

NEXT IN POWER TO HARDING

By SILAS BENT

BUREAU chiefs are the submerged tenth of Washington officialdom. In a centre of governmental activity where rank and prerogative are rigidly rated, where privilege and precedence are jealously guarded, what hope has the head of a subordinate branch to achieve a conspicuous position? Yet by a singular chance this has come about. A bureau head, and the head of a bureau newly created at that, is by common acceptance the most powerful man, excepting the President, in Washington today.

Charles G. Dawes—Brigadier General "Hell and Maria" Dawes—Director of the Budget Bureau in the Treasury Department, has played hob with Washington tradition. No Cabinet member may successfully gainsay his word, no party councilor nor unofficial adviser successfully traverse his rulings. Without a portfolio, quartered in an office so obscure that it is designated by a fractional number, his fiat goes forth unchallenged by the mighty. He is the Administration Pooh-Bah.

In a sense Mr. Dawes was dragged by the wrists to this eminence, as Markheim was dragged to murder by the giants of circumstance. Chief among these circumstances is the fact that the United States has been running on a deficit instead of a surplus. Mr. Dawes has the disagreeable job of reducing expenses. It is his duty to see that departmental outgo is kept within the bounds of governmental income; and if the Treasury were as amply provisioned as in the days before the World War, it is doubtful whether the pork-barrel politician would be denied. Another circumstance which may or may not be lightly regarded is the party pledge of economy. At any rate, Mr. Dawes is effecting savings which at first were considered beyond the pale of possibility.

In part, the power Mr. Dawes has achieved is due to his own robust courage and vigor. He came reluctantly from a bank Presidency to what he terms "an ossified haymow," and he came on the express stipulation that what he said had to go. President Harding agreed to that condition, and has stood by the agreement with a mild persistence which even his admirers had not suspected before he took the Executive chair. So that if Mr. Dawes

says a department can function just about as well with two-thirds of its old personnel, and the head of that department objects, a pleasant note is received from the President explaining that the reduction in force seems necessary and that Mr. Harding hopes there won't be any fuss about it. It is even said that these missives are written in Mr. Dawes's office on White House stationery and

publicly since he took charge of the Budget Bureau, there is a suspicion that it is on tap. Mr. Dawes has Western ways and no respect for sensitive pride of office. The moment he got to Washington he gave earnest of what was to come by disturbing the peace and dignity of the Treasury Building.

The Budget Bureau is assigned to the Treasury Department, and Room

stenographers took up their disconsolate posts amid the confusion, to do their work as best they might. There was no time to find other quarters for them. The new budget director was in a hurry to move in. Never, even during the hectic days when the United States was at war, had the Treasury Building been so upset. Negro hall men, accustomed to a soporific and dignified existence,

tion." Thus he allied himself with a class long disgruntled because it felt its services were not properly recognized. This looked like politics, but it is to be doubted whether Mr. Dawes was conscious of it. He has played no political favorites. Rather he moves ruthlessly toward the goal of economy.

At a mass meeting of Government officials, held soon after Mr. Dawes

reached Washington, he put Billy Sunday methods into play and roused his audience to a high pitch of enthusiasm; but there was an unpleasant reaction therefrom, and he may have been conscious of it. Washington didn't care for camp-meetin' budget making. It frowned on evangelistic methods. The budget was a business matter, and should be so conducted. And whether or not Mr. Dawes sensed this undercurrent of gossippy comment, he adopted thereafter a somewhat sterner attitude. It is only in Mr. Harding's pleasant notes, whereby Mr. Dawes's delegated power is made felt, that a gentler tone prevails.

It is because Mr. Harding stands undismayed behind his vigorous subordinate—as he has stood from the first behind Mr. Hoover and Mr. Hughes and others of his appointees—that Mr. Dawes is enabled to exercise what Washington still regards as a power little short of miraculous. Ours is a delegated democracy, and Mr. Dawes's is a delegated authority. Secretary Mellon bowed to it instantly. When Mr. Dawes asked him for certain necessary information—but let Mr. Dawes tell about it:

"I am glad to say," he observed, "that in this situation already, so far as the Treasury Department is concerned, and as indicating what kind of a man is today at the head of the Treasury Department, in his conception of the necessities of the present and future of the Budget Bureau—I am glad to say that the

Secretary of the Treasury walked upstairs to my office—one of his subordinate bureau chiefs—because he regarded it as necessary in connection with a call from me for information needed by the President of the United States. That will be a historic walk in the annals of the Budget Bureau."

Mr. Mellon set an example to be followed sooner or later by others less powerful but more inclined to

(Continued on Page 27)



"Mr. Dawes is a delegated authority."

dispatched by messenger for the President's signature. At any rate, they have not so far failed of their persuasive purpose.

This situation is the more remarkable because it rubs Washington in two sensitive spots—patronage and privilege. But Mr. Dawes is the kind of man who is ready to use rough stuff if need be. His picturesque profanity has attracted attention more than once, and, although Washington has heard none of it

372½ was assigned to Mr. Dawes. The new official wasn't due to arrive until the first of July, when a new fiscal year was to begin, but he was on the ground a week ahead of time and instantly took the Washington bull by the horns. Room 372½ is on the third floor of the Treasury Building, at the south side, and opens on to a wide and peaceful corridor. Suddenly this corridor became clogged with desks and swivel chairs and filing cases; and ousted

stood aghast. But Mr. Dawes, cool in gray flannels despite the midsummer heat, moved into his office tranquilly.

One of the first things the newcomer did was to assure other bureau chiefs that they should "no longer remain submerged." They were to be regarded, he said, "as the only ones who in this immediate emergency must be chiefly depended upon to reduce the present terrible cost of governmental administra-

Next in Power

(Continued from Page 1)

rebel against the new order of things. As a result, the United States is now living within its income, and is spending actually less than Congress has authorized. Within three weeks after taking office Mr. Dawes was able to announce a saving of more than a hundred millions of dollars out of the appropriations. His announced intention is to save nine hundred millions of the three billions and a half authorized. It is not necessary to set down here a detailed catalog of his economies, but some of the things he has done may be chronicled as indicating the remarkable power he wields. They indicate power, because Washington said at the outset they couldn't be done.

The Government has a \$17,000,000 printing bill. Mr. Dawes called together sixty representatives of Government bureaus to find how waste could be squeezed out of the bill. As a result strict limitations were placed on future expenditures, duplications were eliminated, some of the work was declared dispensable, and other savings were effected by more careful editing before matter was sent to the printer. Thus about five millions was cut out of a bill which officials at the capital had regarded as one of the necessary adjuncts of publicity and prestige.

Mr. Dawes ordered an inventory of Government property left over from the war, and set about selling it; directed that a single board buy supplies for the army and navy, and another commission buy for the Shipping Board; set Internal Revenue Commissioner Blair to checking up delinquent taxes and reducing the cost of collections, and ordered that old battleships and other dead material in the possession of the navy be turned into cash. His knife cut impartially into the State and Treasury Departments, the War Risk Bureau, the Interior and Commerce and Agriculture and Labor Departments, the Post Office, the Federal Trade Commission, the National Advisory Committee for Aeronautics, the Federal Power Commission, the Employees' Compensation Commission and the offices of the Attorney General and the Controller General. Even the Arlington Memorial Amphitheatre and the Smithsonian Institution did not escape.

The act creating the Budget Bureau confers on Mr. Dawes no such authority as he is exercising. It directs the President to make definite recommendations to Congress of appropriations, to give estimates of revenues under existing laws and to recommend such steps as may be necessary to procure additional funds. This annual budget message is likely to be the most widely read public document in American political affairs, but at present Mr. Dawes is acting without its guidance. The budget message, in fact, must be prepared according to the Book of Estimates, officially known as "The Letter of the Secretary of the Treasury," and the Book of Estimates, every one admits, does not lend itself to budget-making on scientific lines. So it is provided that the President may submit also an alternative budget, which may be actually a statistical analysis, drawn according to businesslike methods, and that Congress may substitute it for the other. But this is not to be done until next December, and it will cover the fiscal year ending June 30, 1923.

The Bureau of the Budget was created to do the handwork of preparing the material for these messages from the President, and it has the authority to revise, or even to disallow, the estimates of the department heads. But prior to this work Mr. Dawes faces a situation in which appropriations already have been made by Congress and the bills making these appropriations specify in detail how and by whom the money shall be spent, even the duties of men to whom salaries are to be paid. In demanding that departments reduce their expenditures at once, Mr. Dawes therefore was confronted with a fait accompli. The money was authorized, and the law specified that it should be spent and how it should

be spent. Not to spend it might be regarded as an actual violation of the law.

The new Dawes broom, nevertheless, began sweeping up departmental dust without regard to such little obstacles as that; and when official objection was made, a note signed by President Harding served to keep the broom moving. Mr. Dawes, when he was Controller of the Currency, had learned a lot about governmental machinery, and he put the knowledge to good use. He knew the official habit of presenting estimates much larger than were justified, for instance, in the expectation that Congress would cut them; and he required that the several departments lay their cards face up on the table.

Mr. Dawes is a fighter, and comes of a fighting family. Its founder in this country sailed from England in the good ship Planter in 1635, and William Dawes Jr. (a progenitor of the present Dawes), commonly known as "The Patriot," rode with Paul Revere when he roused the countryside on a certain historic occasion. The father, Rufus R. Dawes, fought in the Civil War at Rappahannock, Bull Run, Antietam, Gettysburg and in other big battles; and he was cited for bravery and ability as an officer. The new Director of the Budget studied law and civil engineering, and for a time was chief engineer of a small railroad in Ohio. Thereafter he became interested in artificial gas properties, and then, in 1902, founded the Central Trust Company of Illinois at Chicago, of which he was President when he took his present post.

Mr. Dawes deeply admired William McKinley, and had charge of the campaign in Illinois which resulted in a delegation to the National Convention instructed for McKinley. He was a member of the Executive Committee at the convention.

After serving as Controller of the Currency from 1898 to 1901, Mr. Dawes made a race for the Senate, but was defeated. Thereafter he confined his attention pretty strictly to finance until he went to France during the World War as a Lieutenant Colonel of Engineers. Two months later he was appointed to Pershing's administrative staff, and his experiences thereafter are told in his book "A Journal of the Great War," recently reviewed in this newspaper. As head of the special Department of Finance which co-ordinated the economic operations of the allied and associated armies he had charge of the purchase, allocation and sale of millions of dollars' worth of property, a business transaction surpassing in magnitude any similar undertaking. He held the rank of Brigadier General, and later was a member of the Allied Liquidation Commission; and he was decorated by France, Belgium and the United States for his services.

These facts may give an idea of the foundation Mr. Dawes had laid in experience for his present position. They may fill in part of the background of his power. He is an accomplished musician, a violinist and composer. But there is another fact about him which is not so well known, and which somehow doesn't seem quite to fit in with his present rôle as a relentless swinger of the broadaxe.

Mr. Dawes is a philanthropist. Yes, the Rufus F. Dawes Hotel for Destitute Men in Chicago (named for a son who died) has accommodations for 500 hard-up guests every night. If the guest has any money he pays a nominal sum for bed and bath and breakfast. If he has none, he gets the accommodations and a loan. The hotel is run at a deficit, and Mr. Dawes makes it good every month. He has a horror of deficits in governmental accounts, but— And there are other charities which might be mentioned; but the one is enough to reveal a heart underneath the gray flannels which have come to symbolize to Washington an unfeeling disregard for place and the political amenities. There are some who think Mr. Dawes uses his power unsympathetically. The taxpayer is likely to thank him for it. The consciousness of that, probably, will be his only reward.