

# SEES BETTER AND CHEAPER SERVICE

## 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, — President Taft has submitted to congress a special message on economy and efficiency in the government service. The message in part is as follows:

#### To the Senate and House of Representatives:

I submit for the information of the congress this report of a special commission which has been organized to inquire into the efficiency and economy of the methods of transacting public business.

Efficiency and economy in the government service have been demanded with increasing insistence for a generation. Real economy in the result of efficient organization. By perfecting the organization the same benefits may be obtained at less expense. A reduction in the total of the annual appropriations is not in itself a proof of economy, since it is often accompanied by a decrease in efficiency. 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 share of the responsibility for the demands made upon the treasury for the current administration of the executive branch of the government. Upon the congress must rest responsibility for those grants of public funds which are made for other purposes.

#### Reason for the Inquiry.

Recognizing my share of responsibility for efficient and economical administration, I have endeavored during the past two years, with the assistance of heads of departments, to secure the best results. As one of the means to this end I 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 departments and other government establishments and to recommend to congress such legislation as may be necessary to carry into effect changes found to be desirable that cannot be accomplished by executive action alone. 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 activities are almost as varied as those of the entire business world. The operations of the government affect the interests of every person living within the jurisdiction of the United States. Its organization embraces stations and centers of work located in every city and in many local subdivisions of the country. Its gross expenditures amount to nearly \$1,000,000,000 annually. Including the personnel of the military and naval establishments, more than 1,000,000 persons are required to do the work imposed by law upon the executive branch of the government.

#### Plan of the Work.

In accordance with my instructions, the commission on economy and efficiency, which I organized to aid me in the inquiry, has directed its efforts primarily to the formulation of concrete recommendations. It has limited the treatment of the fundamental conditions under which governmental operations must be carried on. With a basis thus laid, it has proceeded to the presentation of detailed studies of individual services and classes of work, and of particular practices and methods, pushing these studies far and covering them 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 the study of agencies, having to do respectively with organization, personnel, business methods, 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 departments. This is a matter of fundamental importance. It is only after a satisfactory 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 million dollars each year. In the opinion of the commission 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 by 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 present 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 annually.

#### Abolition of Local Offices.

Perhaps the part of the organization in which the greatest economy in public expenditure is possible is to be found in the numerous local offices of the government. In some instances the establishment and the discontinuance of these local 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 coming in of the report, such offices as may be found desirable and can be abolished will be so treated by executive order.

#### Classification of Local Offices.

In my recent message to the congress I stated my conviction of the necessity of paying to the classified service all of the local offices under the departments of the treasury, the interior, postoffice and commerce and labor.

This may be applied to must be taken in regard to heads of bureaus in the departments at Washington, and of most of the local offices under the departments.

One of the first steps taken toward construction work was the reclassification of the expenditures for the year 1909 by objects. The foundation was thus made for the investigation of government trading practices. While it was recognized that the classification could not be carried within a year except at enormous cost, the subjects of "Transportation of persons" and "Subsistence while in travel status" were taken as concrete examples.

The annual cost of travel to the government, it was found, has about doubled. It was also found that the government employees were traveling in practically every way that was open to the public; it was further found that although the government was the largest user of transportation, it was paying railroad tickets on a less favorable basis than would be possible if the cost of traveling expenditures were systematically handled from the point of view of the government as a whole.

The sum of ticket most often used in the government was the 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 books 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 numerous laws and orders there has grown up a procedure governing public advertising and contracting that is more burdensome 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 different contracts in the same department.

To make uniform the requirements so far as practicable will be in the interest of economy and efficiency and being about that simplicity that will secure the largest opportunity for contractors to bid for government contracts and to secure the government the most favorable prices obtained by any purchaser.

#### The Budget.

The United States is the only great nation whose government is operated without a budget. This fact seems to be more striking when it is considered that budgets and budget procedures are the outgrowth of democratic theories 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 responsible 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 services.

#### Public-Welfare Questions.

The principal government objects in which the people of the United States are interested are: the national defense; the protection of persons and property; the promotion of friendly relations and the protection of American interests abroad; the regulation of commerce and 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 an orphaned and public domain; the promotion of education, art, science and recreation; 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 congress, as an official representative of the people, each officer, as a non-official representative of public opinion, each citizen, as a beneficiary of the trust imposed upon 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.

#### 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 organization 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 inquiry was begun; six months were then spent in preliminary investigations before the commission was organized; before March 3, 1911, when I asked for a continuance 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, directed and summarized pertaining to each subdivision of inquiry is enormous. From the results obtained it is evident that every dollar which is spent in the prosecution of the inquiry in the future will result in manifold 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 people in increasing measure through the years which follow. It is clearly the part of wisdom to provide for the coming 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 the results, which will be of continuing value to officers of the government and to the people.

#### 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 in the main confined to the subject of electric lighting. The government pays over \$100,000,000 a year for electric current; it has made large capital outlays for wiring and fixtures. With the increasing demands 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 many places employees are working at a great physical disadvantage, due to inadequate and improper lighting, and thereby with reduced efficiency. In every place where the inquiry has been conducted it appears that there is large waste; that without the cost of rewiring, simply by giving proper attention to location of lights and the use of proper lamps and reflectors, the light efficiency at points where needed may be much increased 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.

The importance of establishing and maintaining standard specifications is found to be desirable. On

found not only in the possibility of very materially reducing the direct cost of government trading, but also in insuring to the service materials, supplies and equipment which are better adapted to its purposes. One of the results of the investigation of specifications is to improve contract conditions which make it extra hazardous for persons to enter into contractual relations. This not only deprives the government of the advantage of broad competition, but also deprives it of an added margin in price to vendors who must carry the risk.

#### Excessive Cost of Travel.

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It was three o'clock on a cold and frosty morning, and the weary cyclist had still many miles to go. Passing through a lonely village he saw a lighted window. Perhaps, he thought, he might be able to get something to eat and drink. So he knocked.

"Who's there?" came a gruff voice from within. "A traveler," the cyclist 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."

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. Michael 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 fellow-citizens. It was a labor meeting. "You men must know," spouted Casey, "that you are the great body politic in this city. You are the roots 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 neva cherish an enemy against your neighbor, Mis Jackson. If your 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.—Phillip Sidney.

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—Babies 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 together 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 been hard with him.

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.

# POSTUM

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

## A Big Package About 1 1/2 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.

*Handwritten notes:* He did "Compels" Tax Americans Get this clear Then this