in the year. The remaining expenditures would come from authority granted in prior years.[26]

The nature of the lag between new obligational authority and expenditures makes for a changing relationship during the different stages of a buildup; new obligational authority (and obligations incurred) run sharply ahead of expenditures as orders are being placed and initial production gets underway. As the bulk of the spending program is put on order, the gap between new obligational authority and expenditures narrows. Finally, as quantity production is completed and deliveries are made, expenditures continue rising and exceed new obligational authority.

From time to time, attempts have been made to reduce the lag in the Federal spending process. Improved procurement procedures and organization are helpful. More important are steps which have been taken to reduce the technological lag. A number of states have adopted procedures which lessen the lags between authorization and expenditure. The system of "preadvertisement" of bids permits potential government contractors to get their orders to the mills well in advance of actual construction. In the case of the New York Thruway, the State called for superstructure bids for a new Hudson River crossing near Albany several months in advance of the actual letting of contracts for substructure.[27]

REDUCING GOVERNMENTAL SPENDING

The actions which can be taken to curtail expenditures would operate in somewhat the same fashion as the actions involved in making expenditures. A reduction in government spending can be initiated at various stages in the spending process. The effects of the actions taken at each stage can be cumulative in their effects on the total of expenditures during any given period.

For example, the Congress may decide to eliminate or to reduce the scope of a particular program by changing its basic statutory authorization, or by eliminating or reducing the amount of funds authorized for it during a given period. These actions can be implemented either through eliminations or through reductions in the amount of new obligational authority being considered or in the recision of existing obligational authority.

Independently of congressional action, the President may decide that a given agency should not spend all of its available obligational authority. This decision can be implemented by reducing its quarterly apportionment of funds and placing a portion of the appropriation "in reserve."

The individual agency can reduce the amount spent for a program by slowing down the rate at which it obligates its funds, by obtaining a slowdown in the rate at which the partiuclar goods or service contracted for are produced and made available to the agency, or by rescinding contracts and other commitments it had previously entered into.

Most government contracts provide for their cancellation in the interests of the Government.[28] There are important obstacles to the reductions in expenditures which can be made through recisions of

[26] *Federal Budget in Brief, 1962,* Washington, Government Printing Office, 1961, p. 58.
[27] *Engineering News-Record,* July 5, 1956, p. 26.
[28] Department of Defense, *Armed Services Procurement Regulation, op. cit.,* p. 851.