

President Submits an Economy and Efficiency Message.

RESULTS OF INQUIRY TOLD

Special Commission Found Extravagant and Antiquated Methods in Government Work and Many Unnecessary Offices.

Washington - Freshhat Taff has submitted to congress a special measure on economy and others my in the government service. This measure in part is as in wollo

To the S nate and House of R presentatives:

I submit for the information of the congrean this report of progress made in the inquiry into the efficiency and economy of the methods of transacting public busi-

Efficiency and economy in the govern ment service have seen domands I with here adding indictance for a generation. Real economy in the result of efficient or constants. By perfecting the creations tion the same benefits may be obtained at less expense. A reduction in the to-tal of the annual appropriations is not in fixelf a proof of economy, since it is aften accompanied by a dicrease in effi-ciency. The needs of the nation may demand a large increase of expenditure, yet to keep the total appropriation within the expected revenue is necessary to the maintenance of public credit.

Upon the president must rest a large have of the responsibility for the demands made upon the treasury for the surrent administration of the executive branch of the government. Upon the congress must rest responsibility for those grants of public funds which are unde for other purposes.

Reason for the Inquiry.

Recognizing my share of responsibility for efficient and economical administration, I have endeavored during the post two years, with the assistance of heads of departments, to secure the best re-sults. As one of the means to this end requested a grant from congress to make my efforts more effective.

An appropriation of \$100,000 was made June 25, 1910, to enable the president to inquire into the methods of transacting the public business of the executive de partments and other government establishments and to recommend to congress such legislation as may be necessary to sarry into effect changes found to be de-strable that cannot be accomplished by executive action above. I have been given this fund to enable me to take action and to make specific recommendations with respect to the details of transacting the business of an organization whose aclivities are almost as varied as those of the entire business world. The operalons of the government affect the interof every person living within the pirediction of the United States. Its or-zanization embraces stations and centers of work located in every city and in many local subslivisions of the country. Us gross expenditures amount to nearly L'ecce.con annually. Including the perconnel of the military and naval estab-lishments, more than 42500 persons are trainitional ter also the upon the executive branch of the government.

Classification of Local Officers.

In my recent measure to the congress It may resent measure to the compress It is a conditionation of the necessity of planting in the character and of the local offer is under the departments of the fractory, the interior, postofflice and mention mend dishort.

remains and labor. This may app which must be mixed in to require of heads of bureaus in the de-permentant Washington, and of most of the faced effects under the departments, quality attends of sectors dealer to those new required of sectors beads of bureaus and of local characteristic beam of Different ind of local character. The extension of De meril system to these officers and a solid realization of safaries will have a pertant efforts in securing greater a giv and efficiency

In the first place, the possentian by the contents of these positions of requirity contents on these positions of requirity

In the second place, the removal of laral officers from the realm of political putpolage in many cause would reduce the pay roll of the field services. At the present time the incumbents of many of time present times the incumbents of many of time presents leave the actual perform-man of many of their duties to deputies and accurate. The government often pays two persons for doing work that old easily be done by one. What is the is to the government cannot be stated, but that it is very large cannot be decided, when it is remembered how runnerous are the local officers in the postal, cus-tons, internal revenue, public lands, and field services of the government. In the third place, so long as local ofthere are within the sphere of political patronage it is difficult to consider the ation of the establishment or discontinuance of local offices apart from the test upon local political situation

Finally, the view that these various these are to be filled as a result of political considerations has for its conrequirer the necessity that the president and members of congress devote to matters of parcenage time which they should devote to questions of polley and admin-Intration.

Superannuation.

Attention has been directed in recent years to the need of a suitable plan of retiring the superannuated employes in the executive civil service. In the be-Bef that it is desirable that any steps toward the establishment of such a plan shall be taken with caution, 1 instructed the commission to make an inquiry first into the conditions at Washington. This inquiry has been directed to the ascertainment of the extent to which superannuation now exists and to the consideration of the availability of the various plans which either have been proposed for adoption in this country or have actually been adopted in other countries. I shall submit, in the near future, for the consideration of the congress a plan for the retirement of aged employes in the civil service which will safeguard the interests of the government and at the same time make reasonable provision for the needs of those who have given the best part of their lives to the service of the state

Business Methods.

In every case where technical prosoos have been studied it has been demonstrated beyond question that large economics may be effected. The subjects first approached were those which lie dose to each administrator, viz, office An illustration of the possipractices. bilities within this field may be found in the results of the inquiry into the methods of handling and filing correspondence. Every office in the government has reported its methods to the commission haso reports brought to light the fact that present methods were quite in he everse of uniform. Some offices follow the practice of briefing all correspon-the practice of briefing all correspondence; some do not. Some have flat files; others fold all papers before filing. Some use press copies; others retain only

the combine in of the right, such offices found non only in the possibility of every materially reducing the direct cost of government trading, but also in insuring to materially reducing the direct cost of gov-ernment trading, but also in insuring re-the service materials, supplex and equipment which are better adapted to to purposes. One of the results of indefiniteness of specifications is to impose con-tract conditions which make it extra hagardens for persons to enter into em-tractual relations. This not only deprives the government of the advantage of broad compatition, but causes it to proan added margin in price to venders wh must carry the rist

Excessive Cost of Travel.

One of the first st ps taken foward constructive work was the reclassifica-tion of the expenditures for the your 199 by objects. The foundation was then made for the investigation of government trading practices. While it was recon-nized that this large field could not be covered within a year except at enormous cost, the subjects of "Transportation of persons" and "Subsistence while in trav-status" were taken as concrete examples The annual cost of fravel to the government was found to be about \$12,000,000. It was also found that the government employees were traveling in practically everv way that was open to the public, it was further found that although the goveroment was the largest user of trans-portation, it was saving railroad theses on a loss favorable bods than would be possible if the elect of traveling ex-penditores were stematically handled a of the government from the point . as a whole. The son of ticket most oft-en used between such points as New York, Philadelphia and Washington was the single-trip, first-class ticket. In two departments definite tests have been made in the use of mileage bolts and in each practically the same result has been reported, viz., an average saving of a little over one-half of one cent per mile

Better Methods for Purchasing.

Through a long period of years and by numberous laws and orders there has srown up a procedure governing public advertising and contracting that is more burdensiome and expensive in some cases than is necessary. The procedure is not uniform in the various departments; it is not uniform in many cases for the dif-ferent services in the same department. To make uniform the requirements so far as practicable will be in the interest of economy and efficiency and bring about that simplicity that will secure the largest opportunity for contractors to bld for government work, and will secure for the government the most favorable prices obtained by any purchaser.

The Budget.

The United States is the only great nation whose government is operated with-out a budget. This fact seems to be more striking when it is considered that budgets and budget procedures are the outgrowth of democratic doctrines and have had an important part in the development of modern constitutional rights. The American commonwealth has suffered much from irresponsibility on the part of its governing agencies. The constitutional purpose of a budget is to make government responsive to public opinion and responsible for its acts.

The Budget as an Annual Program.

A budget should be the means for getting before the legislative branch, before the press, and before the people a definite annual program of business to be financed; it should be in the nature of a prospectus both of revenues and expenditures; it should comprehend every relation of the government to the people whether with reference to the raising of revenues or the rendering of service.

In many foreign countries the annual budget program is discussed with special reference to the revenue to be raised, the thought being that the raising of revenue bears more direct relation to welfare than does government expenditure. Around questions of source of revenue political parties have been organized, and on such questions voters in the United States have taken aldes since the first revenue

Welcome.

It was three o'clock on a cold and frosty morning, and the weary cyclist had attll many miles to go. Passing through a lonely village he thought, he might be able to get knocked.

from within. "A traveler," the exclist replied in clear tones.

Back like a shot came the answer: "Then travel!"

A Fright.

"Lady," said Meandering Mike, would you lend me a cake of soap?' "Do you mean to tell me you want soap?" "Yes'm. Me partner's got de hiccups an' I want to scare him."

Dissatisfaction. "So you were given an interest in your employer's business?" "Yes," replied the industrious youth; but I made a mistake in accepting it I had less worry as a regular employee than as a minority stockholder."

ney You will notice that the man who is always talking about how hard he had to work when he was young is usually behind with his work now

Where the Fruit Grows.

Michnel Casey, a politician in San Francisco, who has been in office and on the city payroll for many years, was addressing a meeting of his felsaw a lighted window. Perhaps, he low-citizens. It was a labor meeting. "You men must know," spouted concething to eat and drink. So he Caney, "that you are the great body politic in this city. You are the roots "Who's there?" came a gruff voice and trunks of our great municipal tree, while we who represent you in office are merely the branches on that

> magnificent tree." "True for you, Mike," piped a man in the back of the hall, "but did ye ever notice all the fruit grows on the branches?"-Saturday Evening Post.

Treacherous Memory.

Parson Johnson-Yo' must nevah cherish an enmity against youh neighbor, Mis Jackson. If youh neighbor does you an injury you must forget It. Mis Jackson-An' so I does forget it, pahson-but I'se got a powerful bad memory, and I keeps forgetting dat I'se forgotten It.

Ingredients of Life.

The ingredients of health and long life are great temperance, open air. easy labor and little care .- Philip Sid- been hard with him.

The easiest thing in the world to make light of is a ton of coal.

The Boy-The Girl.

He-Crime seems in a pretty low way. Only last week some woman kidnaped a baby-photographs of it in all the newspapers. She-What did she take it for?

He-Nothing else to take, I suppose. I should have thought myself that anybody who kidnaped a baby would steal an earthquake or borrow an attack of Asiatic cholera.

She-Bables are not so bad as all that. The only thing I have really got against them is that if you leave them long enough they grow up into human beings.

No Jury.

"Didn't you give that man a jury trial?

"Look here," said Broncho Bob. "there ain't a big lot o' men in this settlement. We couldn't possibly git 12 of 'em tegether without startin' a fatal argument about somethin' that had nothin' whatever to do with the case."

Museum freaks are complaining about hard times; but as for that, the ossified man says things always have

Even when they have nothing to do some people can't seem to do it gracefully.

A Hold-Up

An Oppressive Trust.

Before the Coffee Roasters' Association, in session at Chicago on Thursday, Thomas J. Webb, of Chicago, charged that there is in existence a coffee combine which is "the most monstrous imposition in the history of human commerce."

There is very slight exaggeration about this statement. It comes very close to being literally true. There is a coffee combine in Brazil, from which country comes the bulk of the coffee used in the United States, which is backed by the government of Brazil and financed by it, which compels American consumers, as Mr. Webb said, "to pay famine prices for coffee when no famine exists."

The worst thing about this is that the consumers of the United States have been compelled to put up the money through which this combine, to further cinch them, has been made effective. There were formerly revenue duties imposed upon all coffee entering the United States. Those taxes were denounced as an imposition upon the people; as taxing the poor man's breakfast table, and the like. The taxes were removed. Immediately thereafter Brazil imposed an export duty upon coffee up to the full amount of the former customs taxes in this country. The revenue which formerly went into the treasury of the United States was diverted to the treasury of Brazil. The poor man's breakfast coffee continued to cost him the same old price.

But this was only the commencement. The "valorization" plan was evolved in Brazil. Through this plan the government, using the revenues derived from the export duties for the purposes, takes all of the surplus crop in a season of large yields and holds it off the market, thus keeping the supply down to the demands of the market and permitting the planters to receive a much higher price than they would otherwise have done. The United States consumes more Brazilian coffee than does the rest of the world. We are the best customers of Brazil, and Brazil buys little from us. Now Brazil is promoting, financing and maintaining a trust designed, and working effectively for the purpose, to compel American consumers to pay an exorbitant price for the coffee they use. What is the remedy?-Seattle Post-Intelligencer-Nov. 19, 1911.

Plan of the Work.

In accordance with my instructions, the commission on economy and efficiency, which I organized to ald me in the innuicy, has directed its efforts primarily to the formulation of concrete recommon dations is king to the best ment of the fundamental conditions under which govwith a basis thus laid, it has proceeded to the prosecution of detailed studies of individual services and classes of work. and of particular practices and methods, pushing there studies as far and covering as many points and services, as the resources and time at its disposal have permitted.

In approaching its task it has divided the work into five fields of inquiry having to do respectively with organization, personnel, business mathads, accounting and reporting, and the budget.

Comprehensive Plan of Organization.

On organization the commission has entered upon the preparation of three series of reports. The first series deals with the manner in which the services of the government should be grouped in depart-ments. This is a matter of fundamental importance. It is only after a satisfac-tory solution of this problem that many important measures of reform become possible.

The second and third series of reports deal, respectively, with the organization and activities of particular services, and the form of organization for the performance of particular business operations. One of the reports of the second series is upon the revenue cutter service, which costs the government over two and a half millen dollars each year. In the opinion of the contrabution its varied activities can be performed with equal, or greater, advantage by other services. The commission, therefore, recommends that it be abolished. It is estimated that so doing a saving of not less than \$1, 000,000 a year can be made. Another report illustrating the second

series recommends that the lighthouse and life saving services be administered by a single bureau, instead of as at pres ent by two bureaus located in different departments. These services have much in common, Geographically, they are similarly located; administratively, they have many of the same problems. It is estimated that consolidation would result in a saving of not less than \$100,000 an-nually.

Abolition of Local Offices.

Perhaps the part of the organization in which the greatest economy in public ex-penditure is possible is to be found in the numerous local offices of the govern-In some instances the establishment and the discontinuance of these to cal offices are matters of administrative discretion. In other instances they are established by permanent law in such a manner that their discontinuance is beyond the power of the president or that of any executive officer.

The responsibility for the maintenance of these conditions must naturally be divided between the congress and the exe-cutive. But that the executive has performed his duty when he has called the attention of the congress to the matter must also be admitted. Realizing my re-sponsibility in the premises, I have di-rected the commission to prepare a re-port setting forth the positions in the local services of the government which may be discontinued with advantage, the saving which would from such ecsaving which would result from such action and the changes in law which are necessary to carry into effect changes in organization found to be desirable. On maintaining stendard specteations is

Need for Labor-Saving Office Devices. The use of labor-saving office devices in ervice has been made the subject of pecial inquiry. An improviden prevails that the government is not making use of mechanical docices for economizing labor to the same extent as are efficiently

managed private enterprises. A study has been node of the extent to which devices of this character are now being employed in the several branches of the government and the opportunities that shet for (helr more general use. The efforts of the commission resulted

also in the adoption by several bureaus or departments of improved methods of do-ing copying. The amount of copy work toretofore done by hand each year in the many offices is estimated to aggregate several hundred thousand dollars. The commission exhibited at its offices, apdiances that were thought to be especial-y adapted to this kind of government work. Following these demonstrations methods of copying were introduced which have brought about a saving of over 75 per cent. In offices where used for six months. This change in one small cross-section of office practice will more than offset the whole cost of my inquiry.

Waste in the Distribution of Public Documents.

Going outside the office, one of the usiness processes which have been investigated is the distribution of depart ment documents. This is a subject with which both the congress and adminis tration heads are familiar. The prevail ing practice in handling departmental ations is to have them manufactured at the government printing office job when completed is delivered to the department; here the books or pamplifets are wrapped and addressed; then are then sont to the postoffice; there they are assorted and propared for shipment through the mails: from the postofflee they are sent to the railroad station, which is only a few steps from the goverroment printing office, when they started. The results of this laborious and circuitous method is to make the use of the best mechanical equipment impracticable and to waste each year not less than a quarter of a million dollars of government funds in useless handling, to say nothing of the indirect loss due to lack of proper co-ordination.

Wasteful Use of Properties and Equipment.

The use of equipment is a matter which also has been investigated. Up to the present time this investigation has been the main confined to the subject of in the main confined to the subject of electric lighting. The government pays over \$66,000 per year for electric current; it has made large capital outlays for wir-ing and fixtures. With the increasing de-mands in many buildings the present equipment is taxed to its limit and if the present methods are continued much of this wiring must be done over; in nany places employees are working at a great physical disadvantage, due to inadvanate and improper lighting, and thereby with reduced efficiency. In every place where the inquiry has been con-ducted it appears that there is large waste, that without the cost of rewir-ing, simply by giving proper attention to location of lights and the use of proper langes and reflectors, the light efficiency at points where needed may be much in-creased and the cost of current reduced from 30 to 60 per cent. Other inquiries into the use which is being made of properties and equipment are contemplated which promise even larger results.

Lack of Specifications.

Public-Welfare Questions.

principal government objects in which the people of the United States are interested include:

The untional defense; the protection of persons and property; the promotion of friendly relations and the protection of American interests abroad; the regulation of commerce and industry; the promotion of agriculture, fisheries, forestry and mining: the promotion of manufacturing, commerce, and banking; the promotion of transportation and communication, the postal service, including postal savings and parcels post; the care for and utill-zation of the public domain; the promotion of education, art, science and recre-ation; the promotion of the public health; the care and education of the indians

and other wards of the nation. These are public-welfare questions in which I assume every citizen has a vital interest. I believe that every member of ongress, as an official representative the people, each editor, as a non-official representative of public optaion, each citizen, as a beneficiary of the trust im-posed on officers of the government, should be able readily to ascertain how much has been spent for each of these purposes; how much has been appropriated for the current year; how much the administration is asking for each of these

purposes for the next fiscal year. Furthermore, each person interested should have laid before him a clear, welldigested statement showing in detail whether moneys appropriated have been economically spent and whether each division or office has been efficiently run. This is the information which should be available each year in the form of a budget and in detail accounts and reports supporting the budget.

Continuance of the Commission.

I ask the continuance of this commission on economy and efficiency because of the excellent beginning which has been made toward the rearganization of the machinery of this government on business principles. I ask it because its work is entirely non-partisan in character and ought to apply to every citizen who wishes to give effectiveness to popular government, in which we feel a just pride. The work further commends itself for the reason that the cost of organization and work has been carefully considered at every point. Three months were taken in consideration of plans before the in quiry was begun; six months were then spent in preliminary investigations before the commission was organized, before March 3, 1911, when I asked for a con-tinuation of the original appropriation for the current year, only \$12,000 had been spent.

The expenditure for the inquiry during the present fiscal year is at the rate of \$120,000. The mass of information which must be collected, digested and summarized pertaining to each subject of inquiry is enormous. From the results ob-tained it is evident that every dollar which is spent in the prosecution of the inquiry in the future will result in mani-fold savings. Every economy which has been or will be effected through changes in organization or method will inure to the benefit of the government and of the the benefit of the government and of the people in increasing measure through the years which follows. It is clearly the part of wisdom to provide for the com-ing years means at least equal to those available during the current year, and in my opinion the appropriation should be increased to \$200,000, and an additional amount of \$50,000 should be provided for the publication of those results, which will be of continuing value to officers of the government and to the people. WILL HE RAFT. The White House,

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"Compels

Standard statistics of the coffee trade show a falling off in sales during the last two years of over two hundred million pounds. Authenticated reports from the Postum factories in this city show a tremendous increase in the sale of Postum in a like period of time. While the sales of Postum invariably

show marked increase year over year, the extraordinary demand for that well-known breakfast beverage during 1911 is very likely due to a public awakening to the oppression of the coffee trust.

Such an awakening naturally disposed the multitude who suffer from the ill effects of coffee drinking to be more re-ceptive to knowledge of harm which so often comes as a result of the use of the drug-beverage, coffee.—Battle Creek Ecening News—Dec. 19, 1911.

POSTUM

is a pure food-drink made of the field grains, with a pleasing flavour not unlike high grade Java.

A Big Package About l_4^1 lbs. Costs 25 cts. **At Grocers**

Economy to one's purse is not the main reason for using Postum.

It is absolutely free from any harmful substance. such as "caffeine" (the drug in coffee), to which so much of the nervousness, biliousness and indigestion of today are due. Thousands of former coffee drinkers now use Postum because they know from experience the harm that coffee drinking causes.

Boil it according to directions (that's easy) and it will become clear to you why-

"There's a Reason"

Postum Cereal Company, Limited, Battle Creek, Michigan,