF THE APPROPRIATION. THE APPORTIONMENT AND REAPPORTIONMENTS AS MADE BY THE BUREAU OF THE BUDGET FOR THE APPROPRIATION " OPERATIONS, POST OFFICE DEPARTMENT, 1957," INCLUDING TRANSFERS AND REIMBURSEMENTS, ARE SET OUT BELOW:

TABLE DATE ST QUARTER 2D QUARTER 3D QUARTER 4TH QUARTER 6/13/56--- $624,306,000 $547,611,000 $473,766,000 $474,909,000 7/10/56--- 623,429,500546,988,100 473,112,100 474,255,700 7/13/56--- 630,429,500 546,988,100 469,612,100 470,755,700 8/30/56--- 630,326,100 546,988,100 469,612,100 470,755,700 10/4/56---635,326,100 551,988,100 469,612,100 470,755,700 12/14/56-- 635,326,100 561,988,000 466,612,000 463,884,900 1/11/57--- 635,326,100 561,988,000 464,612,000 463,884,900 2/4/57---- 635,326,100 561,988,000 484,612,000 443,884,900

THE POST OFFICE DEPARTMENT OPERATES ON 4-WEEK ACCOUNTING PERIODS ADJUSTED AT THE BEGINNING AND END OF THE FISCAL YEAR. THE FIRST, SECOND, THIRD, AND FOURTH QUARTER COLUMNS IN THE ABOVE TABLE ACTUALLY REPRESENT FOUR (LESS 1 DAY), THREE, THREE, AND THREE (PLUS 2 DAYS) ACCOUNTING PERIODS OF 4 WEEKS EACH. THE SIGNIFICANT REAPPORTIONMENTS WERE MADE ON JULY 13 AND DECEMBER 14, 1956, AND FEBRUARY 4, 1957. ON JULY 13, 1956, THE FIRST QUARTER WAS INCREASED $7,000,000 AND THE THIRD AND FOURTH QUARTERS WERE DECREASED $3,500,000 EACH. ON DECEMBER 14, 1956, THE SECOND QUARTER WAS INCREASED $10,000,000 AND THE THIRD AND FOURTH QUARTERS WERE FURTHER DECREASED BY $3,000,000 AND APPROXIMATELY $7,000,000, RESPECTIVELY. FEBRUARY 4, 1957, THE THIRD QUARTER WAS INCREASED $20,000,000. THESE THREE REAPPORTIONMENTS DECREASED THE FOURTH QUARTER APPORTIONMENT BY A TOTAL OF APPROXIMATELY $30,500,000, WHICH RESULTED IN THE FOURTH QUARTER APPORTIONMENT BEING $40,727,100 LESS THAN THE THIRD QUARTER APPORTIONMENT WHICH COVERED 2 DAYS LESS TIME. THE NECESSITY FOR A DEFICIENCY APPROPRIATION HAS BEEN ACKNOWLEDGED BY THE DIRECTOR OF THE BUREAU OF THE BUDGET AND THE PRESIDENT AS EVIDENCED BY THE TRANSMITTAL ON MARCH 12, 1957, TO THE CONGRESS OF A REQUEST FOR ADDITIONAL FUNDS FOR OPERATIONS OF THE POST OFFICE DEPARTMENT DURING THE FISCAL YEAR 1957 IN THE AMOUNT OF $47,000,000 THE AMOUNT OF YOUR REQUEST FOR THAT PURPOSE AS RECEIVED BY THE BUREAU OF THE BUDGET JANUARY 4, 1957, BEFORE THE DATE OF THE LAST REAPPORTIONMENT LISTED ABOVE. ALSO, YOU ISSUED POSTMASTER GENERAL ORDER 56314, DATED APRIL 5, 1957, WHICH WOULD CURTAIL THE SERVICES OF THE POST OFFICE DEPARTMENT IN SEVERAL RESPECTS IF IT BECOMES EFFECTIVE.

IF IT IS DETERMINED BY THE CONGRESS THAT THE DEFICIENCY APPROPRIATION IS NECESSARY FOR " OPERATIONS" OR IF THE SERVICES OF THE POST OFFICE DEPARTMENT ARE DRASTICALLY CURTAILED IN THE EVENT NO DEFICIENCY APPROPRIATION IS MADE, THERE COULD BE NO QUESTION BUT THAT THE DIRECTOR OF THE BUREAU OF THE BUDGET HAD NOT COMPLIED WITH THE REQUIREMENTS OF SUBSECTION (C) (1) OF SECTION 3679, REVISED STATUTES, AS AMENDED, 31 U.S.C. 665. IT SHOULD BE NOTED, HOWEVER, THAT THE PENAL PROVISION CONTAINED IN SUBSECTION (I) (1) OF THE ACT IS APPLICABLE ONLY TO VIOLATIONS OF SUBSECTIONS (A), (B), OR (H) OF THE ACT AND NOT TO SUBSECTION (C) (1).

THE HOUSE HEARINGS ON THE POST OFFICE DEPARTMENT'S REQUEST FOR SUPPLEMENTAL FUNDS FOR OPERATIONS FOR 1957 SHOW THAT, WHEN THE DEPARTMENT REQUESTED THE REAPPORTIONMENT OF ITS FUNDS, IT DID SO IN THE BELIEF THAT THE REQUESTED PATTERN OF MANAGEMENT OF ITS FUNDS FOR THE FISCAL YEAR WOULD RESULT IN THE NECESSITY FOR A DEFICIENCY OR SUPPLEMENTAL APPROPRIATION. SUCH ACTION IS NOT TECHNICALLY A VIOLATION OF ANY SPECIFIC PROVISION OF THE ANTIDEFICIENCY ACT. HOWEVER, IT IS NOT CONSISTENT WITH THE SPIRIT AND PURPOSE OF THE ACT.

COPIES OF THIS LETTER ARE BEING SENT TO THE HOUSE COMMITTEE ON APPROPRIATIONS, TO SENATOR BYRD, AND TO THE DIRECTOR OF THE BUREAU OF THE BUDGET.