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ORIGINAL ARTICLE

# Creating the executive budget process: What was Congress thinking?

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**Abstract**
The recent centennial of the 1921 Budget and Accounting Act presents an opportunity to reconsider the importance of the federal executive budget to American political development. Of particular interest is the apparent shift in political authority from Congress to the president that is sometimes attributed to the Act. The 1921 Act generally marks the rise of the modern presidency, where the president received a durable grant of authority. We examine the congressional hearings and debates regarding the budget process from 1919 to 1921 to assess Congress's expectations of the new budget system it was creating. We show that Congress expected to benefit from the executive budget process and did not view it as a threat to its budget authority. Congress recognized that the executive branch had influence in the budget process, but it preferred presidential influence to department heads' influence. The 1921 Act, at least initially, enhanced the budgeting capacities of *both* the president and Congress in mutually beneficial ways.

**KEYWORDS**
balance of power, Budget and Accounting Act, executive budget, U.S. federal budget

## INTRODUCTION

The recent centennial of the Budget and Accounting Act (1921) presents an opportunity to reconsider the importance of the federal executive budget to American political development. The work of the Taft Commission on Economy and Efficiency (1910–1912) was the precursor of the Budget and Accounting Act of 1921 (42 Stat. 18 (1921)). Some scholars have conveyed the impression that the 1921 Act was a power grab on the part of the presidency (Meyers & Rubin, 2011; Rubin, 1994). Additionally, many have argued that the Act represented a fundamental change, or shift, in political power (Dearborn, 2019; Fisher, 1975; Granger, 1930; Marx, 1945; Whittington & Carpenter, 2003). In Orren and Skowronek's

(2004) terms, the 1921 Act qualified as "a durable shift in governing authority, or a change in the locus or direction of control, resulting in a new distribution of authority" (123).

The question of whether or how much the Budget and Accounting Act of 1921. 42 Stat. 18 (1921) altered the relationship between Congress and the president has been of interest to scholars, causing some to trace the beginnings of presidential dominance of the U.S. governmental system to its enactment. Sundquist (1981), for instance, has written that "the modern presidency, judged in terms of institutional responsibilities, began on June 10, 1921, the day that President Harding signed the Budget and Accounting Act" (p. 39). Pfiffner (1979, p. 15) describes it as "the beginning of the domination of the budgetary process by the institutionalized presidency." Pitsvada (1988, p. 87) claims that Congress "miscalculated" when it passed the Act, permitting presidential budgetary authority to grow at Congress's expense over time. Kahn (1997, p. 163) notes, "the Taft Commission altered the battle of administrative reform from an analysis of business practices to a struggle for ultimate authority over the executive branch."

It is important to place the modern executive budget into the historical and ideational context from which it emerged. It is possible that the Taft Commission and the 1921 Act have caused modern scholars to exaggerate the executive budget's importance as a source of presidential power over Congress, and to downplay the extent to which it serves Congress. There is no doubt that the executive budget process provided the president with more influence over the nation's finances, but did Congress anticipate that the process would diminish its own power or did it expect the process to advance its own interests as well? The latter seems more likely given the extent to which Congress guards its budget authority and the fact that reforms that grant additional authority to one branch of government often also benefit another (Dickinson & Lebo, 2007; Krause, 2002; Light, 1997; Rosenbloom et al., 2018).

The purpose of this article is to assess the attitude within Congress regarding the extent to which the Budget and Accounting Act of 1921. 42 Stat. 18 (1921) was expected to affect the power structure between the president and the legislative branch. If the executive budget process under consideration was perceived to have the potential to weaken Congress's budget authority vis-à-vis the president, we should expect to see a great deal of resistance to the idea in the congressional hearings and debates on the topic. If, on the other hand, members of Congress viewed the process as advantageous to itself, we should expect to see discussions centered on the problems it would solve and the possible benefits it would provide.

The article is organized as follows. The next three sections briefly examine the early executive budget movement in the United States, presidential involvement in budgeting, and the move toward reforms—including the Taft Commission. We then assess the issues raised in the congressional hearings and debates as they pertain to the potential advantages and disadvantages of an executive budget process. Finally, we discuss the meaning of the findings, including an examination of possible unintended consequences of the 1921 Act that may have contributed to increased presidential influence over time, and conclude.

## THE EXECUTIVE BUDGET MOVEMENT: EARLY BEGINNINGS

Over one hundred years after the report of the Taft Commission, it may be difficult for the modern reader to grasp the notion, as Kahn (1997, p. 59) puts it, that "the idea of the budget was something new [in the United States], and the need for it was not self-evident. At the time of the Commission, there was simply no developed means at the national level for aligning expenditure needs with the necessary revenues in a coherent plan that mapped onto the broad structure of administrative departments and agencies (Collins, 1917; Willoughby, 1918a).

Budget reform moved at a faster pace at the state level than the federal level, with Ohio being the first state to pass an executive budget on May 16, 1913 (Willoughby, 1918b), and by 1919 some 44 states had enacted various budget laws (Kahn, 1997). Reformers at the state level advocated the executive budget idea as a way to promote collective over parochial interests. This is likely the reason that several states adopted strong executive budget systems whereby significant power was shifted to their governors' offices. For example, in Maryland, New Mexico, and Utah, the state legislatures were forbidden from increasing items recommended by governors in their executive budgets (Willoughby, 1918b). This represented a large shift in power to the chief executive in the budget process, insofar as legislative authority to promote spending initiatives was severely limited. The possibility of such restrictions being placed upon Congress prompted some to voice concerns about an executive budget at the federal level. Fitzpatrick's (1918, pp. 120–21) greatest fear, for example, was that the executive budget would be designed in such a way that it would tie the hands of Congress by restricting increases above the president's recommendations, making it defenseless against presidential preferences and a mere rubber stamp. The thrust of the federal effort was actually much tamer.

## EARLY PRESIDENTIAL INVOLVEMENT AND THE MOVEMENT TOWARD REFORM

In the political history of modern representative government, responsibility for fiscal management and budgeting rested initially with representative bodies (Burkhead, 1956, pp. 2–8). In the United States, Congress dominated federal finance throughout the nineteenth century (Meyers & Rubin, 2011). Budgeting was thus largely a legislative prerogative. Not that the executive was not involved, as McCaffrey (1987, p. 361) notes, "although budgeting was basically a legislative function, the executive branch did play a role in its execution." In his masterful work on presidential spending power, Fisher (1975) makes clear that prior to the passage of the 1921 Act, presidents did often assume active roles in budgeting. Various presidents reviewed and sometimes altered agency requests before permitting the Treasury to place them in the *Book of Estimates*. A review of State of the Union addresses reveals further that presidents often made at least some recommendations to Congress regarding taxing and/or spending needs (American Presidency Project, n.d.). But presidents were largely inconsistent in their involvement and did not make efforts to provide a comprehensive fiscal plan to Congress. Presidents did not, however, sit on the sidelines, and they did make recommendations to Congress regarding budgeting issues. This practice dates back to George Washington's first State of the Union address in 1790, when he encouraged Congress to provide sufficiently for supplies for the military, defense of the frontier, proper compensation for U.S. diplomats, and funding the public debt (American Presidency Project, n.d.).

Budgets and budgeting procedures lacked coherence, however (Collins, 1917; Willoughby, 1918a). Burkhead describes the period from 1789 to 1909 as one of "budgetary disorganization" in the federal government (1956, pp. 9–12). As the growth of government made congressional budgeting more difficult, Congress was willing to seek out presidential assistance in this vital area. In 1909, Congress requested the president's advice on rendering more accurate estimates of revenues and appropriations. As would often be true in the coming decades, fiscal crisis was a key driver of budget reform. Instability in revenues and appropriations began to emerge as a chronic problem in the late nineteenth century. The federal budget ran deficits in 11 of the 17 years between 1894 and 1911, and in 5 of the 7 years from 1904 to 1910. Revenues, especially, failed to keep pace with expanding expenditure needs (Burkhead, 1956, pp. 15–16). What is significant is that Congress sought the president's advice on the question of budget preparation. Congress recognized that it needed help.

Additional interest in budgetary reform was generated by the institution of the federal income tax (McCaffrey, 1987; Rubin, 1994). McCaffrey rightly observes that "the income tax … must be seen as part of the pressure for budget reform and a stronger executive presence (1987, p. 362). The growth of federal income tax receipts provided a new, ample, and growing source of revenues with which to meet the increasing demands for government programs. It comes as no surprise, then, that increasing budgetary instability should energize the tax-paying public, who agitated for clear and coherent management of public finances. Burkhead (1956) noted the crucial element of broad support for reform from the business community, which he saw as "a direct product of an increase in tax burdens" (p. 15).

## THE TAFT COMMISSION

At the time of the Taft Commission's formation in 1910, the federal government lacked a formal budgetary system (Smithies, 1955, pp. 11–12). The inspiration for a presidential commission on the national budget was one in a long train of federal efforts to understand the increasing scale and complexity of government in the early modern era. Kahn (1997, p. 142) estimates that between 1880 and 1910, Congress conducted some 89 investigations of various aspects of federal administration. Two prominent examples are the Dockery-Cockrell Commission of 1893 and the Keep Commission on Department Methods in 1905. These represented attempts by Congress and the president to comprehend the scale and scope of federal operations, and to identify administrative issues (Pinkett, 1965). These efforts were to be extended, and ultimately eclipsed, by the Taft Commission's thrust to articulate a coherent and comprehensive view of the entire administrative structure, employing the budget as its instrument.

On June 27, 1912, President William Howard Taft referred the Commission's report, *The Need for a National Budget*, to the House Committee on Appropriations (President's Commission on Economy and Efficiency, 1912). It is notable that President Taft appointed three public administration scholars (Frederick Cleveland, Frank Goodnow, and William Willoughby) to the five-member body, with Cleveland serving as chair. This indicates an interest in improving the usefulness of the budget as a managerial tool, and the Commission indeed expressed a strong imperative for the president to assume responsibility for planning and managing the business of government (Burkhead, 1956, p. 19; Cleveland, 1915). Heavily influenced by the writings of Henry Jones Ford (1967 [1898]), the commission report espouses a theory of "executive representation," with the president in the role of "the one officer of Government who represents the people as a whole" (President's Commission on Economy and Efficiency, 1912, p. 141). Thus, the presidency should (according to the Commission) become the direct, personal representative of the people in federal governance, a focal point for representing society's competing claims (Clynch & Lauth, 1991; Dearborn, 2019).

The recommendations of the Taft Commission ultimately were shelved. Congress, while not opposed to presidential advice on taxing and spending issues, did not believe the time was right for a more formalized role for the president in budgeting. The Commission's proposals were not adopted, and President Taft's attempted submission of an executive budget before leaving office was ignored (Willoughby, 1918a, pp. 144–45, 1927, p. 22). This did not mean that the executive budget disappeared for 8 years. Proposals were raised in Congress to study the idea in 1915 and 1917, and both political parties made budget reform part of their electoral platforms in 1916 (Kahn, 1997, pp. 162, 174). Several bills were even proposed in 1917 to establish a budget system, but World War I intervened, delaying budget reform (Dearborn, 2019; Kahn, 1997). The wait would not be long.

Considerable interest, and no small amount of pressure, had been building during the war years to return to the question of a federal executive budget. As noted above, the executive budget was a cornerstone of Progressive Era reform legislation. Several prominent cities and states already had adopted executive budget legislation. Further, the complexity of organizing and executing American involvement in the First World War, including the creation of temporary wartime industrial control bureaus, and with them a massive expansion of federal spending and debt operations, would impress upon federal officials and keen observers of federal fiscal affairs the need to bolster the government's administrative capacities in the financial realm (Meyers & Rubin, 2011; Stewart, 1989). After the war ended, several additional pressures moved Congress to reexamine the budget process. Congress, with its fragmented committee structure, found it difficult to control expenditures and the debt, which had "skyrocketed from $1 billion in 1916 to over $25 billion by 1919" (Dearborn, 2019, p. 17; Pfiffner, 1979). Dearborn (2019) also points out that citizens wanted more accountability since they were now paying income taxes. Furthermore, Congress was frustrated by the practice of executive branch departments overspending their budgets and then arguing that they needed more money or would be forced to shut down their operations (Pfiffner, 1979). Thus, by 1920, the antecedent conditions were present for a negotiated solution that would provide a balanced and constitutionally acceptable approach to comprehensive budget making.

What is interesting is that the Taft Commission is given so much notice in regard to the establishment of an executive budget process (e.g., Ballard, 1954; Meyers & Rubin, 2011; Rubin, 1994) while the congressional hearings and debates on the topic get little recognition. This can leave the impression that the reform was promoted by presidents in order to enhance the power of their office. Why aren't the thoughts on the subject within Congress scrutinized in order to assess the institution's motives? After all, Congress passed the law that supposedly transferred so much power to the president. Perhaps this is an artifact of contemporary scholars looking back on the 1921 Act as the beginning of presidential dominance, an interpretation that is more convincing if the Act is seen as a power grab by the president and supported by the conclusions of his expert commission. The discussions in Congress reveal a different reality.

## THE CONGRESSIONAL HEARINGS AND DEBATES, 1919–1921

For the purposes of this article, we are interested in the comments from the congressional hearings and debates as they relate to the discussion of how an executive budget process might affect the budgetary power of the legislative branch. In that regard, we look at comments about how an executive budget might weaken the power of Congress relative to the executive branch, as well as comments about how an executive budget might benefit Congress (i.e., strengthen its budgetary capacity).

Representative James W. Good, chair of the House Appropriations Committee, called for the creation of a Select Committee on the Budget (SCB), which would have the responsibility to examine the budget process as a whole. A resolution forming the committee was adopted on July 31, 1919, to be chaired by Representative Good. Hearings were held between September 22 and October 4, 1919 (SCB, 1919; Willoughby, 1927, pp. 26–31). The Senate followed suit, holding hearings within the Committee on Consideration of a National Budget (CCNB), chaired by Senator Medill McCormick, from December 15, 1919, to January 14, 1920 (CCNB, 1920). Debates also occurred within the House on October 21, 1919 (58 Congressional Record. 7274-7298, 1919) and May 5, 1921 (61 Congressional Record. 1074-1094, 1921b), and within the Senate on May 1, 1920 (59 Congressional Record. 6386-6395, 1920a) and April 26, 1921 (61 Congressional Record. 657-662, 1921a). These hearings and debates culminated in the Budget and Accounting Act of 1921. 42 Stat. 18 (1921). The House hearings were more extensive than the Senate's, with the House committee questioning 37 witnesses and the Senate committee only 11. All but four of the Senate witnesses had also testified before the House committee. Witnesses included members and former members of Congress, former President Taft and officials from his administration, officials from the Wilson administration, academics, accountants, businessmen, and representatives from the National Tax Association, Institute for Public Service, U.S. Chamber of Congress, National Budget Committee, Engineering Council, and Bureau of Municipal Research (CCNB, 1920; SCB, 1919).

### The hearings

The House and Senate committee hearings both analyzed the entire budget process, covering topics such as the makeup and location of budget staff, the role and location of the Comptroller General's office, whether to favor either lump-sum or more itemized appropriations, and whether to centralize fiscal matters into a single committee. Central to the discussions was the question of the president's role in the process. What is most striking in this regard is the almost complete lack of opposition to creating an executive budget process, which one would expect to see if members of Congress believed such a process would weaken legislative power. One witness before the House committee, L. F. Loree (President of the Delaware and Hudson Company) voiced opposition on constitutional grounds, stating that he thought the Constitution granted all revenue and spending responsibilities to Congress (SCB, 1919, pp. 289–95). Another witness before the House committee, Representative William Green, also voiced opposition. His opposition was not, however, because of any perceived shift in power to the president, but rather he argued that an executive budget would simply be ineffective at controlling extravagant spending because he believed the executive branch was the cause of such spending. He maintained that department heads generally asked for more money and presidents were reluctant to undercut their department heads. Thus, according to Representative Green, the executive budget would not work as an expenditure control tool (SCB, 1919, pp. 354–65), which was one of the goals of the proponents of the executive budget. None of the Senate witnesses argued against an executive budget, but two committee members—Senators Smoot and King—did briefly question (during the testimony of Nicholas Butler, president of Columbia University) whether the president had sufficient time to devote to the budget and if it might be more effective to simply create a congressional agency to help Congress collect detailed budget data from the executive departments (CCNB, 1920, pp. 83–88). Neither directly opposed the executive budget during the hearings, and both ultimately gave speeches before the Senate in support of the budget reform bill (559 Congressional Record. 6386-6395, 1920a).

Despite the lack of opposition to an executive budget process during the hearings, there were some contentious discussions about whether Congress should be permitted to increase spending items above what presidents asked for in their budgets. Nine of the witnesses before the House committee argued that Congress should either not be permitted to increase spending items above what the president asked for or should only be permitted to do so via a supermajority vote or in separate appropriations bills where additional funding was added. In contrast, 12 of the House and two of the Senate witnesses argued against any restrictions on Congress.

One of the strongest proponents of such restrictions during the House hearings was President Woodrow Wilson's Secretary of the Treasury, Carter Glass, who blasted Congress in his testimony (SCB, 1919, pp. 487–502) for its extravagant spending and argued that Congress should only be permitted to increase spending items from the executive budget either by a two-thirds vote or via a separate bill. He asked, "what would an Executive budget be worth if the Congress is going to exercise the unrestricted right which it now has of tearing it to pieces?" (p. 501). It is interesting to note that Frederick Cleveland supported such a system in his testimony (p. 538), although the Taft Commission did not make this recommendation and all other members of the Commission who testified before the committee were opposed on constitutional grounds. Willoughby's statement sums up the sentiments against restricting Congress, "It is perfectly absurd to think under such a system as we have, where the Chief Executive might be of one party and Congress of another, to say what the Chief Executive submits Congress has to accept without change" (p. 73). Former President Taft, who favored congressional limitations, admitted to the committee that Congress could only so restrict itself through its internal rules, not by law: "I don't think, of course, under the Constitution it [Congress] would be restrained at all [if it wanted to increase the appropriation above the president's estimates]; it could do anything" (p. 481).

Not surprisingly, the members of the committee displayed no appetite for limitations on Congress's ability to change items from an executive budget, and such proposals were met with considerable pushback. For example, Representative Purnell argued against a two-thirds rule by stating that such a rule "practically destroys the power of Congress" (SBC, 1919, p. 145). Representative Bryns argued further, "I do not know of anything that would tend more to put Congress under the domain of the Executive" (p. 165) In response to Cleveland's two-thirds proposal, Representative Hawley claimed it would turn Congress into a "rubber stamp" (p. 548), and Representative Madden suggested it would give the president autocratic power (p. 552). In contrast to the House hearings, none of the witnesses before the Senate argued for restrictions on Congress's power to make changes to an executive budget, while two witnesses spoke against such proposals. Surprisingly, the only voice in support of such restrictions came from committee member Senator Andrieus Jones, who argued during the testimony of Illinois Governor Frank Lowden that the absence of restrictions could result in excessive spending because members would attempt to "get something" for their districts (CCNB, 1920, p. 24). Governor Lowden and Chairman McCormick quickly countered that an executive budget could have the opposite effect by highlighting which branch was pushing for higher levels of spending, and the governor pointed out that spending growth had declined in Illinois after the creation of its executive budget process (pp. 24–25). Senator Jones did not challenge these claims and did not raise the issue again during the hearings.

Thus, there was very little opposition to an executive budget process, but there was considerable opposition to a process that restricted Congress's ability to pass whatever it wanted in its appropriations bills. Congress, of course, placed no such restrictions upon itself in the 1921 Act. Interestingly, rather than expressing concern over the potential loss of power to the president, one question the committee grappled with was how to *compel* the president to comply with demands to submit a comprehensive budget plan. Former House Appropriations chair John Fitzgerald (as a witness before both committees) was so certain that the president would not comply that he proposed giving executive budget authority to the Secretary of the Treasury, reasoning that Congress could call the Secretary before it and hold him responsible if he did not comply with the law but could not do the same to the president. His concerns were due to his skepticism that presidents would be willing to submit recommendations that undercut the requests of their Cabinet members (CCNB, 1920, pp. 54–60; SCB, 1919, pp. 322–39). Committee members later queried former President Taft about whether he believed presidents would comply with the law once passed. He did so believe, if the requirement were in the form of a law, but he also said that there was likely little Congress could do if a president decided not to comply (SCB, 1919, pp. 484–85).

What do the hearings reveal about what Congress expected to gain from an executive budget? Accountability regarding expenditures was a major topic discussed during the hearings. Nine of the House and three of the Senate witnesses discussed how an executive budget process could be used to assign such responsibility. The basic argument these witnesses made was as follows (CCNB, 1920; SCB, 1919). The budget system in use at the time was too uncoordinated and decentralized to properly assign responsibility for spending; thus, it was difficult for citizens to know who to hold accountable for wasteful spending. Department heads submitted budget requests to the Secretary of the Treasury, who put them into the *Book of Estimates* and submitted them to the president and Congress. These estimates, according to some of the witnesses and committee members, were often “extravagant” (i.e., were excessive) and contained duplication. Presidents could attempt to reduce duplication and extravagance but generally did not do so because they neither had the staff to assess the requests nor did they want to undercut their Cabinet members by asking for reductions after the *Book of Estimates* was sent to Congress. At the same time, members of Congress often encouraged department heads to ask for large budgets in order to attain spending for their districts. Thus, spending was often based on the parochial interests of department heads and members of Congress—although there was some disagreement expressed in the hearings over who was most responsible, with committee members from both chambers generally pointing the blame at the executive branch.

What was needed, according to several witnesses, was a more business-like approach where Congress behaved like a board of directors and the president as the general manager. Therefore, the president needed a professional staff that could help him assess how large each department's budget should be, given the needs of the nation and the revenues available. This information should be delivered to Congress as a report so that the legislature would have a comprehensive plan to start from when determining what to include in its appropriations and revenue bills. The president's budget staff would identify duplication in its analysis of department requests. The president would also have an incentive to reduce extravagant expenditures because he would be held responsible for them if they were included in his executive budget recommendation. The general ideas of the proponents are captured in William Willoughby's testimony before the Senate committee:

> I think there is no doubt that … the excessive appropriations have originated in the Executive branch of the Government. They always ask for more than they ought to get, and Congress always cuts it down, and properly so, but the point I am making is that those do not originate with an officer whose interest is to keep expenses down. They originate and come direct to Congress from the officers whose interests are to have them as much as possible.

> Now, the budgetary plan, by putting this obligation on the President, interposes that officer whose interest is quite distinct from the spending branches of the Government, in that sense ….
>
> But at the present time they [the people] have not taken the means of bringing home responsibility. My idea is this, that if the President each year when Congress convenes in December, would make his annual address in effect a report, as the general manager of a business corporation, and would come before Congress as his board of directors, and say, "Gentlemen, here is the way the money has been expended in the past for certain services, certain activities, properly classified and analyzed, and here is my own work and financial policy for the future," and have the scheme of presentation that of proceeding from the general to the particular, … that would represent his program and his own responsibility, that the newspapers would feature, and the public would consider and be able to hold him responsible, and he is the only administrative officer that can be held responsible, if he sends an excessive request for expenditures, and if he sends an economical program he will get the political benefit for it. (CCNB, 1920, pp. 37–38).

Congress would then be responsible to the public for any changes it made, as summed up in Francis Oakey's (accountant, Bureau of Efficiency) testimony before the House committee: "the President … should formulate a financial program each year and submit it to Congress and take responsibility for it. Then … Congress, in doing its part, should take responsibility for any changes that it makes in the proposals that come from the Executive" (SCB, 1919, p. 436). Congress would also be held responsible (in addition to the president) if it passed an extravagant budget submitted to it by the president, as expressed by Illinois Governor Lowden during his testimony before the House committee: "If it were to pass an extravagant budget, even if it were prepared in the first instance by the executive, the people would hold the legislative body responsible" (SCB, 1919, p. 13).

Ten of the House and two of the Senate witnesses testified that they believed an executive budget process that assigned proper responsibility would help to control spending. The hearings reveal that this was a major concern of members of Congress, with committee members complaining on numerous occasions of excessive budget requests from executive departments. Committee members were particularly upset that Congress was often blamed for extravagant spending despite the fact that it almost always cut back on department requests. During the testimony of seven witnesses in the House hearings and once during the Senate hearings, committee members complained that Congress was unfairly blamed. For example, during the testimony of Charles Collins (attorney and expert on constitutional law and public finance), Representative Taylor asks:

> Do you not feel that the adverse criticism that has been apparently leveled by various writers against Congress is unwarranted in view of the fact that Congress is the only body in this Government that has put any brakes on the administration for a great many years, regardless of what party may have been in power! There has always been more or less grabbing, you might say, at the Treasury, and Congress has been protecting the Treasury and getting the blame, while other people who have submitted extravagant claims have been going scot-free all the time. Why do not those writers, if they have made the investigation that they ought to have made, discover that fact, and why do they not direct their attacks against the administrative side of the Government, rather than the legislative? (SCB, 1919, p. 210)

Representative Kitchin adds later during Mr. Collins's testimony that economy can only be achieved if the executive branch submits reasonable requests:

> Is not this the fact, from your knowledge of the situation: That if we have any real economy it must come from the administration, no matter which party is in power? More than nine out of every ten dollars appropriated by Congress is appropriated on estimates that the departments send down. If you are going to have an extravagant administration, Congress will be more or less extravagant, because it will generally follow the administration but if the administration is for economy and will control the heads of his departments in their estimates, and desires from Congress only the appropriations that are actually necessary for the good of the service, it will as a rule have Congress behind it and there will be economy in appropriations. Does not the question of whether or not we will have a really economical Government come right down to the administration, or the President and his Cabinet? (SCB, 1919, p. 211)

Mr. Collins agrees in his testimony. Representative Kitchin points out later during the testimony of former President Taft that Congress increases appropriations above department head requests in less than 1% of cases (p. 474).

Thus, the hearing transcripts reveal that witnesses and committee members, to a large extent, blamed executive departments for excessive spending because they submitted extravagant and uncoordinated budget requests.[1] On six occasions during the House hearings, members argued that a large part of the problem was that the president was not exercising the powers that he had to rein in spending, claiming that presidents always had the authority to submit coordinated and economical budget proposals to Congress but failed to properly carry out this responsibility. The result was that accountability was difficult to pinpoint. For example, Representative Kitchin argued:

> Now, whose fault is it that there is no financial policy? It is not the fault of law, but it is the fault of the Executive. You say "the President is powerless to act." I challenge the statement that he is powerless to act. He can call his Cabinet officers before him and say, "You are limited to this amount of money in your administration this year, and I demand that you cut it down." Around that Cabinet table he can say to each officer, "You can go so far and no further," because he has absolute control of the Cabinet. (SCB, 1919, p. 211)

Former chair of the Committee on Appropriations Swagar Sherley added as a witness:

> I have always been struck with the fact that the blame for this lack of system is nearly always placed upon the Congress of the United States and we are told always of the efforts that have been made by administrative and executive officers in the past to bring about budgetary reform and the oppositions that has been encountered by Congress. Yet I believe it to be accurately true that to-day there is, and has been in the past, nothing to prevent an Executive from considering the receipts and expenditures necessary and desirable for the Government from a true budgetary standpoint except the desire; in other words, that there have always been the right and the power of the President of the United States to compel such a consideration of the needs of the Government by administrative officers, and having so considered it he could bring the result of such consideration to the attention of Congress, even though he now might have to submit in addition estimates as provided by existing law. (SCB, 1919, p. 379)

[1]This is not to say that some witnesses were not also concerned about excessive spending on the part of Congress. The nine witnesses in the House hearings who supported restrictions on Congress's ability to increase spending items above what the president recommended were clearly concerned about excesses on the part of the legislative branch. However, as we have discussed, members of Congress serving both on the committees or as witnesses were almost universal in their agreement that the executive branch was mostly to blame.

Thus, as discussed earlier, there were some concerns over whether the president could be compelled by a new law to act.

Despite these beliefs that the executive branch was responsible for much of the extravagant spending of the federal government, there was not universal agreement that an executive budget process would solve the problem. Three members of Congress (one serving as a witness before the House committee, one House committee member, and one Senate committee member) argued that an executive budget process would not work to reduce excessive spending because the executive departments have an interest in spending more and presidents would not want to undercut their department heads. Representative William Green goes so far as to state: "In my opinion, this is the worst kind of system that could be adopted, and if once adopted it would simply increase rather than lower our expenditures" (SCB, 1919, p. 356). This, however, was a minority opinion.

The hearings reveal that in order to be effective in submitting a comprehensive executive budget, the president would need a professional staff. Fifteen House and one of the Senate witnesses spoke in favor of providing a professional staff to the president so that he could effectively put together an executive budget. There was almost no opposition to this idea—other than from Senator Smoot, who favored an independent commission (CCNB, 1920, p. 34). There was considerable discussion of organizational issues regarding budget staff for the president, such as where the budget office should be located, the qualifications of staff, and whether staff should be appointed officials.

Another potential benefit of a comprehensive executive budget system discussed during the hearings was that such a system would make the work of Congress easier. Five witnesses before the House committee and one member of the Senate committee made comments in this regard. These individuals argued that the current system where department requests were submitted to Congress in the *Book of Estimates* without analysis by any single official or staff placed a large burden on legislators to gather sufficient information with which to assess the requests. A system in which information is assessed and provided in a more systematic way was therefore expected to enhance Congress's ability to ascertain budgetary needs effectively and efficiently. William Willoughby explained:

> I consider it a very inefficient system in that the information regarding the need of the Government does not get before Congress in any coordinated and proper form and that Congress with the very best intent, is unable to handle that situation in the most efficient manner. (SCB, 1919, p. 61)

Samuel McCune Lindsay (Vice Chairman of the National Budget Committee) added:

> With a proper budget system Congress will have been relieved of some of the detail work that now takes up so much of the time and imposes a great deal of work on Members of Congress …, and therefore Congress ought to be able to spend a great deal more time in taking up the larger questions of policy involved in the estimates and in the budget. (SCB, 1919, p. 162)

Additionally, Senator Simmons during the testimony of Thomas Lill (certified public accountant) complained that the Secretary of the Treasury neither assessed nor altered department estimates before forwarding them to Congress, and stated:

> Now, if you had a bureau … whose duty it was to take these estimates and to study them and to transmit them to the Congress at the time the estimates come up all the information that they have gathered with respect to these estimates, properly set out so it could be a matter of easy reference on the part of the committees, I think you would greatly reduce the work of the committees, and you would get very much better information and more satisfactory information than the committees get through these long drawn out hearings. (CCNB, 1920, pp. 165–66)

Such statements were not disputed during the hearings.

A final pertinent issue examined during the hearings was the auditing (and preauditing) function. In fact, auditing was perhaps the most discussed topic at the hearings, with 22 of the 41 witnesses across both hearings talking about some aspect of the auditing function. At the time, auditing was conducted within the executive branch, with the final say on the legality of expenditures resting with the Comptroller of the Treasury. Sixteen House and three Senate witnesses argued that an independent auditor (often referred to as either a comptroller general or auditor general during the hearings) outside of the executive was necessary so that Congress could properly oversee executive expenditures. Serious concerns were raised throughout the hearings about the wisdom of allowing the president to have sole control of the auditing of accounts. As Charles Collins testified before the House committee, “The whole business is under the executive branch of Government, and the executive is in the situation of auditing his own accounts, which is contrary to good finance” (SCB, 1919, p. 228). Chairman Goodman asked Collins if giving the executive more authority to collect information without an independent auditor could cause any problems. Collins answered in the affirmative, saying that doing so “would be giving the Executive more power than he has now” (p. 231). Swagar Sherley (Director, Division of Finance, U.S. Railroad Administration) added during his testimony that it is improper that the “judge of correctness in expenditures should be subject to the person whose action he criticizes … He ought to be truly independent, and if he is answerable to anybody at all, it should be to the Congress” (p. 396).

There is no doubt that this was a very important issue to Congress, as Chairman Good raised the issue on the first day of the House hearings, stating that the federal government needed “an auditor general or a comptroller general who holds his position not by reason of appointment of the Executive, but who stands there as an independent branch, like a court of finance, to say you can not use that money for that purpose because Congress never appropriated it for that purpose, and who can say that without fear of removal” (SCB, 1919, p. 27). He stated later that he was aware of at least one previous president threatening to remove the Comptroller of the Treasury, demonstrating that an independent auditor was needed (p. 140). There were several witnesses as well, such as Frank Goodnow (president of Johns Hopkins University), who stated a preference for Congress to appoint the Comptroller General (p. 348), although all but one admitted that such an arrangement was likely unconstitutional given that the Constitution gives the power of appointment to the president. Thus, there was widespread support among the witnesses for an independent auditor. Even the current Comptroller of the Treasury, Walter Warwick, argued that taking the auditing offices out of the Treasury and putting them into an independent department was “essential” (p. 252), and the president should have limited power to remove them.

Only two witnesses testified that they believed the auditing function should remain within the executive branch exclusively. Carter Glass, the Secretary of the Treasury, maintained that the comptroller and auditors in his department were independent, making a separate department unnecessary. However, Chairman Good countered that auditors had confided to members of Congress on several occasions that they did not always feel that they could criticize things that they viewed as improper. Secretary Glass merely replied that they should not behave that way because “no honest or courageous man ought to fear to report abuse that he encounters” (pp. 507–8). Arthur Davis (director and chief engineer, Reclamation Service) was the other witness to support keeping the auditing function exclusively within the executive branch; however, he only mentioned it in response to a question and admitted that he had not thought much about it (pp. 430–31).

## The floor debates

The floor debates provide no evidence that Congress was in the least bit concerned that the budget bill under consideration would diminish the institution's power relative to the president. The debates generally covered many of the same issues discussed during the hearings. Notably, even the members who voted against the measures made no comments about Congress ceding power to the president. Instead, the general tone was one of acknowledging the need for an executive budget process with a comptroller independent of the executive branch.

The House debate on October 21, 1919 (58 Congressional Record. 7274-7298, 1919) mainly focused on two issues, the new office of the Comptroller General and controlling extravagant expenditures. Members discussed at length the retirement age, tenure rules, salary, and role of the Comptroller General. There was also considerable debate over whether the president should have the power of removal, as he had for the position of Comptroller of the Treasury. Regarding expenditures, there was a lot of discussion about whether the language in the bill was strong enough to induce the new budget bureau and the Comptroller General to seek out and report on extravagant spending. Perhaps the strongest words of criticism of the bill came from Representative William Green, who, while expressing support for the bill, repeated his complaint from the House hearings that an executive budget would not reduce extravagant spending, which he blamed the executive branch for (7284). Interestingly, only one of the three members who voted against the bill spoke during the debates. This member complained about the provisions dealing with the comptroller's tenure, authority to hire staff (7286), and the removal procedures for the comptroller (7289). The bill passed by a vote of 285 to 3.

The Senate debate on May 1, 2020 (59 Congressional Record. 6386-6395, 1920a) was less a debate than an affirmation that a systematic budget system was needed to reduce waste and better enable Congress to evaluate department estimates. Thus, senators generally seemed to view the bill as a mechanism to help it do its work and control spending. As opposed to being worried about the bill giving the president too much power over the budget, two senators at one point suggested that the bill should do more to *diminish* the Senate's ability to increase expenditures above the president's recommendations (6394). The bill passed by unanimous consent.

Once the bill passed both houses, it was sent to the White House for the president's signature. However, there was not to be a "Budget and Accounting Act of 1920" because it was vetoed by President Wilson, the official who supposedly would have received increased power by its implementation. Wilson was concerned with the provision of the bill that transferred the Office of the Comptroller from the executive to the legislative branch (Fisher, 1975, pp. 34–35; Willoughby, 1927, pp. 30–31). To an extent, then, Wilson saw the bill as a transfer of power away from the presidency. It would take a new president, Warren Harding, to sign a new bill into law after another set of debates in Congress.

The Senate debate on April 26, 2021 (61 Congressional Record. 657-662, 1921a) focused on issues such as overspending in government, the appointment and removal procedures for the Comptroller General, the compensation for budget staff, the civil service status of budget staff, the placement of the Bureau of the Budget (BOB) within the Treasury Department, and whether Congress has the authority to instruct the president to make recommendations about revenue changes. As with the previous debate in the Senate, it was clear that senators believed a new budget system was necessary, and the discussions were largely about organizational issues. The bill passed again by unanimous consent.

The House debate on May 5, 1921 (61 Congressional Record. 1074-1094, 1921b) involved many of the same topics, such as the compensation of budget staff, the civil service status of budget staff, where the BOB should be placed, and extravagant spending. Most of the debate centered around the Comptroller General, including discussions of salary, terms of office, appointment and removal rules, and expectations of the office. Only four of the nine members who voted against the bill spoke during the debate, and all their statements centered on the Comptroller General. One member worried that the Comptroller General might not carry out the law properly (1078), while the remaining three members complained that the bill did not give Congress enough flexibility to remove a Comptroller General whom it disagreed with (1079-81, 1085). The bill passed by a vote of 344 to 9.

## FORMALIZING THE ROLE OF THE PRESIDENT

The 1921 Act that was eventually passed into law mandated a federal executive-initiated budget process whereby the president was to submit a comprehensive fiscal plan to Congress. The Act provided dedicated institutional support to the president in the form of the BOB and enabled congressional oversight of federal expenditures through the creation of a legislative branch agency with competence to conduct audits, the General Accounting Office (GAO). The BOB was initially housed in the Department of the Treasury with its director and assistant director appointed by the president, without Senate approval (Dearborn, 2019). The BOB was to annually collect agency budget requests and revise them in conjunction with the president (Tomkin, 1998). Importantly, the Act prohibited executive departments from submitting their requests directly to Congress unless so directed by Congress (Dearborn, 2019; Dickinson, 1997). Additionally, the Act authorized the BOB "to conduct administrative studies in the executive branch" (Tomkin, 1998, p. 31), setting up its managerial role. The GAO, in contrast, was established as a congressional agency and tasked with conducting audits of federal agencies and programs to ensure that the executive would pursue expenditures in accordance with congressional intent, as revealed in the enacted budget. The Act created the offices of Comptroller General and Assistant Comptroller General, both appointed by the president with the consent of the Senate. The GAO was placed under the direction of the Comptroller General.

It was noted earlier that some scholars regard the 1921 Act as a milestone in the development of presidential power. It is clear that the president received new authority under the 1921 Act. But, realistically, did the Act result in a *shift* in power to the president at Congress's expense? The congressional hearings and debates show that Congress had no such expectation. Absolutely no concerns were raised during either the hearings or debates about the reform weakening the power of Congress. There were, indeed, concerns raised about a process that would limit Congress's power to increase expenditures above the president's recommendations, but such a restriction was not included in the bill and, as Meyers and Rubin (2011) and Wehner (2011) suggest, there was never a realistic chance that Congress would so limit itself given its constitutional authority. What is remarkable is that instead of voicing fears of presidents using the executive budget authority to achieve dominance, several members of the House committee were worried that presidents would actually ignore this new authority and thus deny Congress the benefits of the Act.

So, what were the benefits that Congress gleaned from the 1921 Act? First, it created the GAO as a legislative office and denied the president the power of removal of its head, the Comptroller General. In doing so, Congress vested preexisting powers in a legislative branch agency, thereby increasing congressional oversight. President Wilson clearly saw this move as a reduction in presidential authority, thus his veto of the 1920 bill. The move would also be mentioned by the Brownlow Committee as a serious impediment to presidential authority and recommended that the preaudit function of the Office be moved back to the executive branch (Polenberg, 1979). Thus, there was certainly a provision of the Act that was viewed to enhance congressional authority at the expense of the president. The hearings and debates reveal that Congress saw the move as essential to sound financial practice.

Second, members of Congress expected the executive budget process to produce a better system of accountability. Comments during the hearings and debates show that Congress was dissatisfied with the decentralized system of budgeting where efforts were uncoordinated, departments had undue influence that yielded extravagant requests, information was lacking, and Congress was often blamed for excessive spending despite generally cutting department requests. Congress wanted a process where the president took power away from departments by compiling, consolidating, and prioritizing department requests into a comprehensive plan. Congress knew the president would need a competent staff to produce his budgets, so it created the BOB, an agency from which it expected to also receive quality information that would make its work less burdensome. Congress hoped that the system would result in less wasteful spending and better assign responsibility for extravagant expenditures.

In assessing Congress's attitude, it is important to understand more fully the difficulties Congress was having in making its budget system work. In his appraisal of congressional appropriations practices, Collins (1917) explained that at least 20 committees had jurisdiction over various appropriations bills, processing them in an ad hoc fashion and recording them in the statute books as they were passed in a scattered manner. Collins stated that the system was so confused that members of the appropriations committees at times had difficulty ascertaining appropriation totals at the end of the session (1917, p. 90). As a result, keeping a lid on expenditures and avoiding deficits was becoming increasingly difficult (Willoughby, 1927). The 1921 Act was passed at a time when Congress was reworking its internal budgeting structure, making all appropriations bills the responsibility of the House and Senate appropriations committees. It is interesting that the vote in the House to consolidate appropriations authority into one committee (200 to 117) (59 Congressional Record. 8120, 1920b) was far closer than the vote to establish the executive budget, perhaps indicating that the real concern among members at the time was not a shift in power to the president, but a power shift within Congress.

This is not to say that members of Congress were naive regarding the impact the Act would have on presidential influence. Providing presidents with greater budget authority was sure to increase their influence on budget outcomes. However, the hearings reveal that this is exactly what Congress wanted. Members' complaints during the hearings were not about increases in presidential power but rather the influence department heads had over expenditures and the perceived unwillingness of presidents to reign them in. According to the testimony in the hearings, presidents had neither the capacity nor the general will to take a more active role in crafting the federal government's budgets, and this troubled Congress because the current system gave too much power to departments. Congress preferred presidential influence over the more parochial and profligate influence of department heads. So, the 1921 Act conferred on the president more influence over the requests sent to Congress. It did not give the president any authority over Congress, as Congress wanted to maintain its ability to fund departments at levels that exceeded presidents' recommendations if it so chose. It expected that the executive budget would produce a more business-like approach to budgeting, better enabling it and the president to fund the nation's highest priorities. The arrangement, thus, would be mutually beneficial. It was not expected to increase the president's influence at Congress's expense.

Over 100 years after the passage of the executive budget, empirical evidence indicates that Congress's expectations were accurate. Krause's (2022) systematic analysis of federal agency budgets between 1895 and 1940 found that the 1921 Act "vested executive budget authority with the president in a manner that ensured a more effective, and more mutually beneficial power sharing arraignment with Congress" (p. 754). More specifically, Krause (2022) found that while presidents did gain influence in areas where they wanted increased spending, the Act was successful in achieving two of the primary goals of Congress as discussed during the hearings and debates—reducing the influence of profligate department heads on budget outcomes and protecting Congress's influence in areas where it preferred greater spending over what the executive wanted. Thus, there was not a shift in power away from Congress and toward the president, at least initially, but rather an enhancement in power to both the president and Congress. And, as intended by Congress, to the extent that presidential influence increased, it did so at the expense of the executive department heads.

Not surprisingly, the power of the president relative to Congress in budgeting has not remained static since the passage of the 1921 Act. It is important, therefore, to discuss the extent to which the Act likely matched the intentions of Congress at the time of passage versus the unintended consequences that may have evolved over time. The Act gave the president agenda-setting authority and administrative capacity (Dearborn, 2019). To many scholars, this administrative capacity, vested in the BOB, has been key in enhancing presidential influence. A prominent budgeting scholar, Pfiffner (2020, p. 11) explains that "since the creation of the executive budget in 1921, central control of executive branch spending has been at the core of presidential power, and the budget bureau has been the instrument of that power." He has argued that since the mid-twentieth century, "the Budget Bureau came to be the president's most important tool in centralizing control over the budget" (Pfiffner, 1979, p. 9) and has been instrumental in helping to establish the presidency as dominant in the budget process. While the bureau's first director, Charles Dawes, sought to establish a culture that was impartial and nonpolitical, its central role meant it would play an important part in shaping policies (Heclo, 1975; Tomkin, 1998). What is clear is that the relationship between BOB/OMB and Congress has evolved over time (Reynolds, 2020). Because of the importance of the role many scholars place upon the BOB/OMB, a brief history of the evolution of the agency up until 1974 (when Congress passed the Budget Impoundment and Control Act) is in order.

Director Dawes established the BOB's responsibility for legislative clearance, but mostly for legislation related to government spending (Fisher, 1975; Pfiffner, 1979; Tomkin, 1998). President

Franklin D. Roosevelt in 1934, seeking greater control over policymaking in the executive branch, expended BOB's responsibilities to engage in legislative clearance for all legislation (Dickinson, 1997; Pfiffner, 1979). A year earlier, the president had transferred the apportionment function from the departments to the BOB (Fisher, 1975; Pfiffner, 1979). Spurred on by the recommendations of the Brownlow Committee and the demands on the federal government created by the Great Depression (Tomkin, 1998), President Roosevelt moved the BOB into the new Executive Office of the President and increased its managerial responsibilities (Dickinson, 1997; Pfiffner, 1979), largely because of a lack of other presidential advising units available at the time (Tomkin, 1998). Importantly, the Division of Fiscal Analysis was created at this time to assess the larger macro issue of how fiscal policies would affect the overall economy (Fisher, 1975). As a result of its burgeoning responsibilities, the staff size grew to over 600 employees in the 1940s (Pfiffner, 2020; Tomkin, 1998). Presidents, not surprisingly, have sought to make the BOB responsive to their priorities (Dickinson & Rudalevige, 2004). President Richard Nixon transformed the agency into the OMB in 1970 and moved to politicize it more by increasing the number and roles of political appointees (Pfiffner, 1979, 2020). As a result, OMB staff became more active in lobbying with agencies and Congress (Heclo, 1975) in ways that likely were unintended by the members of Congress who passed the 1921 Act.

These events enhanced the ability of presidents to influence budget outcomes. However, there are questions regarding the extent to which the BOB/OMB sometimes hindered rather than aided presidents. For example, Heclo (1975) argued that the traditional culture of neutral competence ignored important political trade-offs, limiting BOB's usefulness to the president. Additionally, Tomkin (1998) pointed out that the responsibilities of the agency increased over time while staff were often cut, making it difficult to carry out all of its duties effectively. As a result, BOB/OMB could be unresponsive to presidents (Dickinson & Rudalevige, 2004). By the time of the Johnson administration, the BOB had become large and difficult for presidents to control and much of its staff identified with the agencies they worked with. Thus, according to Schick (1970), the BOB did not function effectively as an instrument of the president. This likely led to other presidential staffs taking over much of the policy development role from BOB (Schick, 1970). A more macro focus on budgets and economic policy also led presidents to ignore OMB's concerns regarding the need for fiscal restraint (Pfiffner, 2020; Schick, 1970). As things like the unemployment rate became more important to presidents, the budgeting function of BOB became less important to them (Schick, 1970).

Regardless of BOB/OMB's usefulness as an instrument of presidential power across time, Congress came to perceive the budget process to be increasingly dominated by the president (Joyce, 2011) in ways that could not have been foreseen in 1921. Congress saw OMB as being too politicized, in that political appointees had a shorter-term perspective and less appreciation for Congress's important constitutional position in the budget process (Fisher, 1975; Pfiffner, 1979; Tomkin, 1998). This politicization was viewed to have led to lower-quality or incomplete information being sent to Congress by OMB. Congress also felt that Presidents Johnson and Nixon had become too “heavy-handed” in their approaches to budget making (Joyce, 2011, p. 15), particularly in regard to President Nixon's use of impoundments. Congress reasserted its authority in 1974 by requiring the Senate to confirm directors and deputy directors of OMB (Pfiffner, 1979, 2020), establishing a new congressional budget process, and creating the Congressional Budget Office as a counter to what it saw as a more politicized and less informative OMB (Pfiffner, 2020; Reynolds, 2020).

It is clear from the congressional hearings and debates from 1919 to 1921 that Congress did not intend a dramatic shift in power away from itself and toward the presidency. Congress, however, knew the 1921 Act would empower the president, so it was very careful to protect its constitutional authority to pass appropriations in any amounts it desired regardless of what was in the executive budget proposals (Dearborn, 2019). The Act altered the constitutional relationship between Congress and the executive, but it did so in a way that benefited Congress in several ways (discussed above). The hearings show that the executive already had considerable influence, but via department heads, which was unsatisfactory to Congress. Congress sought more comprehensive information from the president instead of fragmented information from department heads. This increased the influence of the president while decreasing the influence of departments. Congress preferred presidential influence to department head influence, but it ultimately retained its power of the purse. Indeed, Congress achieved its intent in this regard (Krause, 2022). Growing presidential dominance over time was not anticipated; however, it is questionable the extent to which the Budget and Accounting Act of 1921. 42 Stat. 18 (1921) was the impetus for such dominance. Yes, the BOB/OMB did provide the president with influence, and the responsibilities of the agency did expand over time, although not always in ways that advantaged presidential power. An interesting question (one that is beyond the scope of this article) then is whether the Act set the stage for increasing presidential dominance, or if that dominance would have occurred in any event to deal with the increasing demands on the federal government. After all, Congress did pass many pieces of legislation after 1921 that increased presidential authority and capacity (Dearborn, 2019; Dickinson, 1997), and presidents often found it useful to rely more on other presidential staffs than on the one established by the 1921 Act (Schick, 1970).

# CONCLUSION

Scholars often perceive the executive budget reform as one that dramatically shifted budgetary power toward the presidency (Dearborn, 2019; Fisher, 1975; Granger, 1930; Marx, 1945; Whittington & Carpenter, 2003). It is interesting to note, however, that Taft was the only president to propose an executive budget process to Congress. No other president even requested a budget staff to help him formulate his ideas about federal taxing and spending policies (Mosher, 1984, p. 23). If the Act represented a strong shift in power to the White House, why were its provisions not eagerly sought after by presidents of the past? After all, a presidential line-item veto is recognized to be a powerful budgetary tool, and many presidents have asked Congress to grant them that power (Cronin & Weill, 1985; Douglas, 1997). Additionally, if Congress was giving up power to the president, why did none of its members protest this fact during the hearings or debates, and why were the votes in favor of the executive budgeting bills so overwhelming?

The alternative interpretation presented here is that Congress in 1921 saw the Budget and Accounting Act as a tool with which to improve the federal government's system of budgeting in a manner that promoted *its* interests. The hearings and debates reveal that Congress never saw the increase in authority that the Act bestowed upon presidents as a threat to its own authority, and the transfer of the comptroller functions actually diminished presidential authority to some extent. Additionally, the authority granted to the president by the 1921 Act was an authority that had largely been within the executive branch already—only it was in the hands of department heads rather than the president. Congress preferred the president exercise the authority for the reasons discussed herein. Thus, in the years following the passage of the Act, the congressional leadership enthusiastically praised its merits (Willoughby, 1927, pp. 287–89), and no serious attempt has ever been made to repeal it. Given that Congress guards its fiscal powers jealously—it has not given the president line-item veto power (except for the one year the Line-Item Veto Act of 1996 was in effect), it restricted presidential impoundment powers and created the budget resolution, and it created the Congressional Budget Office as a counter to the OMB—it is unlikely that it would pass and continue to support a system that shifted a significant amount of its power to the executive branch. The 1921 Act established a centralized federal budget process that was mutually beneficial to both the president and Congress (Krause, 2022). It is important to acknowledge that this was Congress's intention all along, even if presidents gained greater power in the process in later years.

## DATA AVAILABILITY STATEMENT

This article uses archiaval research. Data came from the Committee for Consideration of a National Budget (1920: https://ia800203.us.archive.org/16/items/nationalbudgeth00budggoog/nationalbudgeth00budggoog.pdf), the Select Committee on the Budget of the House of Representatives (1919: https://congressional.proquest.com/congressional/docview/t29.d30.hrg-1919-hbs-0002?accountid=14605), and issues from the Congressional Record (1919-1921: https://www.congress.gov/congressional-record).

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