OUR UNGUARDED TREASURY

Haphazard Financial System Which Has Necessitated the New
Budget System for Federal Government

By WILLIAM C. REDFIELD,
Retiring Secretary of Commerce

CURRENT discussion respecting a national budget is interesting both
for what is said and for what is left unsaid. It has been treated
by distinguished members of Congress
and of the Executive, including in both
cases those now serving and those who
have ceased to serve. All agree that there
is extravagance. Its extent, its
cause, the responsibility for it—on these
men differ. The Congressional part-
takers in the debate find extravagance
original with the executive departments.

There is, they allege, no adequate check
upon them, their estimates are not properly
supervised, there is no executive ex-
amination of them, they represent the
overzealous ambitions of services and they
come before Congress expressing
rather the desires of eager officers than the
actual necessities of the Govern-
ment. A distinguished member of a for-
mer Administration substantially concur-
s in this view. Congress gets before it, so
these advocates allege, estimates of
which the only thing certain is that they
are too large. Again it is agreed that
the case is aggravated by the fact that
there are numerous appropriating com-
mittes, some having a peculiar care of
the needs of one service or department.

There is no unified Congressional action.
The result is financial chaos, so far as
expenditures are concerned, with
extravagance.

A former Speaker and present mem-
ber of the Appropriations Committee
lines out how the present lack
of system grew up, but even he omits,
as others do, certain important factors,
some of them so important as to be at
times controlling.

There is much truth in the statements
briefly summarized above, but they are not
the whole truth—far from it. Collec-
tively they are one of those half
truths which give a false impresison. I
am a strong believer in the budget. I
believe, also, in a method of approipa-
tions which would treat all services in
the same spirit. That by itself would
be a distinct advance. But I hope for
this advance for some other reasons
than those suggested. It seems to
me possible that with the budget and the
centralized authority some important
Government services which have long
been financially starved may get the due
due portion of the public funds.

It is significant that in the discussion
thus far one group of men have had
nothing to say, and yet they are the men
who know the most of the subject. These
are the chiefs of services. Knowledge of
the detailed workings of Government
services is not widespread in Wash-
ingen. Very few members of Congress are
usually informed upon the subject. Many
of them have no time to learn details.

There are, I believe, relatively few in
other House who could name offhand the
services which constitute any two great
executive departments. Of their detailed
operations they have undoubtedly but little
knowledge. There are exceptions, of
course. There are men in both houses
who have thorough knowledge of some
services. There are some men who have
a general knowledge of many. These
are few.

This is natural, nay, inevitable. The
legislator has his own duties. Speaking
from my own experience, one's district
requires a reasonable and proper atten-
tion. This takes time. The legislative
business of the House and the necessary
attendance upon committees require more
time. A member who, when these two things are done, has energy
or time to enter upon a thorough study
of the Government departments. No one
is present upon the floor of either House
to speak for them. Speeches are not
uncommon in both houses respecting de-
partment work in which statements are
made which, to say the least, are remote
from the facts. I have known addresses
containing directly to certain departmen-
tal work in which there was hardly an
accurate statement. On special commit-
tees, where particular subjects are in-
quired into, there are well-informed men.

There are not many of them. Congress
has too much to do for that, and the
Government work is too vast.

Nevertheless, Congressional opinion
is always vocal. Men safely speak with
assumed authority in the absence of

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some estimates are extravagant, that some bureau chiefs ask more than they actually require, and every one pretexts important with the details of administration in Washington knows that the practice, though reprehensible, arises because Congress encourages it. These service chiefs who knew from hard experience that Congressional committee members take it for granted that their estimates are cut down. They naturally argue that since their estimates are to be cut down anyhow they would rather make them sufficiently large to secure enough, when reduced, to carry their work along as it should be done. I know that some argue in this way. I have had the argument urged upon me as a basis for my own action. Nevertheless, I do not believe that any large proportion of the bureau chiefs in Washington set upon this theory. They rarely apply it, for they frequently leave something undone that ought to be done because they do not get it. They are more concerned, I think, with what is going on in their work. Each thinks his work of vital importance. They are sometimes right, sometimes wrong, but as between them and the committees of Congress it is ridiculous to say that errors were not made.

It is the simple truth that the normal condition of some Government services is poverty as compared with the work they have to do. Congress not infrequently imposes additional duties upon them without providing means for carrying out the work.

Furthermore, sometimes the prestige of another Government department a certain expenditure as necessary and unwise are overruled by Congress, which has insisted upon the executive disburse public money in cases where the necessity of the expenditure is more than need a few millions of pounds of new food, to save $90,000 and stop productive work bringing wealth to the country and powerful support to many large industries, those heavy alleged economies resulting from cutting down department estimates.

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the Government, but rather to rebuke you for having been extravagant in making the estimate of the previous year. This absurd condition is perfectly well known, and is the incentive to definite action looking toward avoiding unexpended balances so far as practicable. Therefore, toward the close of each fiscal year, services cast about to see what is actually needed for which the balance of the appropriation can be properly spent, and this expenditure is then made with the thought in mind that there should not be any considerable sum to return to the Treasury, lest one be

the above phrase states the substantial truth.

A year ago I had the privilege of seeing a Canadian Minister put his appropriation through the House of Commons in Ottawa. To me the process, while very thorough, seemed simple, clear, and practical. If we should so amend our practice as to permit a Cabinet Minister to appear in the House of Representatives on matters concerning his department, the results would be striking. Congress believes he would be on the defensive. I think the reverse would often be true. There would be fewer speeches if men were present who knew and could state the facts, and the speeches that

The Tahoma, a Revenue Cutter. After Being Wrecked on an Uncharted Submerged Rock Off the Atlantic Coast. She Cost $224,737. There Was No Appropriation for a Survey.

mulcted when next he goes before the Appropriations Committee.

Not long ago the matter of the existing relation between Congress and the executive was stated thus by a colleague: “Congress feels that it has authority without accepting responsibility, and that the executive has responsibility, but without authority.” Generalizations are never scientific statements of fact, but were made would be more accurate. Knowledge would take the place of surprise, and truth the place of suspicion. Some slight readjustment would be required in executive details, but nothing which a month would not complete. Our legislative procedure would be simplified, and there would be very few after a year’s experience who would suggest a return to our present inadequate methods.