

totaling many tens of billions of dollars a year, an actual acceleration of \$2½ billion in a quarter (\$10 billion at an annual rate) in deliveries might be more effective.

The literature seems to have emphasized almost exclusively possibilities of embarking on new programs to the neglect of the ready possibilities of altering the obligation, production, and delivery rates on existing programs.

In these latter instances, there are not the problems of getting advance Congressional authorizations and appropriations such as occur in the traditional anticyclical program—new public works. Moreover, the danger of overcompensating is not as great. Particularly if the economy were heading up again as the combined result of monetary and other government action, a slowdown could then be instituted in the obligation, production, and delivery rates to keep the activity within the overall level programed for the year or longer period involved. The apportionment, reserve, and allotment techniques described in chapter II could be utilized in this connection.

An example of the administrative stepup in government spending to counter deflationary tendencies occurred in the third quarter of 1954. Secretary of Commerce Weeks announced a policy of speeding up government purchasing within the limits of the budget to give "the economy a little nudge." He cited the distribution of highway grants to the States 6 months earlier than normal, a fast start on procurement of new army uniforms, and a policy of pushing aid to airport construction within the limits of the funds appropriated by the Congress.¹¹⁴

No study has yet been made of the effectiveness of the 1954 speedup, nor could one be adequately made without access to the procurement plans and records of the major spending agencies. Some insight may be obtained from a similar experience in the 1937–38 recession. In November 1937, the President requested the various government agencies to accelerate procurement orders wherever possible so that government demand might serve as a partial offset to the then current sharp decline in private demand. A study of this period concluded:

Existing records are not definitive, but it does not appear that the President's request resulted in any considerable volume of advance procurement.¹¹⁵

A number of explanations were offered: (1) inadequate information as to current purchases and future requirements, especially among departments with decentralized procurement systems; (2) insufficient funds to make large advance purchases, particularly in the case of agencies which were uncertain as to whether they would obtain deficiency appropriations; (3) insufficient storage space; (4) administrative difficulties on the part of purchasing officers in concentrating the year's work; and (5) contractual obligations already entered into, particularly on construction projects calling for delivery throughout the remainder of the fiscal year.¹¹⁶

A more recent study of the attempted administrative speed up in government procurement in 1958 yielded similarly disappointing results and somewhat similar explanations. Long-term commitments, lack of storage space, and insufficient time were listed as reasons for

¹¹⁴ "Weeks Outlines U.S. Policy to Boost Economy, Speed in Spending Planned to Bring Upswing," *Philadelphia Inquirer*, July 30, 1954, p. 2.

¹¹⁵ Linnenberg and Barbour, *op. cit.*, p. 118.

¹¹⁶ *Ibid.*, p. 119.