

---

**Franklin D. Roosevelt — “The Great Communicator”**  
**The Master Speech Files, 1898, 1910-1945**

**Series 2: “ You have nothing to fear but fear itself:” FDR  
and the New Deal**

---

**File No. 1277**

**1940 April 2**

**Message to Congress re Reorganization Plan No. 3**

file  
f 4/3/40



Original 4  
4-2-40

TO THE CONGRESS OF THE UNITED STATES:

When I submitted Reorganization Plans I and II at the last regular session of Congress, I indicated that certain reorganizations of an intradepartmental character were necessary but that detailed study would be required for the preparation of specific plans. Since that time the heads of the executive departments and my own office have continued to study the internal organization of the several agencies of the Government. I have considered recommendations made to me as a result of these studies and have found it possible to make a number of needed improvements of organization by administrative action. In other instances, I can effect the necessary changes only under the procedure set up in the Reorganization Act of 1939.

I am transmitting herewith Reorganization Plan III which I have prepared in accordance with the provisions of section 4 of the Reorganization Act of 1939 (Public No. 19, 76th Congress, 1st Session) approved April 3, 1939; and I declare that with respect to each reorganization made in this Plan, I have found that such reorganization is necessary

to accomplish one or more of the purposes of section 1(a) of the Act:

1. To reduce expenditures;
2. To increase efficiency;
3. To consolidate agencies according to major purposes;
4. To reduce the number of agencies by consolidating those having similar functions and by abolishing such as may not be necessary; and
5. To eliminate overlapping and duplication of effort.

Treasury Department: I am proposing two intradepartmental reorganizations relating to the Treasury Department.

The first reorganization consolidates in a Fiscal Service, under the direction of a permanent Fiscal Assistant Secretary, those functions of the Treasury Department pertaining to financing and fiscal activities. This Fiscal Service will bring together the Office of the Treasurer of the United States, the Office of Commissioner of Accounts and Deposits, and the Public Debt Service including their various subdivisions and certain other related functions.

Some adjustments are made in the assignment of functions of the units which will comprise the Fiscal Service, and certain changes are made in titles.

The net effect of these adjustments is to establish within the Fiscal Service the Office of Fiscal Assistant Secretary, the Office of the Treasurer of the United States, and a Bureau of Accounts under a Commissioner of Accounts, and a Bureau of Public Debt under the Commissioner of Public Debt. In addition to responsibility for the administration of these four segments of the Department's operations, the Fiscal Assistant Secretary is vested with the financing functions of the Under Secretary of the Treasury and of the Assistant Secretaries.

The functions brought together in the Fiscal Service are all closely interrelated and are essential parts of the general functions of financing and fiscal control. The internal organization of the Fiscal Service conforms to accepted principles of financial management and provides the framework for adequate internal controls. At the same time, under the proposed plan these functions can be coordinated more effectively, duplications eliminated, and a more efficient service provided. To assure continued effective management of this highly important and technical phase of the Treasury functions, I am placing the Fiscal Service under the supervision of a career official. The Plan, therefore, provides that the Fiscal Assistant Secretary will be appointed by the Secretary of the Treasury in accordance with civil service laws and will perform

his duties under the general direction of the Secretary. This is in accord with the policy of this administration of bringing higher administrative positions within the career service. The creation of the office of Fiscal Assistant Secretary will not increase the number of Assistant Secretaries in the Treasury Department since the Plan expressly provides for the abolition of one of the three existing offices of Assistant Secretary.

The second reorganization affecting the Treasury Department vests in the Secretary of the Treasury full authority for the administration of the Federal Alcohol Administration Act. At present the Federal Alcohol Administration occupies an anomalous position. It is legally a part of the Treasury Department, but actually it is clothed with almost complete independence under existing statutory provisions. Under certain conditions the Administration would by law become an independent agency, whereas the interests of improved management require its integration with allied activities in the Treasury Department.

I propose, therefore, that the functions of the Federal Alcohol Administration be correlated with the activities of the Bureau of Internal Revenue, particularly its Alcohol Tax Unit. The Bureau is already performing a large part of the

field enforcement work of the Administration and could readily take over complete responsibility for its work. The Bureau is daily making, for other purposes, a majority of the contacts with units of the liquor industry which the Federal Alcohol Administration should but cannot make without the establishment of a large and duplicating field force. Under the provisions of this Plan, it will be possible more effectively to utilize the far-flung organization of the Treasury Department, including its many laboratories, in discharging the functions of the Federal Alcohol Administration. Thus, I find the proposed consolidation will remedy deficiencies in organization structure as well as afford a more effective service at materially reduced costs.

Department of the Interior: Reorganization  
Plan II transferred the Bureau of Fisheries of the Department of Commerce and the Bureau of Biological Survey of the Department of Agriculture to the Department of the Interior and thus concentrated in one department the two bureaus responsible for the conservation and utilization of the wildlife resources of the Nation. On the basis of experience gained since this transfer, I find it necessary and desirable to consolidate these units into a single bureau to be known as the Fish and Wildlife Service.

The Bureau of Biological Survey administers federal laws relating to birds, land mammals, and amphibians whereas the Bureau of Fisheries deals with fishes, marine mammals, and other aquatic animals. The natural areas of operation of these two bureaus frequently coincide, and their activities are interrelated and similar in character. Consolidation will eliminate duplication of work, facilitate coordination of programs, and improve service to the public.

Another provision relating to the Department of the Interior is the abolition of the statutory office of Recorder of the General Land Office. This office is a relic of the quill and sand box period in the transcription of land records. Its duties can readily be absorbed by the regular civil service personnel of the Land Office.

Department of Agriculture: I propose to consolidate the Division of Marketing and Marketing Agreements of the Agricultural Adjustment Administration and the Federal Surplus Commodities Corporation into a single agency to be known as the Surplus Marketing Administration. This consolidation will facilitate the work of the Department of Agriculture relating to the formulation and administration of marketing agreements and the disposition of agricultural surpluses.

Because the two programs require unified planning and direction, the Secretary of Agriculture has found it desirable to designate the same person as the head of both. In one capacity he reports directly to the Secretary of Agriculture while in the other he is responsible by law to the Administrator of the Agricultural Adjustment Administration. Consolidation of the two units will assure unified management, eliminate confusion in administration, and make for more efficient operation. Furthermore, this reorganization will remove from the Agricultural Adjustment Administration the legal responsibility for functions which differ administratively from its major operations.

Department of Labor: I propose to abolish the offices of Commissioner of Immigration and the offices of District Commissioner of Immigration and Naturalization. The former have been vacant since 1933; the latter impose an unnecessary level of supervision above that of District Director of Immigration and Naturalization in certain of our ports and should be eliminated in the interests of economy and sound administration.

Civil Aeronautics Authority: I propose to clarify the relations of the Administrator of the Civil Aeronautics Authority and the five-member Board of the

Civil Aeronautics Authority. The Administrator is made the Chief Administrative Officer of the Authority with respect to all functions other than those relating to economic regulation and certain other activities primarily of a rule-making and adjudicative character which are entrusted to the Board. This will eliminate the confusion of responsibilities existing under the Civil Aeronautics Act and provide a more clear-cut and effective plan of organization for the agency.

Improvement and Savings: The principal advantage of the reorganizations proposed in this Plan will be increased effectiveness of operation of the agencies concerned. In addition to improved service, some economies may be expected. I estimate that immediate annual savings in administrative expenses of approximately \$150,000 will result. This comparatively small amount in no way measures the worth of the proposals. In fact, if they resulted in no administrative savings at all, I should still consider them worthwhile in view of the increased effectiveness of administration that will result.

Need for Continuous Study: The management problems of a department or agency are complex and dynamic and require much detailed analysis before findings can be made. These problems cannot be resolved

by any one reorganization plan, nor at one time; their study must be a continuing process if our departmental machinery is to keep pace with the changing requirements placed on the Government. Accordingly, in conformity with the Budget and Accounting Act, I have instructed the Director of the Bureau of the Budget to continue studies in collaboration with the several departments and agencies, looking to further improvements in the Government's administrative structure.

THE WHITE HOUSE

April , 1940

REORGANIZATION PLAN NO. III

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, April , 1940, pursuant to the provisions of the Reorganization Act of 1939, approved April 3, 1939.

DEPARTMENT OF THE TREASURY

Section 1. Fiscal Service of the Treasury Department.

(a) Establishment of Fiscal Service.—(1) The office of the Commissioner of Accounts and Deposits, the Division of Bookkeeping and Warrants, the Division of Disbursement, the Division of Deposits, the Section of Surety Bonds, the office of the Commissioner of the Public Debt, the Division of Loans and Currency, the office of the Register of the Treasury, the Division of Public Debt Accounts and Audit, the Division of Savings Bonds, the Division of Paper Custody, and the Office of the Treasurer of the United States and their functions are consolidated into one agency of the Treasury Department to be known as the Fiscal Service, at the head of which there shall be an officer who shall be known as the Fiscal Assistant Secretary.

(2) The Fiscal Service shall consist of the Office of the Fiscal Assistant Secretary, the Office of the Treasurer of the United States, a Bureau of Accounts, and a Bureau of the Public Debt. Except as is

otherwise specifically provided herein, the Secretary of the Treasury may establish such divisions and other constituent units within these agencies as he deems necessary.

(3) The Division of Bookkeeping and Warrants and its functions are transferred to the Bureau of Accounts, at the head of which shall be the Commissioner of Accounts and Deposits, who shall hereafter be known as the Commissioner of Accounts.

(4) The office of the Commissioner of the Public Debt, the Division of Loans and Currency, the office of the Register of the Treasury, the Division of Public Debt Accounts and Audit, the Division of Savings Bonds, and the Division of Paper Custody and their functions are consolidated into and shall be administered as the Bureau of the Public Debt, at the head of which shall be the Commissioner of the Public Debt.

(5) The functions of the Office of the Treasurer of the United States shall be administered by the Treasurer of the United States.

(6) Such functions as are consolidated into or transferred to the Fiscal Service and which are not allocated herein to particular agencies or offices of the Fiscal Service shall be administered through such units of the Service as may be designated by the Fiscal Assistant Secretary with the approval of the Secretary of the Treasury.

(7) The Fiscal Assistant Secretary shall be appointed by the Secretary of the Treasury in accordance with the civil service laws and shall receive a salary at the rate of \$10,000 per annum. He shall, under the direction of the Secretary of the Treasury, supervise the administration of and coordinate the functions and activities consolidated into or transferred to the Fiscal Service and shall perform such other duties as the Secretary of the Treasury shall direct. In the absence or disability of the Fiscal Assistant Secretary or in the event of a vacancy in that office, the Secretary of the Treasury may designate any other officer of the Treasury Department to act as Fiscal Assistant Secretary.

(b) Transfer of Certain Functions to Fiscal Service.— All functions vested in the Under Secretary of the Treasury and any Assistant Secretary of the Treasury pertaining to (1) the administration of financing operations; (2) the supervision of the administration of the functions and activities of the Office of Commissioner of Accounts and Deposits, the Office of the Commissioner of the Public Debt, and the Office of the Treasurer of the United States; and (3) supervision of the administration of the accounting functions and activities in the Treasury Department and all its bureaus, divisions, and offices, are hereby transferred to and consolidated in the Fiscal Service,

to be exercised by the Fiscal Assistant Secretary under the direction of the Secretary of the Treasury: Provided, That the functions included in item (3) shall be exercised through the Commissioner of Accounts.

(c) Transfer of Functions Relating to Accounting.—All functions vested in any other officer or employee of the Treasury Department, except those excluded by section 3(b) of the Reorganization Act of 1939, of authorizing the installation, maintenance, revision, and elimination of accounting records, reports, and procedures are hereby transferred to and consolidated under the Fiscal Assistant Secretary, to be exercised by him through the Commissioner of Accounts.

(d) Abolition of an Office of Assistant Secretary of the Treasury.—That office of Assistant Secretary of the Treasury which is now vacant is hereby abolished; and all the functions, rights, powers, and duties of such abolished office are hereby transferred to and vested in the Fiscal Assistant Secretary, to be exercised by him under the direction of the Secretary of the Treasury.

Sec. 2. Federal Alcohol Administration.—The Federal Alcohol Administration, the offices of the members thereof, and the office of the Administrator are abolished, and their functions shall be administered under the direction and supervision of the Secretary of the Treasury through the Bureau of Internal Revenue in the Department of the Treasury.

DEPARTMENT OF THE INTERIOR

Sec. 3. Fish and Wildlife Service.—The Bureau of Fisheries and the Bureau of Biological Survey in the Department of the Interior with their respective functions are consolidated into one agency in the Department of the Interior to be known as the Fish and Wildlife Service. The functions of the consolidated agency shall be administered under the direction and supervision of the Secretary of the Interior by a Director and not more than two Assistant Directors, who shall be appointed by the Secretary and perform such duties as he shall prescribe. The offices of Commissioner and Deputy Commissioner of Fisheries and the offices of Chief and Associate Chief of the Bureau of Biological Survey are abolished and their functions transferred to the consolidated agency.

Sec. 4. Recorder of General Land Office.—The office of Recorder of the General Land Office is abolished. The functions of the Recorder shall be exercised under the direction and supervision of the Secretary of the Interior through such officers or employees of the General Land Office as he may designate.

DEPARTMENT OF AGRICULTURE

Sec. 5. Surplus Marketing Administration.—The Division of Marketing and Marketing Agreements of the Agricultural Adjustment Administration of the Department of Agriculture and its functions and the Federal Surplus Commodities

Corporation as an agency of the Department of Agriculture and its functions are consolidated into an agency in the Department of Agriculture to be known as the Surplus Marketing Administration. The Surplus Marketing Administration shall be headed by an Administrator, who shall be appointed by and subject to the direction and supervision of the Secretary of Agriculture.

DEPARTMENT OF LABOR

Sec. 6. Offices in the Immigration and Naturalization Service abolished.—The offices of Commissioner of Immigration of the several ports and the offices of District Commissioner of Immigration and Naturalization in the Department of Labor are abolished, and their functions shall be administered under the supervision of the Secretary of Labor by the Commissioner of Immigration and Naturalization through such District Directors of Immigration and Naturalization as the Commissioner shall designate.

CIVIL AERONAUTICS AUTHORITY

Sec. 7. Functions of the Administrator Transferred.—

The functions vested in the Civil Aeronautics Authority by the Civilian Pilot Training Act of 1939; the functions of aircraft registration and of safety regulation described in Titles V and VI of the Civil Aeronautics Act of 1938, except the functions of prescribing safety standards, rules, and

regulations and of suspending and revoking certificates after hearing; the function provided for by Section 1101 of the Civil Aeronautics Act of 1938; and the functions of appointing such officers and employees and of authorizing such expenditures and travel as may be necessary for the performance of all functions vested in the Administrator; are transferred from the Civil Aeronautics Authority to and shall be exercised by the Administrator who shall hereafter be known as the Administrator of Civil Aeronautics.

GENERAL PROVISIONS

Sec. 8. Transfer of Records, Property, and Personnel.—All records and property (including office equipment) of the several agencies, and all records and property used primarily in the administration of any functions, transferred or consolidated by this Plan and all the personnel used in the administration of such agencies and functions (including officers whose chief duties relate to such administration and whose offices are not abolished) are transferred or consolidated, as the case may be, within the department or agency concerned, for use in the administration of the agencies and functions transferred or consolidated by this Plan: Provided, that any personnel transferred or consolidated within any department or agency by this section found by the head of such department or agency to be in excess of the personnel necessary for the administration of the functions transferred or consolidated shall be retransferred under existing law to other positions.

in the Government service, or separated from the service subject to the provisions of section 10(a) of the Reorganization Act of 1939.

Sec. 9. Transfer of funds.—So much of the unexpended balances of appropriations, allocations, or other funds available (including funds available for the fiscal year ending June 30, 1941) for the use of any agency in the exercise of any function transferred or consolidated by this Plan, or for the use of the head of any department or agency in the exercise of any function so transferred or consolidated, as the Director of the Bureau of the Budget with the approval of the President shall determine, shall be transferred within the department or agency concerned for use in connection with the exercise of the function so transferred or consolidated. In determining the amount to be transferred the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations, allocations, or other funds prior to the transfer: Provided, That the use of the unexpended balances of appropriations, allocations, or other funds transferred by this section shall be subject to the provisions of section 4 (d) (3) and section 9 of the Reorganization Act of 1939.