

# "Grace Commission"

## Wikipedia

The **Private Sector Survey on Cost Control** (PSSCC), commonly referred to as **The Grace Commission**, was an investigation requested by United States President Ronald Reagan, in 1982. The focus of it was waste and inefficiency in the US Federal government. Its head, businessman J. Peter Grace,<sup>[1]</sup> asked the members of that commission to "be bold" and "work like tireless bloodhounds. Don't leave any stone unturned in your search to root out inefficiency."<sup>[2]</sup>

## The report

The Grace Commission Report was presented to Congress in January 1984. The report claimed that if its recommendations were followed, \$424 billion could be saved in three years, rising to \$1.9 trillion per year by the year 2000. It estimated that the national debt, without these reforms, would rise to \$13 trillion by the year 2000, while with the reforms they projected it would rise to only \$2.5 trillion.<sup>[3]</sup> Congress ignored the commission's report. The debt reached \$5.8 trillion in the year 2000.<sup>[4]</sup> <sup>[5]</sup> The national debt reached 13 trillion after the subprime mortgage-collateralized debt obligation crisis in 2008. It should also be noted that the U.S. has spent at least \$1 trillion on its wars in Iraq and Afghanistan since 2001, with some estimates for real cost ranging near \$3 trillion over time.<sup>[6]</sup>

The report said that one-third of all income taxes is consumed by waste and inefficiency in the federal government, and another one-third escapes collection owing to the underground economy. "With two thirds of everyone's personal income taxes wasted or not collected, 100 percent of what is collected is absorbed solely by interest on the federal debt and by federal government contributions to transfer payments. In other words, all individual income tax revenues are gone before one nickel is spent on the services [that] taxpayers expect from their government."<sup>[3]</sup>

## References

- [1] Gilpin, Kenneth N. (April 21, 1995). "J. Peter Grace, Ex-Company Chief, Dies at 81" (<http://www.nytimes.com/1995/04/21/obituaries/j-peter-grace-ex-company-chief-dies-at-81.html?pagewanted=1>). *The New York Times*. .
  - [2] <http://www.reagan.utexas.edu/archives/speeches/1982/31082d.htm> Ronald Reagan, "Remarks at a White House Luncheon With the Chairman and Executive Committee of the Private Sector Survey on Cost Control" (March 10, 1982)
  - [3] President's Private Sector Survey on Cost Control, *A Report to the President* (January 15, 1984) (<http://www.uhuh.com/taxstuff/gracecom.htm>)
  - [4] [http://www.brillig.com/debt\\_clock/faq.html](http://www.brillig.com/debt_clock/faq.html)
  - [5] <http://www.treasurydirect.gov/NP/BPDLogin?application=np>
  - [6] Stiglitz, Joseph; Bilmes, Linda (February 23, 2008). "The three trillion dollar war" ([http://www.timesonline.co.uk/tol/comment/columnists/guest\\_contributors/article3419840.ece](http://www.timesonline.co.uk/tol/comment/columnists/guest_contributors/article3419840.ece)). *The Times* (London). .
6. The Grace report itself from Defense Technical Information Center - click on the handle for the actual scanned report. <http://oai.dtic.mil/oai/oai?&verb=getRecord&metadataPrefix=html&identifier=ADA324474>

## Literature

- Goodsell, Charles (May-Jun., 1984). "The Grace Commission: Seeking Efficiency for the Whole People?" (<http://jstor.org/stable/975482>). *Public Administration Review* **44** (3): 196–204. doi:10.2307/975482
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## Other similar commissions

- Brownlow Committee 1937
- Hoover Commission two commissions, in 1947-1949 and 1953-1955.
- National Partnership for Reinventing Government 1993-1998

# Article Sources and Contributors

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