

Need of Federal Budget in Wartime

Secretary of the Treasury Should Be Real Premier of Finance, Says Chairman of House Committee on Appropriations—Few Changes Necessary to Start New System

IS there need now, as in the days of peace, for a reform budgetary system of national finance for the United States Government? Representative Swagar Sherley of Kentucky says yes. He is the recently chosen Chairman of the House Committee on Appropriations, one of the big finance experts of Congress, and he has been a budget advocate during the greater part of the sixteen years he has been a member of the National Legislature.

"I am not blind to the fact," he said the other day in the course of an interview, "that there must be and should be a wide distinction between the spending policy of the nation in time of peace and its policy in time of war. Under normal conditions we should consider every expenditure with reference to whether it is worth the burden it puts upon the people. In time of war there is only one side to that vital question. In time of war we, as the representatives of the people, must spend to the last of all that the people have, if necessary, to save the people themselves.

"But, granting all that, there is as much need now as there ever was for a reform in our system of appropriating the money of the people for expenditure by the executive officers of the Government. There is more need now for such reform because of the very magnitude of the war finances. And the principles of the budget system apply as well to the allotment of the huge sums of today as they do to the smaller sums of the normal period.

"Furthermore, we might have such reform and such installation of the budget system upon the mere say-so of the President, supplemented by the creation of a new committee of the House and such minor readjustments of its legislative machinery as the House might easily make. No constitutional change would be involved in the adoption of the budget system and very little legislation. We would simply abandon a very bad system to which we are under no legal or constitutional obligations to adhere and adopt a much better and more rational system against which there is no barrier in our Government. We could do this if the President would say the word. But the reform must begin with him in his Cabinet.

"The President has already suggested that we go back to the old method of having all appropriations in charge of one committee of the House, the Appropriations Committee, instead of it being split up among several committees. But that suggestion does not go far enough. It is only a step in what might or might not be the right direction, but it would not get us anywhere unless we also had a real budget statement from the Cabinet departments and a committee of the House to apply itself to that budget. Of course, I believe thoroughly in the concentration of the appropriating power as a part of the general budgetary machinery of the Government finance, but I do not approve now of mere concentration in one committee without the rest of the plan going through, too. Personally, I would not care to be Chairman of the committee to which all the appropriating power was conferred at this time, even if the majority of Congress approved such concentration, because the resentment of the minority at such a change would so cripple the efficiency of the Appropriations Committee as to practically destroy it.

"The other appropriating committees have been in existence now too long to be suddenly wiped out without serious results. They were created for political purposes, it is true, to take power away from a certain individual, but I would not want to be the man to whom all that power should suddenly be given in time

of war when he must have the support of all Congress to do his share of the financing of the war. You remember that up to the end of the civil war the Committee on Ways and Means had to do with both the raising and the spending of the money. It not only devised the revenue-producing measures, but it made the appropriations.

"In 1865 the double duty became too much for one committee, and the House Committee on Appropriations was created, to handle all appropriations as the President suggests should be done now. Under the Chairmanship of Sam Randall the Appropriations Committee became so powerful that Tom Reed and Carlisle and Mills got together to diffuse Randall's power, and they succeeded in establishing the present arrangement of dividing up the appropriating power among several committees.

"We are sometimes told that we should have a budget system because it has worked so well in England for so many years. But that is looking at the problem from the outside, from the point of view of some other country, with a Government that is different from our own in several fundamental ways. That is not the reason why we should have the budget. If we look at the problem from the inside we learn that we need such a system because of our own form and method of government regardless of anything outside.

"We need a budget as an indispensable instrument for financial reforms and economies, and for the correlation of the needs of the different executive departments of the Government to guard against skimping in one place and being too lavish in another, to make sure that every dollar of the people is spent to the best advantage of all of them.

"That is the obvious need for the budget, but there is one not so obvious, but no less real—that is the need of the people of America for education in the affairs of their own Government, which they would get if public attention could be focused every year, first on the great bulk sum of the aggregate demands of the Executive, and then directed to the policies and principles involved in the activities for which these sums are demanded.

"That psychological need of the people is shared by the representatives of the people in Congress. We cannot breed big, broad-gauge statesmen in the House of Representatives by the present picayune, hodge-podge methods of financing the Government and of determining the needs of the Government. Instead of developing statesmen who can see the United States as a whole, we train men in sectionalism and as special pleaders for this, that, and the other thing that they think will benefit their localities and therefore strengthen them as individuals in a political way with their constituents.

"Congress, and the people both need what they have never had—a big, comprehensive, and clear annual picture of all the needs of the country, something that will show us every separate problem with reference to its relative im-

portance and bearing to every other problem.

"As I have already intimated, this thing can be brought about if the President will begin the reform by sending to Congress a real budget, which has his sanction as a whole and in all its parts. That means that the Secretary of the Treasury must cease to be a mere messenger boy for the transmission to Congress of the unrelated annual estimates of what the various Cabinet departments want in the way of money for the twelve months to come.

"On the contrary, the Secretary of the Treasury should be raised to the dignity of a real Premier of finance for the Government. He should have the power to suggest to his colleagues in the Cabinet that they all make their estimates with reference to the total amount of all the departments, with reference to their relative merits from the point of view of the general national welfare and progress,

and, above all, with reference to the total amount to be raised to foot the total bill. These department estimates should be considered by the Cabinet as a whole. Each member should be obliged to show cause to the heads of the other departments why he wanted so much, why he wanted an appropriation for such-and-such a purpose. And when all these sums are considered by the Cabinet as a whole, and agreed to and approved by the Secretary of the Treasury and the President, they would make a clear-cut problem

for Congress to consider. They would form a real budget.

"So much for the part the President and the Cabinet should play in the establishment of a budget system. What Congress should do is substantially this—instead of undertaking what I believe would be the impossible task of bringing back to the Committee on Appropriations jurisdiction of all the supply bills we should create a new committee on estimates and expenditures, a budget committee, if you please. This should include in its personnel the Chairmen and three ranking majority members and the ranking minority members of the Committees on Ways and Means and Appropriations, and the Chairmen and ranking minority members of the Committees on Military Affairs, Naval Affairs, Agriculture, Foreign Affairs, and so on through all the committees that now have jurisdiction over part of the total appropriations of the Congress. I would also add the Chairman and the ranking minority member of the Committee on Rules, for that is the great political committee of the House.

"This suggestion of mine has been objected to on the ground that the Budget Committee would be too large. But it really would be two committees because the majority members would necessarily come to one conclusion, just as the majority of Ways and Means does now, and the minority members would come to another conclusion. Then these two proposals would come before the whole House for debate and for a final choice with or without modification. This discussion would mean something to the en-

tire House and require consideration by all the members and by the public of the real purposes of Government and legislation, for, as I said a moment ago, nearly every great problem that comes before a legislative and deliberative body presents itself in the tangible, concrete form of a proposition of either taxation or expenditure.

"When the report of the Budget Committee estimating the total amount of money to be raised and fixing the total amount that may be spent by all departments for all purposes is adopted by Congress it should immediately become a limitation upon the power of any of the various appropriation or supply committees to recommend.

"Thereupon the problem of each executive department becomes not how much it can spend, for that has been fixed, but how can it best spend a given sum in the interest of the American people. Instead of having the ingenuity of a department devoted to devising reasons for getting additional appropriations you will have each department which has a new experiment that it wants to try endeavoring to economize at some point to release the funds needed for the new work. Of course, in case of great emergency arising, something not foreseen at the time of making the budget, the Budget Committee would have the power to bring in supplementary estimates. But none of the supply committees would have the power to bring in any supplementary bill for an appropriation not provided for in the budget or in excess of the total allotted to the department concerned. Any such supplementary bill recommended by a committee should be subject to a point of order that would enable any individual member of the House to throw it back into the offending committee on the ground that it was in violation of the rules of the House. In that same connection I believe that we should adopt the restriction on individual members, long since put into force by the British Parliament, which prohibits the individual from making a motion to increase any item in any supply bill after the total-fixing report of the Budget Committee has been adopted.

"Another objection made to the plan that I have outlined is that it is undemocratic, that it throws the whole power of appropriation into the hands of a few party leaders in Congress, and destroys all opportunity for individual initiative. That is not so. In the first place, every individual member of Congress would have a much clearer conception of the whole problem than he has ever had before. He would have it presented to him in its entirety as well as in its parts, and he would have full power and opportunity to debate it and vote upon it when it came to the question of adoption. And then, when the Congress had ruled as to what the totals should be, the several allotments would be referred to the now-existing Supply and Appropriation Committees for the arrangement of the details, with no restriction upon them except as to the sums which they may not exceed.

"It is true that the power of the individual, acting as a special pleader, with personal or local motives, to meddle with what Congress as a whole had determined to be right, would be destroyed. But it should be. The Congress of the United States has become so big that in order to function properly as a body the privileges and activities of its individual members must be controlled and regulated. Such control will not stunt personalities that are really big. It will guide and train them. It will give us a breed of statesmen from which Presidents should be able to elect the right sort of men for their Cabinets."



Representative Swagar Sherley of Kentucky.