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 progress made in the inquiry 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 is 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 reveneu is necessary to the maintenance of public credit.

Upon the president must rest a large share of the responsibility for the demanos 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 interest 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 400,000 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 organised to aid me in the inquiry, has directed its efforts primarily to the formulation of concrete recommendations looking to the betterment of the fundamental conditions under which governmental operations must be carried on. With 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 these 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 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 organisation 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 $[illegible] 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 responsibility for the maintenance of these conditions must naturally be divided between the congress and the executive. 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 responsibility in the premises, I have directed the commission to prepare a report [illegible] the coming in of the report, such offices as may be found useless and can be abolished will be so treated by executive order.

Classification of Local Officers.

In my recent message to the congress I urged consideration of the necessity of placing in the classified service all of the local officers under the departments of the treasury, the interior, postoffice and commerce and labor.

The next step which must be taken is to require of heads of bureaus in the departments at Washington, and of most of the local officers under the departments, qualifications of capacity similar to those now required of certain heads of bureaus and of local officers. The extension of the merit system to these officers and a needed readjustment of salaries will have important effects in securing greater economy and efficiency.

In the first place, the possession by the incumbents of these positions of requisite qualifications must in itself prmote efficiency.

In the second place, the removal of local officers from the realm of political patronage in many cases would reduce the pay roll of the field services. At the present time the incumbents of many of these positions leave the actual performance of many of their duties to deputies and assistants. The government often pays two persons for doing work that could easily be done by one. What is the loss to the government cannot be stated, but that it is very large cannot be denied, when it is remembered how numerous are the local officers in the postal, customs, internal revenue, public lands, and other field services of the government.

In the third place, so long as local officers are within the sphere of political patronage it is difficult to consider the question of the establishment or discontinuance of local offices apart from the effect upon local political situations.

Finally, the view that these various offices are to be filled as a result of political considerations has for its consequence the necessity that the president and members of congress devote to matters of patronage time which they should devote to questions of policy and administration.

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 belief that it is desirable that any steps toward the establishment of such a plan shall be taken with caution, I 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 processes have been studied it has been demonstrated beyond question that large economies may be effected. The subjects first approached were those which lie close to each administrator, viz. office practices. An illustration of the possibilities 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. These reports brought to light the fact that present methods were quite in he reverse of uniform. Some offices follow 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 carbon copies.

Need for Labor-Saving Office Devices.

The use of labor-saving office devices in the service has been made the subject of special inquiry. An impression prevails that the government is not making use of mechanical devices for economising labor to the same extent as are efficiently managed private enterprises. A study has been made of the extent to which devices of this character are now being employed in the several branches of the government and the opportunities that exist for their more general use.

The efforts of the commission resulted also in the adoption by several bureaus or departments of improved methods of doing copying. The amount of copy work heretofore done by hand each year in the many offices is estimated to aggregate several hundred thousand dollars. The commission exhibited, at its offices, appliances that were thought to be especially 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 business processes which have been investigated is the distribution of department documents. This is a subject with which both the congress and administration heads are familiar. The prevailing practice in handling departmental publications is to have them manufactured at the government printing office; each job when completed is delivered to the department; here the books or pamphlets are wrapped and addressed; then are then sent to the postoffice; there they are assorted and prepared for shipment through the mails; from the postoffice they are sent to the railroad station, which is only a few steps from the government 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 in the main confined to the subject of electric lighting. The government pays over $[illegible] per year for electric current; it has made large capital outlays for wiring and fixtures. [illegible]

Lack of Specifications.

[illegible] 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 indefiniteness of specifications is to impose 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 causes it to pay an added margin in price to vendors who must carry the risk.

Excessive Cost of Travel.

One of the first steps taken toward constructive work was the reclassification of the expenditures for the year 1910 by objects. The foundation was thus made for the investigation of government trading practices. While it was recognized 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 travel status" were taken as concrete examples. The annual cost of travel to the government was found to be about $12,000,000. 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 buying railroad tickets on a less favorable basis than would be possible if the subject of traveling expenditures were systematically handled from the point of view of the government as a whole. The form of ticket most often 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 boks 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 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 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 bid 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 without 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 sides since the first revenue law was proposed.

Public-Welfare Questions.

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

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 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 utilization of the 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 editor, as a non-official representative of public opinion, each citizen, as a beneficiary of the trust imposed 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, well-digested 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 reorganization 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 continuation of the original appropriation for the current year, only $[illegible] had been spent.

The expenditure for the inquiry during the present fiscal year is at the rate of $[illegible]. [illegible]

WM. H. TAFT.

The White House.

IN LESS STRENUOUS TIMES

Explanation of the Difference Between Domestic Standards New and Those of Long Ago.

In the Woman's Home Companion there is an interesting presentation of the difference that exists between the domestic standard of young married women of today and those of the past generation. How did the women of the middle class of a generation or two ago manage when they could not keep help? Following is the answer quoted from a Companion editorial:

"They lived according to their means; they did not set up impossible standards, and they knew much less about the science of bringing up children. They had no special style to keep up; gave the children a weekly bath; kept the table set between meals; did not serve their meals in courses, but put all the food on the table at once; confined their social affairs to evening calls and parties, and church suppers, at which they wore the same black silk dress for at least two seasons; in short, every woman did only what she could, and her friends made it easier for her by doing likewise."

Most of life's so-called tragedies are merely comedies.

Why He Couldn't Sit Down.

Harry, aged six, is an orphan; but an indulgent grandmother and kind maiden aunt have taken care of him. The first pair of knickerbockers were secured recently, and it was a proud moment for the boy when his aunt put them on him on Sunday morning and he was permitted to go to church with his grandmother. Naturally maiden aunts know very little about the arrangement of knickerbockers, and there was a suspicious fullness in front and an equally mystifying tightness in the back to be observed, as the little chap trudged happily along. In church Harry sat down, but did not appear comfortable and stood up. "Harry, sit down," whispered his grandmother. He obediently climbed back on the seat, but soon slipped off again. "Harry, you must sit down." "Grandma, I can't. My pants is choking me." She looked more closely than her dim sight had before permitted, and discovered the new little knickerbockers were on hind side before. Harry stood up during the remainder of the service.

Why They Scout.

Mr. Forward—And so two of your sons are Boy Scouts? Where do they do their reconnoitering?

Mrs Howard—In our refrigerator. —Life.

BACK YARD COMMUNINGS.

The Dog—Is this a free concert?

The Cat (pausing in his contented monologue)—No, I get so much pur.

His Exact Sort.

"What kind of a glass of fashion did Ophelia consider Hamlet?" "As long as she called him Lord Hamlet, I suppose she considered him a peer glass."

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.*

He did

"Compels"

tax Americans

Get this clear

Then this

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 disposes the multitude who suffer from the ill effects of coffee drinking to be more receptive to knowledge of harm which so often comes as a result of the use of the drug-beverage, coffee.—*Battle Creek Evening 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 1¼ 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.