

There is a general term used in the House and I guess in the Senate too, about "backdoor spending." I am concerned about how the receipts that are obtained from the disposal of the property, for example, are actually used.

RECEIPTS FROM SALES OF REAL AND RELATED PERSONAL PROPERTY

I pointed out the so-called "punkin" fund that has to do with the Defense Department's use of some of these receipts. But I found out that is also true, apparently, on some of the sales of real and related personal property under the GSA Act. These do not go to Miscellaneous receipts but to the land and water conservation fund, which the Interior Department administers.

Have you looked into that aspect and have you any comments on that?

Mr. STAATS. Well, that one might be regarded in the sense as an earmarked fund—it is a hybrid actually. Part of the receipts that go into the fund are made up by the people who visit the parks. It is the same as a user charge, but part of it also arises from the sale of land.

Representative CURTIS. Yes.

Mr. STAATS. So it is a hybrid type of fund.

Now, those moneys have to be appropriated out of that fund.

Representative CURTIS. Through the regular appropriation process?

Mr. STAATS. Yes.

USE OF RECEIPTS FROM SALE OF SEALSKINS

Representative CURTIS. Then how did this happen? Some of the funds come from the sale of sealskins or the skin processors and yet they used that fund, I think, without appropriation to try to develop a competing source of tanning and curing sealskin pelts. In fact, as I understand it, they used all the receipts so that the State of Alaska did not get its share in it and that was not through an appropriation process.

WIDE DISCREPANCY IN USE OF RECEIPTS

Mr. STAATS. I think you are correct on that one. I think about all that can be said is, it is this kind of an accretion of history of a number of different actions taken by Congress which results in a wide discrepancy in the way in which money goes into these special funds and the way in which it is authorized to be spent, some of it subject to appropriation, some of it not.

Representative CURTIS. This is a good beginning to your report, but I repeat, only a good beginning.¹¹

The administration has recommended further reliance on the user fee technique of gaining funds, and I happen to favor an increased use of this technique—to the extent that it is appropriate. But if we are going to move in this direction, I want to know what these user fees are and how they are going to be spent. If I read your report correctly, we have developed no uniform system of how receipts from user fees

¹¹ See hearings of Subcommittee on Foreign Aid and Expenditures of the Senate, Government Operations Committee, Sept. 23, 1965.