

# WILL CONGRESS STOP FEDERAL WASTEFULNESS?

## Only a Thorough Reorganization of Government Departments, Each of Which Wears a Coat of Many Colors, Can End Bureaucracy and the Pork Barrel—Lane Is Suggested for Work

**W**ASTE, long entrenched at Washington, is under the heaviest attack it has ever faced. The reason is that high taxes have established an irritating connection between this waste and the citizen's pocketbook.

The question is, How far will the reforms go? Will they be fundamental, reaching down to first causes, or will the defenders of the old methods—bureaucracy, apprehensive of wide changes, and Congressmen true to the traditions of the pork barrel—succeed in forcing compromises that offer the appearance and not the reality of true reform?

Whatever the outcome, there is no longer any doubt that a struggle is to take place over the issue. No issue touching Washington so deeply, affecting as it does the patronage of the Congressman and the security of the bureaucrat, has been proposed. In the country at large the issue is of far greater import. It is described as a new test of democracy, whether the principles of efficiency that have been proved in modern business can be put to work in the conduct of the business of the Government; that is, whether a democracy with such vast activity as is centered at Washington can protect itself against waste and inefficiency.

The cynics at the national capital laugh and say that all attempts to make genuine reforms in Congress and in the departments will fail as they have in the past. But many men of reputed wisdom predict that Congress, now at a low ebb in the esteem of the people, must at last act with deep-cutting thoroughness to regain a position of respect; that it will be forced by public opinion into championing Federal efficiency.

### Real Fight in Progress.

At any rate, the battle is on. Waste is being attacked in two ways: First, with a meat axe, slashing down appropriations to meet the demands of the immediate present; second, for the future, through plans for a complete overhauling of the departments and a redistribution of overlapping activities along uni-functional lines and for a similar reorganization of the committees of the two houses of Congress.

These two methods of attack link up in a way that throws light on the whole problem. To meet the gap between income and expenses, in the immediate present, other ways than the meat axe had been tried. They failed. Bureau chiefs said that when they discharged a bunch of war clerks, Congressmen, each in protection of some constituent, who demanded that the job be restored, protested the next day. Congressmen said bureau chiefs measured their importance by the number of subordinates and resisted any reductions.

Up to about six weeks ago reports showed the number of employees in the executive branches of the Government, in Washington and outside of it, to be about 750,000. This was 250,000 more than in the pre-war period. In the District of Columbia, Dec. 31, the number of employees in the executive civil service was 101,325. This was 3,929 less than the high point of Nov. 11, 1918.

It is true that large numbers of clerks have been needed in the Adjutant General's branch of the War Department, in the War Risk Insurance Bureau and in the Bureau of Internal Revenue, as compared with pre-war standards, but those employed in these places were far from accounting for the wide difference in the number of employees. For the next year a civil service official estimated before a Congressional committee that the number of classified employees called for as necessary would be 600,000. That would be double the number in the classified civil service in 1918.

Slashes have been made in appropriations to cut down this total. The new bill, if it gets through the Senate, will remove not less than 40,000 civilian employees from the Government rolls at the beginning of the fiscal year; 12,000 in the War Risk will be cut down to 7,500; the 21,000 in the War Department to 7,500. This will still leave a big advance in the number of Government employees over the pre-war totals. Chopping already done may do harm to the public service at some points; to go further, the defenders say, would be to risk serious damage. At the same time duplicating services, three and four in the most glaring instances, are left in the departments. They cannot be reached in an appropriation bill. The most fantastic illustration of duplication arises from these conditions; there are three species of bears in Alaska which the Government desires to preserve. Instead of one set of men in one department to do this, each species of bear has a department and staff of its own.

### Vast Reorganization Required.

This carries the question to the fundamental proposition of overhauling and reorganizing the departments. In no other way can it be found out to what extent the bureaus may be overmanned, or, by consolidation, to find out how many separate activities are dispensable. But this benefit, the saving of much money, would only be one of several, it is asserted; another would be organization for efficiency not possible under the present linking of incongruous activities.

To do this would be one of the greatest jobs ever undertaken at Washington. For the practical carrying on of the work, it would require a man of sterling

common sense, not to be led by theorists. Within the last few weeks several plans have been proposed. Each would make a joint committee of Congress responsible for the task, with a Secretary who would be the manager of the body of civilian advisers. The man ideally fitted to be Secretary of such a committee, in opinion heard at Washington, would be ex-Secretary of the Interior Franklin K. Lane, who, when he left office a short time ago, issued a statement that Washington was "poorly organized for the task that belongs to it." One Congressman said he thought Mr. Lane, who resigned because his salary was insufficient to provide for his family, would be cheap for this job at \$50,000 a year.

In the same statement Mr. Lane, while referring to the Department of the Interior as the most distinctly American of all the departments, said it was "the abiding place for a group of unrelated activities." Such a condition means an element of inefficiency, no matter how able and diligent the chief is.

In a Federal department in single master function is the model for efficiency; the activities of each bureau, experts say, should be vitally related to this function. In the War Department, war activities and those only; in the Navy Department, navy activities only, and so forth. In all the departments there are numerous violations of this idea; in some, violations are the rule and real co-ordination is impossible. Additions to the departments have been made like additions to some rambling building, here a bureau and there one. The Treasury Department is also a medical department, with its Bureau of the Public Health Service; it is also an engineers' department, having under it the Supervising Architect of Public Buildings; it is an insurance and pension office, having charge of the Bureau of War Risk Insurance; it has a military branch, with its Coast Guard Service; a disburser of general supplies, as the seat of the General Supplies Committee.

The War Department, the Department of the Interior, the Treasury Department and the Department of Agriculture all have important bureaus of engineering engaged in work outside of their chief function. Some of the incongruities in the Department of the Interior are the Patent Office, the Bureau of Education, the Bureau of Pensions and Howard University. If the idea of close co-ordination were strictly followed, probably half the bureaus in some of the departments would be shifted.

### Plan Before Congress.

One plan for reorganization was put before Congress a few days ago by Representative R. Walton Moore of Virginia, Democrat, in the form of a joint resolution. This plan has the backing of Herbert Hoover, who wrote: "It is wholly a forward step, and I could not improve on it. I do hope you get early authority in the matter." Ex-Secretary of the Interior Lane, in his endorsement, said: "If you can have the right committee you can do a great constructive work."



Ex-Secretary Franklin K. Lane, Whose Final Report Has Given Impetus to Efficiency Reform at Washington.

Mr. Moore proposes a committee of five members from each house who shall make a study of each distinctive service of the Government, with the purpose of reorganization along efficient lines and a redistribution of Government activities "that each executive Department all services and the personal services having close working relations with each other and ministering directly to the primary purpose for which the same is maintained and operated." Especially shall the committee determine the advisability of:

1. Removing from the War and Navy departments all services and the performance of all activities which are not of a direct military or naval character.
2. The removal from the Treasury Department of all services and activities not pertaining directly to the administration of the financial affairs of the country.
3. The creation of a Department of Public Works to take over all services having for their primary purpose the construction and operation of works of

an engineering and construction character and to act as a contracting agency for the performance of such work for other services where called upon by such services so to do.

4. The creation of a Department or Bureau of Education and Science to take over the services now scattered among several executive departments, or existing as independent establishments which have as their function not the administration of any body of substantive law, but the prosecution of inquiries and the performance of other work having for their purpose the promotion of education and scientific research.

5. The creation of a Department or Bureau of Public Health that shall take over all activities relative to the protection and promotion of public health, including such services as those for the enforcement of the pure food laws and meat inspection.

6. The creation of a Department or Bureau of Maritime Affairs, which shall take over such services as the Coast

and Geodetic Survey, the Hydrographic Office of the Navy Department, the Lake Survey of the War Department, the Coast Guard, the Bureau of Light Houses, the Bureau of Navigation, the Bureau of Steamboat Inspection and certain of the activities of the Shipping Board and the Emergency Fleet Corporation.

### Benefits to be Gained.

In this plan, it is learned, the question will come up of merging existing departments into new ones either under the old or new names, in order to avoid unnecessary increase in the number of departments; consolidated bureaus would decrease the number of these, and saving in overhead, in equipment and in supplies at the many points where duplications of one kind or another occur. In better service, in bringing the related activities together under one head, the return would be even greater; more would be obtained for each dollar spent, it is argued.

The Institute for Government Research, which has been consulted by both the House and Senate committees on the budget, assisted in drawing up the plan and states with regard to the need of such a committee of investigation: "The time has arrived when this whole administrative structure should be submitted to a thorough examination for the purpose of reconstructing it on some consistent and logical plan."

Senator Medill McCormick of Illinois, Republican, Chairman of the Senate committee on the budget, who took part in the reorganization and consolidation of the departments and bureaus of the State of Illinois, couples reorganization as an indispensable accompaniment of an effective budget system. In discussing the subject at Washington the other day he first spoke of the difficulties of any real economy or efficiency under the present system.

### McCormick's Views.

"Every member of the House Appropriations Committee will tell you," he said when asked why there had not been a larger reduction of Government employees since the war, "that the bureau chief begins to fortify himself—inevitably as he sees his own preservation involved—to defend the number of employees he has under him and at the same time to make plans for increasing this number. I do not mean to say this in reprobatation. That is human nature. In private enterprise the value of men to the enterprise in which they are engaged is measured by the amount of business he can do for a given cost. Our accounting systems in private business have been inaugurated to institute comparisons in cost per unit of manufactures or cost per unit sold, &c."

"Now, the Government has never been forced by the taxpayer or by competition to establish any modern standard of efficiency. One of the assistant secretaries, under whom clerks multiplied by the thousands during the war, told me that after one or two attempts to induce bureau chiefs and chief clerks to effect reductions in the clerical force at their own discretion he had to give this up. He was compelled to issue orders that over a given period there should be a monthly reduction of 10 per cent. in the clerical staff of each organization unit."

### Applying the Axe.

"In our Government there is no machinery by which to institute comparisons as to relative efficiency and econ-

omy with the several bureaus or departments in doing their work. Much may be accomplished by the adoption of an arbitrary policy like that by which the Republican Steering Committee of the House brought next year's expenditures within next year's income. They decided they would cut the Administration's estimates for what we may call the operative expenses of the Government, as distinct from the railroad deficit and the cost of the public debt, from 25 to 50 per cent. On the average, so far as we can see now, they have succeeded in doing it. And a Republican majority in the Senate is adding nothing substantially to the appropriations as passed by the House, though this is contrary to practice as one of its perquisites, because the Senate usually adds to amounts put in the bills by the House. Some say that the habit of the Senate will still assert itself at this session. I predict it is not going to happen."

"I have no doubt that in some quarters, on account of this, the public service will suffer from that arbitrary and seemingly indiscriminate reduction in estimates. But I don't believe that we could start back on the road to a rational number of employees by any other method under our present system. I am a Republican, and it might be expected that I would charge that politics had played a large part in the retention of so many of the wartime employees. Politics, I think, was a comparatively small factor. It was the system. The Administration's estimates would have involved us in a deficit of a billion dollars. We are just going to scrape through without making more than a nominal reduction in the floating debt of three billions Mr. McAdoo left us."

"Do you think the budget legislation in itself will be sufficient to accomplish the reforms needed?" the Senator was asked.

"This administrative machine is so vast—it grew so little by system. It was directed by such inferior executives during the period of its growth—that it will require, as it were, a machine especially devised to reorganize it," said the Senator. "The groundwork of that machinery is supplied by the Senate Budget bill, which I hope will become a law in time to operate for the preparation of next year's estimates. In my judgment, when the special budget committees of the two houses have accomplished their work they ought to be discharged and in their stead there ought to be set up a joint committee on co-ordination and reorganization of the executive departments. The present organization of the executive departments makes not merely for duplication, but for multiplication of like bureaus. For example, there are four map-making bureaus."

"There is a public demand for new activities. There are people seeking the establishment of a Department of Public Health, a Department of Public Works and a Department of Education. All this makes clear to the thinking man the urgency of a complete overhauling of the administrative machinery of the Government."

### Budget and Administrative Reform.

"There are some people who would like to see this done by a continuance of the Overman act in effect. As a mere practical consideration Congress will never consent to that. But just as some of the States have presented to the Federal Government examples of budget reform, so also have they set up examples of administrative reform. The adminis-

trative codes of Nebraska and Illinois are in point. The administrative reorganizations which these States established supplemental to the adoption of their budget systems resulted in efficiency and economy far greater than was hoped for. It will take the same sort of thorough shaking up to do the job here."

"In this work of reorganization at Washington I do not think the committee placed in charge should take up the task with any pre-conceived ideas; instead, with an open mind to follow what the investigation leads to as advisable and necessary. I do not say that we should not add any to the present number of departments, but let us first see whether by reorganizing the departments we may not achieve co-ordination and efficiency, which we all seek without increasing the total number. Let us start with no other assumption than to achieve an efficient, economic and business-like administration. If, then, reason points to new departments as necessary, we will yield to the necessity."

"I notice that the increase of the number of Cabinet members in England has led to an 'Inner Cabinet.' By the regrouping of bureaus and the placing of them relating to the same activity under new assistant secretaries we may be able to accomplish the end desired without adding a single one to the present number of departments. Strange, indeed, are some of the anomalies now existing. For instance, the Secretary of War, as that job was not big enough for one man, is in one of his functions a Colonial Minister; in another he is a Minister of Public Works, determining how much water shall flow into the Chicago River from the lake."

"But in this reorganization Congress cannot escape if it will meet the new needs. There are some seventy committees of the Senate, sixty of the House. Thirty committees in each body ought to be all that are necessary to do the work. Reduction in the number of committees will do away with a few perquisites, saving money, but that is not the important point. It would make for responsible leadership and getting things done with some promptness. We are not going to be able to do the work unless we do this. We shall not see any satisfactory resumption of confidence in Congress as such until Congress reorganizes itself; it will not regain its authority until it reorganizes itself."

Still the double question remains: First, Will Congress carry out its promises of drastic economy; will the slashes remain to the end, or will the extravagances be in part at least restored? Second, Will the reforms that can only bring about the larger and permanent economy and efficiency be put through? A few days ago the Agricultural Appropriation bill was reported out of committee in the Senate; \$1,772,000 had been added to the measure as passed by the House, making a total of \$31,072,000.

Congress expects to adjourn before the meeting of the Republican convention in June. That leaves about two months and a half. The Budget bill will be subjected to long debate. It is not yet on the floor of the Senate. Some of those opposed to it will try to prevent its passage by interposing delays wherever possible. Friends of the measure are apprehensive that such tactics may prevent the bill from becoming a law. What is needed, the champions of the reforms say, is more emphatic assertion of public opinion directed at Washington from all parts of the country, forcing Congress to make good its promises.