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24 April 1958

*Handwritten initials and scribbles*

MEMORANDUM FOR THE RECORD

FROM: Chief, Budget Division

SUBJECT: Special Report to Committee on Government Operations of the House on Reserves of Appropriations to the Agency

1. The letter from the Director to Mr. W. L. Dawson, Chairman of the Committee on Operations of the House, dated 16 April 1958, was discussed with Messrs. Frank Ecker and Lynn Johnson of the Bureau of the Budget on Monday, 21 April 1958. Mr. Johnson stated that all agencies had received this letter and were responding to it directly. He also stated that no query had been received by the Bureau of the Budget on this subject. The Bureau, therefore, has not discussed the matter with representatives of the Government Operations Committee and they have not been informed as to the reason or purpose for the survey. It is suspected, however, that the Committee is developing information for any possible use which may appear justified to them after receiving the material. There is some thought that the query may be an attempt to evaluate the change in policy from a reduction in expenditures as established policy by the President, as outlined in the letter from the Director of the Bureau of the Budget, dated 28 June 1957, as opposed to the recent request that agencies increase their expenditures as an anti-recession move.

2. It was agreed that the omission of any discussions in the letter of the Agency's Reserve for Contingencies was completely justified. Our proposed response was reviewed and the Bureau representatives stated that they had no questions concerning it. It was outlined to them that it was intended to discuss the matter with the Chairman of the House Appropriation Committee, and if approved by him, the letter would be discussed with the Chairman of the Committee on Government Operations, at which time he would be verbally briefed on the Reserve for Contingencies and the reasons for the omission of this reserve from the written report.

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