

pated in by some seventeen of the best known economists and publicists of ten leading nations. This conference was in session for ten days; and as a result of an earnest interchange of views, it unanimously agreed upon a declaration of purpose and method, which will shortly be officially announced. It includes a systematic investigation of economic causes and effects of war; the effects upon the public opinion of nations of retaliatory, discriminating and preferential tariffs; the economic aspects of the present huge expenditures for military and naval purposes, and the relations between military expenditures and international well-being and the world wide program for social improvement and reform which is held in waiting for lack of means for its execution. The purpose is to seek the formulation of conclusions based upon studies so exhaustive and so authoritative that they will necessarily serve for the guidance of governmental policy; and here again, the work, instead of being national or representative of distinctively American opinion, will embody the combined and composite conclusions of the best economic thought of the world. As stated by President Butler at the Mohonk Conference last May, the work of this Division of the Endowment "may well result, within a measurable period, in broadening the study and the teaching of political economy everywhere; it will help to bring about a new conception of history, and to establish new tests of effectiveness in the teaching of it."

The function of the Division of Intercourse and Education has been well described by President Butler, who consents for the present to take charge of it, as one "to supplement the work of the other two divisions,"—which are technically the scientific divisions,—"by carrying forward vigorously, and in co-operation with existing agencies, the educational work of propaganda, of international hospitality, and of promoting international friendship. It will make practical application of the teachings and findings of the Divisions of International Law and of Economics and History."

## THE PRESIDENT'S COMMISSION ON ECONOMY AND EFFICIENCY

Great interest attaches to the work now under way looking to a thorough investigation of the organization, activities, and methods of business of the national government. This investigation was authorized by the Sundry Civil Appropriation Act for 1911, approved

June 24, 1910, which placed at the disposal of the president the sum of \$100,000 to enable him: "by the employment of accountants and experts from official and private life, to more effectively inquire into the methods of transacting the public business of the government in the several executive departments and other government establishments, with the view of inaugurating new or changing old methods of transacting such public business so as to attain greater efficiency and economy therein and to ascertain and recommend to Congress what changes in law may be necessary to carry into effect such results of his inquiry as cannot be carried into effect by executive action alone."

This sum was later augmented by a further appropriation of \$75,000 contained in the Sundry Civil Appropriation Act of 1912, approved March 4, 1911.

To perform this obligation the president has created a commission known as "The President's Commission on Economy and Efficiency." It is composed of Dr. Frederick A. Cleveland, one of the directors of the New York Bureau of Municipal Research and well-known for his work in the field of government accounting, as president of the Commission, Mr. W. F. Willoughby, assistant director of the Census, Judge W. W. Warwick, examiner of accounts for the Panama Canal Commission, Prof. Frank J. Goodnow, dean of the Department of Political Science of Columbia University and Mr. Harvey S. Chase, head of the leading firm of expert accountants in New England, as commissioners and Mr. Merritt O. Chance, auditor for the Post Office Department, as secretary.

The composition of this Commission ensures that every phase of government business will receive due attention. In a general way the work of the Commission falls under the four heads of accounting and reporting, organization, personnel, and business methods. All of the accounting methods of the government have been subjected to detailed examination, and on the basis of the information thus secured there has been worked out a new system of accounting and financial reports that will be uniform, as regards its fundamental principles throughout the government. This matter has been reported upon by the Commission and its recommendations have been approved by the president and orders given to the several departments immediately to enter upon its installation. Its most important feature is that it calls for the keeping of accounts and the rendering of financial reports in such a way that expenditures will be shown in terms of objects for which made, services operated and work performed,

something which the accounts of the government have never heretofore done.

In the field of organization the Commission has nearly completed the preparation of an outline of the organization of the government that will show not only every organization unit such as a bureau, division, section, etc., but every subordinate unit, such as a library, laboratory, workshop, blueprint room, etc., and every station or post throughout the world at which the government maintains an officer or is performing activities. Through the study of this outline it is possible to determine points at which duplication of plants, offices, stations, etc., occurs or features in respect to which economy or increased efficiency may be realized by establishing co-operative relations between bureaus instead of each maintaining its own independent service.

While these studies are in progress the methods of business, such as the making of purchases, conducting of correspondence, maintenance of files, use of the most approved labor-saving devices, etc., are being investigated and a careful study is being prosecuted into all matters having to do with personnel, such as the classification, compensation, leave privileges, etc., of employees, superannuation and retirement systems. A very important part of this study will be a thorough inquiry into the practical workings of the civil service laws.

Present appropriations provide for the needs of the Commission until June 30, 1912. The magnitude of the task before the Commission is such, however, that much will undoubtedly remain to be done on that date, and it is very much to be hoped that the life of the Commission will be extended as long as work of value remains to be done. The reformation of an organization of the size and complexity of the national government cannot be accomplished in one year or two years. Indeed, it is a question whether a commission such as the present one should not be kept continuously at work.