October 18, 1920.

Mr. Stanley H. Howe, Director,
National Budget Committee,
7 West 8th Street,
New York.City.

Dear Sir:

Please accept thanks for copy of the draft of the Introduction to your survey of the Executive Departments, enclosed in your letter of October 16th addressed to Mr. Strong.

Mr. Strong is absent in the Far East, and is not expected back until the end of December, at which time I will be pleased to place your letter before him for attention.

Yours very truly,

Secretary.

May 3, 1921.

My dear Mr. Howe:

I am in receipt of your favor of the 2nd instant, and have read the enclosure with much interest.

When the plan for budget legislation was first proposed, I strongly favored having the budget a direct responsibility of the Presidents, and would still feel that that plan would insure constructive results if one could be sure that the President would actually make it his personal responsibility. If the chief of the Budget Bureau is a strong man of sound ideas, no doubt he could succeed in interesting the President and in actually insuring that the President would give it personal attention. If he were not a man of such character, the preparation of the budget would be no more effective in promoting economy in appropriation than is the present plan, or lack of plan. It was for that reason that I rather inclined toward having the budget organization in the Treasury Department, and directly under the Secretary of the Treasury. In other words, I feared that the President, whether willing or not, would be literally unable to give the necessary time to form an understanding of the business project of each appropriation year.

I am still uncertain on this point, and would have no definite opinion until I had a better knowledge of the attitude of the President himself.

I have less fear than was expressed in the memorandum, of the possibility of conflict between Cabinet officers, and it well might be that in the course of years the most efficient control of finance would be developed by having the Secretary of the Treasury exercise a certain supervisory authority or influence over the scheme of expenditure by the other departments.

Like all problems of this character, they will resolve themselves eventually to questions of personality. If the President can get a good man as his personal representative, and will back him and fortify his representative's program with his own personal support and good knowledge of what is proposed, then I think your program is a sound one. If the President cannot get a good man and will not actively interest himself in the work of his business manager, then I think the Secretary of the Treasury should be made responsible for the preparation of the budget, under the general direction of the President. The best way to reach a conclusion in this matter, it seems to me, is to go direct to the President and tell him frankly how we feel about it. I hope you and the members of the committee share this view.

Yours very truly,

Stanley H. Howe, Esq.,
c/o National Budget Committee,
7 West 8th Street,
New York, N. Y.

BS.MM

May 24, 1921

My dear Mr. Howe:

Mr. James S. Alexander advises me that he is sending you a check for $100.00 for the Committee's expense account.

Yours very truly,

Stanley H. Howe, Esq.,
c/o National Budget Committee,
7 West 8th St.,
New York, N. Y.

BS:MM

August 29, 1921.

Dear Mr. Howe:

I have just received your favor of August 25 and have been in something of a quandary as to how I should reply to your question about the movements towards a combination of the army and navy departments.

In the first place I am not sure that I would personally favor it, although I cannot claim to know enough of the subject to express a definite opinion. It happens that the Secretary of War is a personal friend and I would hesitate to participate in any move in the direction suggested by Mr. Brown unless I felt that both Secretary Weeks and Secretary Denby were in favor of the proposal. Have they been asked, and can you advise me of their attitude?

As to the suggestion for extending the organization of the Budget Committee, it seems to me I can be of assistance in this matter, and if you can prepare the form of letter suitable for me to send to the governors of the Reserve banks in the other eleven districts I should be glad to sound them out.

As to our own district, on receiving replies from my colleagues in the other reserve banks, I should be very glad to make some suggestions.

Awaiting your further reply, I am,

Very truly yours,

Stanley H. Howe,
Director of Organization,
National Budget Committee
7 West 8 Street, New York.
BS/RAH

September 13, 1921.

My dear Mr. Howe:

Replying to your favor of the 6th instant, I have somewhat changed the draft of letter to go to my associates in the reserve banks, and am enclosing a copy of one of them so that you may be familiar with what I am writing them.

It seems to me unwise at the outset to ask them to endeavor to secure the acceptance of the appointments, principally because I do not think that they are yet in possession of sufficient information to enable them to do so. I have, therefore, suggested that a memorandum will be enclosed with my letter describing the work which will be expected from these chairmen, which memorandum, it seems to me, should include something in regard to finance. If you can send me an outline such as will enable these gentlemen to act with full knowledge, I will then enclose it with letters of the character similar to the enclosed, and will then advise you of the replies. As to this district, I will submit a list of names as soon as I hear from the other Governors.

Yours very truly,

Stanley H. Howe, Esq.,
c/o National Budget Committee,
7 West 8th St.,
New York, N. Y.

BS:MM

Budget

September 30, 1921.

Dear Mr. Howe:

Mr. Strong has asked me to send you the enclosed letters from Governor Seay, Governor Biggs, and Governor McDougal, which are acknowledgments of his letter of recent date, and suggest that you acknowledge these letters, and at the same time open correspondence with the gentlemen whose names are suggested as willing to accept appointments as local chairmen of budget committees in the districts mentioned by the Governors of the different Federal Reserve Banks.

Yours very truly,

Secretary to Mr. Strong.

Stanley H. Howe, Esq.,
c/o National Budget Committee,
7 West 8th St.,
New York City.

Encs.

GB:MM

October 7, 1921.

Dear Mr. Howe:

As I shall be in Washington on Monday next, I regret that absence from the city will prevent my attending the meeting of the Board of Directors of the National Budget Committee on October 10. Will you please convey my sincere regrets to Mr. Pratt and the other directors.

Thanking you for your letter, I am,

Yours very truly,

Mr. Stanley H. Howe,
Director, National Budget Committee,
Seven West Eighth Street,
New York City.

GB/EAF

Budget

October 20, 1921.

My dear Mr. Howe:

I thank you for your letter of October 19, enclosing preliminary report of the results secured through the letter which I recently sent to the various Governors of the Federal Reserve Banks.

If there is anything further that I can do to help the good cause along, do not hesitate to advise me.

Yours very truly,

Stanley H. Howe, Esq.,
c/o National Budget Committee,
7 West 8th St.,
New York City.

GB:MM

Dawes

October 24, 1921.

Dear Mr. Howe:

The attached letter from Governor Calkins of the Federal Reserve Bank of San Francisco, is referred to you for your attention.

Yours very truly,

Stanley H. Howe, Esq.,
c/o National Budget Committee,
7 West 8th St.,
New York City.

Enc.

Budget

October 27, 1921.

Dear Mr. Beach:

I am returning the enclosures attached to your letter of October 26, about which I talked to you over the telephone this morning.

Yours very truly,

Edward P. Beach, Esq.,
c/o National Budget Committee,
7 West 8th St.,
New York City.

Encs.

October 29, 1921.

Dear Mr. Howe:

I thank you for your letter of October 27. It is perfectly agreeable to me to have you communicate directly with the Governors of the Federal Reserve Banks, with regard to appointing city chairmen in their districts.

I shall give some thought to the possible appointments in the Second Federal Reserve District, and shall communicate with you again.

Yours very truly,

Stanley H. Howe, Esq.,
c/o National Budget Committee,
7 West 8th St.,
New York City.

GB:MM

Bud Pet

November 2, 1921.

Dear Mr. Howe:

The enclosed is a list of names of bankers which I have selected to act as city chairmen for the various cities mentioned in the Second Federal Reserve District, in connection with the work of the National Budget Committee.

After you have written to these gentlemen will you be good enough to let me know how many have accepted their appointment, and whether you desire additional names to take the place of those who may be unable to accept.

Yours very truly,

Stanley H. Howe, Esq.,
c/o National Budget Committee,
7 West 8th St.,
New York City.

GB:MM

Budget

November 17, 1921.

My dear Mr. McMabon:

I thank you for the report contained in your letter of November 15, with respect to the appointment of City Chairman in the Second Federal Reserve District.

It is gratifying to learn of the favorable responses received by you in connection with the appointments, and that the Governors of the other districts are giving the movement splendid cooperation and support.

Yours very truly,

H. H. McMabon, Esq.,
National Budget Committee,
7 West Eighth Street,
New York, N. Y.

G.B.

Budget

November 23, 1921.

Dear Mr. McMahon:

11/18/21

At the request of Mr. Strong, I am enclosing letter received from Mr. J. J. Rowe, Vice President of the First National Bank, Cincinnati, which is in answer to Mr. Strong's telegram of November 17, copy of which is herewith enclosed.

In the absence of Mr. Pratt, Mr. Strong felt that you would like to have this for your information.

Yours very truly,

Secretary.

H. H. McMahon, Esq.,
c/o National Budget Committee,
7 West 8th St.,
New York City.

GB:MM
Enc.

Budget

December 2, 1921.

My dear Mr. McMahon:

I have your letter of November 28, reporting the progress you are making in connection with the bankers recommended by Mr. Strong. I am sending you a list of names which you might consider, to take the place of those who have either declined or do not wish to act as chairman in their communities.

I would urge that you write to Mr. C. A. Chase of Syracuse, and see if it is not possible for him to accept the appointment. I understand that he is a very good man for this particular kind of work. Should he, however, decline to accept, I suggest the name of C. H. Sanford, President, Syracuse Trust Company, Syracuse, N. Y.; also the following:

S. S. Marsh, Vice President and Cashier,
National Newark & Essex Banking Co.,
Newark, N. J.

Wm. I. Taber, President,
Citizens Trust Co.,
Utica, N. Y.

C. H. C. Jagels, President,
Second National Bank,
Hoboken, N. J.

Yours very truly,

H. H. McMahon, Esq.,
c/o National Budget Committee,
7 West 8th St.,
New York City.

GB:MM

May 17, 1922.

Dear Mr. Howe:

Your favor of May 15 is received, and the enclosure addressed to Mr. M. B. Wellborn, Governor of the Federal Reserve Bank of Atlanta, was duly signed by Mr. Strong and forwarded to-day.

Yours very truly,

Secretary to Governor Strong.

Stanley H. Howe, Esq.,
c/o National Budget Committee
340 Madison Ave.,
New York City.

GB.MM

National Budget

June 19, 1922.

My dear Mr. Howe:

The letter of June 16 from Governor Wellborn, and appended copy of my reply, is enclosed for your information and attention.

Yours very truly,

Stanley H. Howe, Esq.,
National Budget Committee,
340 Madison Avenue,
New York, N. Y.

August 4, 1922.

Dear Mr. Howe:

I enclose check for $500.00 payable to the order of the National Budget Committee, as a temporary loan to replenish the treasury in order to meet current expenses as per your telephone conversation of to-day.

Kindly acknowledge receipt.

Yours very truly,

Benj. Strong

Stanley H. Howe, Esq.,
c/o National Budget Committee,
340 Madison Ave.,
New York City.

enc.

GB.MM

August 11, 1922.

Dear Mr. Howe:

Thank you for your note of the 10th. I was very glad to advance the $500.00, and Mr. Beyer told me of your difficulty.

The committee named in your letter is certainly a good one. Have you ever tried to get Senator Pepper of Pennsylvania? He is a splendid speaker and much interested in matters of this kind.

Yours sincerely,

Stanley H. Howe, Esq.,
c/o National Budget Committee,
340 Madison Ave.,
New York City.

BS.MM

Budget

September 5, 1922.

Dear Mr. Howe:

I shall be pleased to attend the luncheon of the directors of the National Budget Committee to be held at the Down Town Association at one o'clock on Wednesday, September 6th, which is in answer to your letter of August 31.

Yours sincerely,

Stanley H. Howe, Esq.,
c/o National Budget Committee,
340 Madison Ave., New York City.

GB.MM

NATIONAL BUDGET COMMITTEE
SEVEN WEST EIGHTH STREET
NEW YORK CITY

796

Ack 10/18/20

October
16
1920

Mr. Benjamin Strong,
Federal Reserve Bank,
New York City.

My dear Mr. Strong:

I am sending you herewith a copy of the draft of the Introduction to our survey of the Executive Departments for your examination and suggestions.

Very truly yours,

Stanley H. Howe
Director.

THE PROBLEM OF GOVERNMENT REORGANIZATION.

In a general way, at least, the defects of the administrative machinery of the Federal Government are well known. Everyone is familiar, for example, with the incongruous character of the Interior Department, which for many years was the dumping ground for those administrative units for which no logical place could be found in the existing organization plan; with the inclusion in the Treasury Department of such obviously non-fiscal services as the Coast Guard, the Public Health Service, the Supervising Architect's Office, and more recently the Bureau of War Risk Insurance; with the fact that the bulk of our civil public works are executed under the direction of the War Department, although the Bureau of Public Roads is located in the Department of Agriculture, and the Reclamation Service in the Department of the Interior. These are merely important examples of a condition that would require pages to describe fully, but it is plain that the great executive departments are illogically and uneconomically constituted in many important particulars. Work of the same character, or at least in analogous fields, is carried on by a number of establishments, not infrequently located in different departments; while certain of the larger executive departments embrace administrative units performing service in several fields almost wholly without relation to each other or to the major functions which those departments were established to perform.

Independent Establishments.

Something more than forty establishments, varying in size and importance from the National Screw Thread Commission to the United States Emergency Fleet Corporation, maintain their existence in the executive branch of the Government entirely free and independent, and completely outside the jurisdiction of any of the ten department secretaries. Nominally, they are under the direction of the President. As a matter of fact, the President is unable to keep in touch with even an insignificant fraction of their activities. The existence of this miscellany of independent bureaus, offices, boards, and commissions, is one of the most apparent defects of the present day governmental organization. Each of these establishments pursues its course practically as it pleases, without the guiding and coordinating influences which would grow out of its association with other offices under a department head. Very often units of this category are almost lost sight of both by Congress in the assign-

ment of work to the various departments and by the President in the exercise of executive direction and control.

These are perhaps the primary defects of the present day organization of the Executive branch of the Government. There are others, of course, of lesser consequence. But it is the common sentiment of public men, of students of government, and of the great body of citizens that the Government is not now organized for the most economical and effective prosecution of the work it is required to do; and that a redistribution of activities must be brought about, if we are to have scientific administration, with a minimum of duplication between departments, of overlapping of authority, and of needless expenditure of public funds.

Limitations of the Reorganization Program.

Many suggestions have been made for changes in our institutions as a part of the reorganization program, which reach to the fundamentals of our form of government as given expression in the Federal Constitution. It must be conceded that errors have been committed in building upon the framework laid down in our organic law, but it would seem to be both futile and irrelevant to propose the adandonment of the original plan on that account. It will be wise to reject all such suggestions, whatever intrinsic merit they may have, on the ground that the present need is merely for a realignment of the agencies of government, a need which may be met at once in a very practical way, without raising Constitutional questions which might require years for settlement. No better illustration of suggestions of this sort may be found than the claim often put forward that in reorganizing its departmental service the United States should have regard to the governmental systems of England and other European states, and should perhaps borrow from those systems the theory of cabinet responsibility, to be applied in the American Government in the place of our own peculiar theory of the individual responsibility of the chief executive.

The English cabinet, which is fairly typical of all European cabinets, is made up of those persons occupying the highest executive offices in the state, who in concert direct the Government and are jointly and severally responsible for its acts. It always includes the individuals occupying the following positions, who are, therefore, called "cabinet ministers": The First Lord of the Treasury, The Lord Chancellor of England, the Lord President of the Council, the Lord Privy Seal, the five Secretaries of State, the Chancellor of the Exchequer, and the First Lord of the Admiralty. Although not necessarily so, other important executive officers, including the Postmaster General, the

First Commissioner of Works, the Chief Secretary for Ireland, the President of the Board of Agriculture, and the President of the Board of Education are frequently members of the English cabinet.

Two Constitutional principles are recognized in England as underlying the cabinet form of Government: First, that the Government should be composed of statesmen holding the same political views and identified with each other; and second, that it should stand upon a parliamentary basis and be compelled to obtain and holdnthe support of the Parliament. The cabinet is the Government. It exercises all the powers vested in the sovereign. At the same time all its members are also members of the Parliament, the cabinet being effectually a standing committee of the legislative body. Members of the cabinet are jointly and severally responsible for all its legislative proposals as well as for the executive conduct of the various functions of government. They are selected primarily as advisers and invariably out of consideration of their value as cabinet ministers. Incidentally only they are or may be heads of the several executive establishments.

In the Government of the United States, on the other hand, there is no such thing as a cabinet in the British or European sense of the term. The word is used, however, to describe a council called by the President, without any legal status whatever, composed of the heads of the principal executive departments. Although political considerations often weigh heavily to influence the President in his selections, the members of this council are nevertheless selected primarily as department heads and only secondarily out of consideration of their value as cabinet members. The so-called cabinet is in reality a group of per sons, each individually answerable to and dependent upon the President. The body has no collective responsibility and rarely even a joint policy. Decisions on all questions must be made by the President, since his responsibility is personal and exclusive. The members of the American cabinet are, of course, excluded under the Constitution from membership in Congress. They are entirely independent of the legislature, so that, theoretically, the American cabinet has nothing to do with the preparation of bills or the formulation of parliamentary programs. It is not a government in the European sense of the term, but merely a group of heads of departments whom the President often brings together for advice on questions of administration, or in order to settle matters which arise in the borderland between two departments.

These differences between the American and the English cabinets are, of course, fundamental - not merely the result of historical circumstance. The President may seek advice where and how he will - he can compose his cabinet of five members, of ten members, of twenty members, heads of departments or not, but he cannot, under the Constitution, share his responsibility with any body of advisers however constituted. A practical plan for the reorganization of the executive branch of the Federal Government will, therefore, leave strictly alone all questions affecting the form or size of the cabinet, or the relationship which exists between that body and the President.

Furthermore, reorganization does not primarily contemplate expansion, or the addition of new functions. Neither is it a necessary part of reorganization to curtail activities or cut off functions. And yet many of those advocating a reorganization of the Government either seek to confine its powers and its jurisdiction within narrower bounds, or recommend that the Government should extend its jurisdiction or at least give greater prominence to activities that have heretofore been allotted a minor place.

Without attempting to reconcile these divergent views, it may be accepted as a matter of principle that all questions of the addition of new functions or the curtailment of existing powers fall definitely outside the scope of the problem of reorganization, and must eventually be settled, each one on its own merits, independently of that problem. The need for reorganization, speaking precisely, springs wholly out of the fact that the executive departments, as they exist today, are not in any sense the product of intelligent planning, but the result of piecemeal building by successive Congresses practically without a plan; and the prime purpose of reorganization will be to effect such a regrouping of the agencies that have been brought into existence in this piecemeal fashion, and such a reassignment of the activities which from time to time have been authorized by Congress, as will insure the most economical and effective possible prosecution of the proper objects of Government as they have been determined by Congress and given expression in the statutes.

This does not necessarily mean, however, that it will be impossible, or improper, to propose the establishment of new agencies or even of new Executive Departments (or, on the other hand, the discontinuation of existing agencies or or departments in their present form). If it could be demonstrated, for example, that a considerable number of service units are scattered through the several departments, all dealing with various aspects of the general problem of promoting and protecting the public health - if it could be demonstrated that these units could be more effectively administered if grouped under the same departmental

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direction, and that such a combination would be so large of itself that it could be effectively administered only if maintained separately from the jurisdiction of any existing executive department - under such an hypothesis, the establishment of an independent department of public health would be unobjectionable as a part of the reorganization program. But it is not a part of that program to expand the public health activities of the Government, or to provide machinery for the conduct of enterprises in this field which have not been authorized by legislative action. Reorganization deals with ways and means, with machinery - not with purposes or objects and it will, therefore, provide new departments only when necessary to the more effective conduct of enterprises already authorized, never in answer to a demand of this group of that group for the entry of the Government upon a new field of endeavor.

It will nevertheless be necessary to take cognizance of the tendencies of the times, and to provide means whereby the various functions of Government may steadily be extended and developed according to those tendencies, and with the least possible strain upon the executive organization. It would be a narrow-minded reorganization policy indeed that would ignore the question of what requirements the machinery of the Government will be called upon to serve in the future. Although those requirements cannot be forecast with absolute accuracy it is nevertheless possible to build for the future at least to the extent of providing a definite place in the organization of the departments for the location and performance of each major function and object of government. Not the smallest of the advantages of grouping analogous activities in a single department will be the stimulation of growth and development, not of particular bureaus and offices, but of the major fields of government operation. And while the present program of reorganization should seek only to provide the means of a more effective and economical administration of existing enterprises, it will nevertheless clear the way for the later development of particular functions in response to popular demand.

A Practical Reorganization Program

If in attempting a reorganization of the executive branch of the Federal Government it is to be assumed that no consideration will be given to any proposals to effect changes in the fundamental principles upon which our governmental structure has been erected, and that no effort will be made to curtail or to extend the powers and functions which were delegated to the Federal Government by the Constitution, or which have been assumed up to the present by the Federal Government under the most liberal interpretation of the Constitution, it is at once apparent that the program of reorganization is

restricted to a careful consideration of the proper grouping of existing services and a proper distribution of the functions of Government among those services. In carrying out this program, it will be necessary to lay the existing organization upon the dissecting table, to minutely analyze the activities of each governmental agency, and to effect the regrouping of services that will best lend itself to an economical and efficient administration of public affairs.

Reorganization is, however, something more than a more transfer of agencies from one jurisdiction to another, or a mere statutory shifting of lines of authority. Real reorganization means eliminations, consolidations, cutting down overhead, reduction of force, improvement of service. These things cannot be accomplished by statute. They are essentially matters for administrative action. But the great obstacle in the way of executive action of this sort lies in the heterogeneous character of the most important executive departments and in the statutory location in different departments of units whose work is similar, or at least in similar fields. This condition is the result of legislative action, and an effective bar against real reorganization which only legislative action can remove. The General Land Office, the Geological Survey, The Coast and Geodetic Survey, the Lakes Survey, and the Navy Hydrographic Office, for instance, are separate agencies engaged in surveying operations on land on water. That there are duplications in their equipment and work and much needless overhead expense, there can be no doubt. But so long as they are permitted to maintain their existence in four separate executive departments, duplications and waste must continue.

To obtain the benefits of real reorganization, all services operating in the same field, services conducting operations of a similar character, must, by law, be placed under one general direction; and conversely, the field of each department must, so far as possible, be restricted to a single class of closely related activities. Reorganization will then follow naturally. Effective cooperative relations will spring up between services engaged in analogous lines of work. Duplications of equipment, plant, and activities will disappear. Services whose work is sufficiently similar in character will be consolidated. Unnecessary services will be eliminated, and duties will be more logically assigned among the working units which remain.

Reorganization legislation, however, can accomplish only three things - or more properly speaking, that part of the work of reorganization which can be accomplished by statute consists of three things: First, the grouping together of services of like character, or whose work is analogous; second, the restriction

of the field of each department, so far as practicable, to a single class of closely related activities; and third, the investment of the Chief Executive with authority to make such organization changes within the respective departmental jurisdictions as may be necessary in the interest of economical administration and improved service.

Controlling Principles.

In formulating reorganization legislation it will be necessary at the outset to lay down certain principles upon which to base any specific grouping of agencies which may be determined upon. Two standards have been suggested by which service units may be measured in order to determine their respective places in the organization as a whole. The first is that agencies performing analogous functions or having analogous objects should be grouped together. The second is that agencies requiring the same variety of mechanical equipment, using the same methods and procedures, and employing personnel of similar qualifications, should be placed under the same management without regard to the general functions which they variously perform or to the objects which they respectively seek to attain. Needless to say, the functional standard and the mechanical standard are often, although not usually, in sharp conflict. Under the theory of grouping Federal agencies according to the major objects of government, a unit created to foster thrift among our citizens, and particularly among industrial workers, would certainly never have been located in the Post Office Department, whose major object is to carry the mail. But that department is the sole Federal establishment maintaining offices in all sections of the country, however remote; and, quite correctly, the mechanical standard was permitted to prevail against the functional standard in the establishment of the Postal Savings Bank under the jurisdiction of the Postmaster General. But the reverse is usually true. Whether appropriately or not, the War Department, the Navy Department, and the Post Office Department separately maintain aerial services, on the theory that regardless of questions of mechanics there should be no suggestion of confusing the three major governmental objects involved, national defense by land, national defense by sea, and carrying the mail.

It is obvious, of course, that neither of these standards can be applied to the exclusion of the other. Indeed, in most cases they run parallel. Where they are in conflict, it is well to follow the general principle that services should be grouped according to the character of the major objects or functions for which they were created. But it will always be necessary to make

of the field of each department, so far as practicable, to a single class of closely related activities; and third, the investment of the Chief Executive with authority to make such organization changes within the respective departmental jurisdictions as may be necessary in the interest of economical administration and improved service.

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exceptions, and here and there to allocate an agency to a particular jurisdiction solely from considerations of the character of the equipment and personnel required in the performance of its functions.

Disposition of Independent Establishments

In the determination of the disposition to be made of the present independent establishments will be found one of the most perplexing phases of the reorganization problem. It seems at first blush that all the affairs of the Government should be administered through a snug departmental system, under which authority would invariably flow from the President to the bureau chief through a department secretary. Such a system would tolerate no independent establishment. But it is difficult to fit such agencies as the Interstate Commerce Commission, the United States Railroad Labor Board, or the United States Emergency Fleet Corporation, into a rigid departmental plan. That any of these units could be somewhat less definitely associated with the department dealing with analogous problems, however, and to much advantage, there is little doubt. Such an association could perhaps be accomplished by giving to the department secretary an ex officio membership in the board or commission, and transferring to the department the administration of its purely administrative affairs.

In the last analysis, of course, the proper disposition of each independent establishment will be arrived at by apply ing the principles laid down above, that services conducting analogous activities or operating in substantially the same field, should be grouped together, and that the field of each executive department should so far as practicable, be restricted to a single class of closely related operations. Even though it is assumed, however, that all existing independent establishments should be given departmental affiliations under these rules, the mechanical difficulties in the way of effectuating such affiliations will frequently be great. The Federal Board for Vocational Education, for instance, is an independent establishment, operating in a field very closely related to the activities of the Bureau of War Risk Insurance and the Public Health Service of the Treasury Department. All considerations of effective administration point to the desirability of placing the Federal Board in the same department with those two establishments, yet the membership of the Board is made up of seven individuals, three of whom are heads of executive departments, and one of the chief of a bureau in the Department of the Interior. Obviously a Board so composed could not be brought under the jurisdiction of any of the executive departments. The solution of this particular problem, and of similar problems, will probably be found in the abolishment of the Board as such, and the assumption of its powers, duties and responsibil-

ities by a bureau, to be established in the department which generally performs analogous work. Where special considerations stand squarely in the way of action of this kind, as undoubtedly true in the case of the Interstate Commerce Commission, the Federal Trade Commission, the United States Shipping Board, the United States Tariff Commission, and similar boards and commissions, it will always be found feasible to provide for some less definite association with one of the great executive departments.

The Reorganization Program in Summary.

The foregoing observations upon the problem of Government reorganization are intended to set forth, as definitely as possible, the principles which should guide the framers of reorganization legislation. Accepting these principles, the problem is stripped of much of its complexity. The reorganization program may be said to consist of an accurate inventory and evaluation of the major objects and functions of the national government as recognized by statute; a careful analysis of the organization and activities of existing agencies of government; a regrouping of those agencies by legislative action so that service units operating in the same or analogous fields, judged either by a functional or a mechanical standard, will be placed under the same general direction; and the subsequent consolidation, combination or elimination of agencies by executive action. Such a program is practical. It can arouse no objection except from special interests who find in it no opportunity to obtain a larger representation in the Government. In the last analysis its results will be measured in terms of improved service and decreased cost. Since so far as practicable it will place but one general class of activities under the same executive direction and control, it will insure better supervision. Since it will group like activities together, it will permit standardization of practices and procedures, set up cooperative relations between analogous services, eliminate conflicts of jurisdiction, facilitate a logical distribution of work by Congress and the Executive, and make possible the formulation of fundamental and far reaching policies with respect to broad fields of related work.

Federal Budget

Budget

Government Reorganization

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tion by a bureau, to be established in the department which presently performs analogous work. Where special considerations clearly dictate the wisdom of action of this kind, as undoubtedly were in the case of the Interstate Commerce Commission, the Federal Trade Commission, the United States Shipping Board, the United States Tariff Commission, and similar boards and commissions, it would always be found feasible to provide for some Task definite consultation with one of the chief executive departments.

The Reorganization Program in Summary.

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TELEPHONE STUYVESANT 8172

NATIONAL BUDGET COMMITTEE
SEVEN WEST EIGHTH STREET
NEW YORK CITY

May 2, 1921

Mr. Benjamin Strong,
15 Nassau Street,
New York, N. Y.

My dear Mr. Strong:

I am informed that another deadlock has developed in Washington between the Senate plan of placing the Budget Bureau in the office of the Secretary of the Treasury and the House plan of placing the Bureau in the office of the President. This time the House is not likely to compromise with the Senate on this issue, and the question will have to be settled finally by the President himself.

I enclose herewith a brief prepared for our Committee by Mr. Z. L. Potter, Vice-President and Business Manager of the New York Evening Post, in which he sets forth the arguments to be advanced publicly by the Evening Post in favor of placing the Budget Bureau in the office of the President. Mr. Potter informs me that officers of the United States Chamber of Commerce have recently expressed their approval of the House plan, and that the Chamber may go on record in this regard. He also reports that Mr. Hoover is strongly in favor of the House plan but cannot take an active part in the fight on this issue, as he is at this time more intimately concerned with the struggle on reorganization.

The Evening Post has asked our Committee to organize a delegation to visit the President in the interest of the House plan of placing the Budget Bureau in the President's office. Of course, this is a matter of policy which must be determined by a vote of our Board of Directors. No meeting of the board has been arranged, but I am advising you of the matter now, so that you may be prepared if you are called upon for your own convictions.

Sincerely yours,

Stanley Howe

Director

IT WILL BE A SERIOUS MISTAKE IF THE BUDGET BUREAU IS LOCATED IN THE TREASURY DEPARTMENT AS PROVIDED IN THE BILL THAT HAS PASSED THE SENATE, INSTEAD OF IN THE EXECUTIVE DEPARTMENT.

1. The most important task of the Budget Bureau will be to cut the Departmental estimates submitted by the various Cabinet Officers. To act effectively the Chief Budget Officer should, if possible, have a position that will permit him to meet the Cabinet Officers on a basis of equality. If he holds a position under the Secretary of the Treasury it obviously will make it more difficult for him to act with courage in cutting estimates than if he is located in the Executive Office immediately under the President. And courage is essential to the success of his work.

2. Intelligent planning of the budget must rest upon intimate year round contact with the work of the smallest divisions of every department. The Chief Budget Officer must know not only how much was expended for each activity the previous year, but he must also know how effectively the work was carried on, whether staff and expense allowances were too large or too small, the value of the services rendered, whether the field for service is expanding or contracting, etc. To gather this information he must have the most cordial cooperation of all branches of the Government.

Since the establishment of the Government there have been conflicting plans and jealousies between the Departments. The Treasury has not been exempt from these and will not be in the future. For over a century the Treasury has been on a basis of equality with the other Departments. There can be little doubt that its representatives, delving into the work of the other Departments will often be resented. At any rate it is certain that a Chief Budget Officer representing the President would gain more cordial cooperation and get more information from the Departments than such an officer representing the Secretary of the Treasury.

3. Located in the Treasury Department the Chief Budget Officer will have to review the estimates not only of the other Departments, but of his own chief. This will, in effect, create the very unsatisfactory situation of the Treasury reviewing its own estimates, - a situation that will not be corrected even if the Treasury be divested of non-fiscal functions. With the internal Revenue Bureau, the Customs Service, the Treasurer's Office, the Division of Loans and Currency, and other Bureaus the Department will still remain an important administrative and spending agency of the Government.

The Treasury in Great Britain, that is the fiscal control agency akin to the proposed Budget Bureau, has been divested of the tasks of collecting revenues, disbursing monies and handling the public debt. Its only remaining administrative duty is to handle pensions, and the Select Committee on the Budget in 1918 recommended that it be relieved of this task also, because the fiscal control agency should not have administrative functions.

No advocate of locating our Budget Bureau in the Treasury has even suggested that the Department be relieved of its fiscal administrative functions. It is to remain an important administrative and spending agency, but is to review its own estimates; a situation likely to give rise to much bitterness when the Treasury cuts the estimates of other Departments.

4. The Budget Bureau, if it does its work properly, will be in intimate touch throughout the year with the progress of work in every Department and independent agency. The facts that it gathers will be of very great value, if the Bureau is located in the Executive Office, in keeping the President in touch with problems of administration. At present he has almost no contact with the activities of the different departments, and there can be little doubt that as a result the quality of the service suffers. He gets no periodic reports of any sort from any branch of the government; yet he is the only General Manager that the United States Government has.

Were the Budget located in the Executive Office many a brewing conflict or duplication between different departments would be ironed out at its inception, and many a failure to secure efficiency in administration could be corrected before it became serious. Moreover, the fact that the President was constantly in contact with the progress of Departmental work would be a constant stimulus to efficiency.

5. No matter where the Budget Bureau is located the President will in the end have to act as final arbiter in all disputes between the Budget Bureau and the Departments. But it will be much easier for him to settle them if the Budget Bureau is a part of his office.

Consider a case: The Chief Budget Officer cuts an item from a Departmental estimate. The Department head protests. After discussion the Chief Budget Office holds his ground. The Department head protests to the Secretary of the Treasury, and the latter backs up his subordinate. The Department head then takes the case to the President, having carefully prepared his case. The Budget Officer who has the detailed information why the amount should not be granted, is not present. He is represented by the Secretary of the Treasury. As likely as not the matter has by this time become a personal issue and the President, in rendering his decision, must seriously disappoint either the Secretary of the Treasury or the opposition Secretary.

How much easier the whole process would be if the Chief Budget Officer were a part of the President's personal staff. In the first place, being close to the court of last resort, he would be much more likely to be able to reach an agreement with the Department head. If, however, agreement were not possible the matter would be brought before the President, who before the matter had been allowed to become a personal issue and before even a tentative decision had been reached, would call a conference and reach a decision. Obviously, it will save much hard feeling and much time, and make the paring of estimates much easier if the Budget Bureau is located in the Executive Office.

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But two arguments have been offered in favor of placing the Budget Bureau in the Treasury Department:

1. The Treasury wants it. The answer is: Naturally.

2. Some fear that the Chief Budget Officer would have too much power if located in the Executive Office. "He would be a super-Cabinet Officer."

The answer is: Of course he would have a good deal of power; but there would be little danger in its abuse if he is given no original authority, but made to derive all his authority through the President.

TELEPHONE, STUYVESANT 8172

NATIONAL BUDGET COMMITTEE
SEVEN WEST EIGHTH STREET
NEW YORK CITY

May
16
1921

Mr. Benj. Strong,
15 Nassau Street,
New York City.

My dear Mr. Strong:

It was very good of you to respond so promptly and effectively to our call for subscriptions to the work of the National Budget Committee.

I enclose herewith a clipping from yesterday's Times regarding the Convention of the New Jersey Bankers' Association held in Atlantic City, at which a resolution was unanimously adopted authorizing the association to take out a membership in our Committee and urging individual members of the association to join our committee personally.

Thanking you for your help, I am

Very sincerely yours,

Stanley H. Howe
Director.

N.Y. Times
May 15

NANCIAL.

NEW JERSEY BANKERS FAVOR BUDGET PLAN

State Association Pledges Support to Reorganization of Federal Departments.

Special to The New York Times.

ATLANTIC CITY, N. J., May 14.—Members of the New Jersey State Bankers' Association, individually and collectively, will support the nationwide movement for a reorganization of the Federal Government departments now before the Smoot Reavis Committee of Congress. The organization, at its closing session today, voted unanimously to join with the National Budget Committee, of which John T. Pratt of New York is Chairman, in sponsoring the plan as a policy of goverinmental retrenchment and economy.

Opposition to the Branch bill now before Congress, which would permit national banks throughout the country to open branches, was voiced in resolutions.

United States Senator Frelinghuysen of New Jersey, sponsor of the measure, was requested by the bankers to amend the bill so that it would not apply to this State.

Investigation of the encroachment of private bankers upon the legitimate banking interests was authorized in a resolution that directed attention to the unfair competition of private banks that do not observe regularly recognized banking hours or other regulations. Another resolution asked Congress to use all haste in getting the railroads of the country back on a normal footing.

Bankers of the State probably will arrange to take over $17,000,000 worth of State bonds which are to be issued next month, as a result of a conference held here today between leading representatives of the New Jersey Bankers' Association and State Controller Newton A. K. Bugbee.

Soldiers' bonus bonds will make up $12,000,000 of the issue. The balance of $5,000,000 will be "Series A" of the $28,000,000 of bridge and tunnel bonds.

Bankers of the State were appealed to by the Controller on the ground that it would be fine for the New Jersey financial institutions to make a special effort to absorb the entire issue. A committee of bankers was appointed to consider the proposition.

MEMORANDUM

FROM Mr. McMahon **DATE** August 24, 1921.

TO Mr. Howe

SUBJECT Organization Plans

The plan of extending our organization by securing a leading banker to act as Chairman in each city is progressing and we now have over forty city chairman at work extending our propaganda and securing new members. Even where the men selected have found it impossible for some reason to serve, as has often happened, they have generally expressed sympathy with and approval of our work.

The larger the city, the more difficult it proves to secure a banker to act as Chairman. In only one city of over 100,000 have we secured a banker chairman: Houston, Texas, with a tentative chairman in Lowell, Mass. The others are all in cities from 5000 to 100,000.

This experience confirms a suggestion before made that we should have a committee of bankers in each of the larger cities, even in those where we already have city chairmen: New York, Buffalo, Pittsburg, Cleveland, Cincinnati and Chicago.

If these committees could be selected by the Governors or Directors of the Reserve Banks in each District, it would be most helpful and expedite the work of organization. We would get better men and they would be more likely to serve.

This suggestion calls for committees of three or four members in 62 cities, with chairmen in all but about 8 of them. It may seem like a good deal to ask of the busy men in the Reserve banks, but we feel that they would do it, especially if Governor Strong should ask it.

MEMORANDUM

FROM

DATE

TO

SUBJECT

We would prepare the letters for Governor Strong's signature and mail them. When the suggestions are received we would of course conduct all the correspondence.

The cities to be covered by this plan are:

First District:

Boston, Bridgeport, Cambridge, Fall River, Lowell, New Bedford, Providence, Springfield, and Worcester, Hartford, New Haven.

Second District:

New York City, Albany, Buffalo, Jersey City, Newark, Paterson, Rochester, Syracuse and Yonkers.

Third District:

Philadelphia, Camden, Trenton and Wilmington, Erie, Reading and Scranton.

Fourth District:

Akron, Cincinnati, Cleveland, Columbus, Dayton, Pittsburg, Toledo, Youngstown.

Fifth District:

Baltimore, Norfolk, Richmond, Washington.

Sixth District:

Atlanta, Birmingham, Nashville, New Orleans,

Seventh District:

Chicago, Detroit, Grand Rapids, Indianapolis, Milwaukee.

MEMORANDUM

FROM

DATE

TO

SUBJECT

Eighth District:

Louisville, Memphis, St. Louis.

Ninth District:

Minneapolis, St. Paul.

Tenth District:

Denver, Kansas City, Kans., Kansas City, Mo., Omaha.

Eleventh District:

Dallas, Houston, Fort Worth.

Twelfth District:

Los Angeles, Oakland, Portland, San Francisco, Salt Lake City, Seattle, Spokane.

These 62 cities of over 100,000 contain a total population of 27,432,555 and offer wonderful opportunities for work.

By sending news stories to all papers in the cities where chairmen have accepted Mr. Beach has secured extensive publicity. The same publicity methods are used in each of the nearly 200 cities where the Mayor has accepted the Honorary Chairmanship.

These suggestions are the result of careful consideration of our experience and of many consultations between Mr. Beach and myself.

TELEPHONE, STUYVESANT 8171

NATIONAL BUDGET COMMITTEE
SEVEN WEST EIGHTH STREET
NEW YORK CITY

August 25, 1921

My dear Mr. Strong:

Knowing how busy you have been of late, particularly in connection with the splendid battle you have been waging in Washington, I have hesitated to intrude upon you with the affairs of the National Budget Committee. But in the absence of Mr. Pratt two problems make it necessary for me to ask for your advice and help.

1. Mr. Walter F. Brown, representing the President on the Smoot Reorganization Commission, has asked the National Budget Committee to come out publicly in favor of a combination of the Army and Navy Departments into one department of National Defense, both in the interest of national economy and of better team work in our military affairs. He wishes us to make this subject the theme of one of our weekly editorials, and to stimulate as much publicity as possible on the question. It is evident that Mr. Brown intends to push this matter vigorously, and it would appear that he must have the tentative support of the President, with whom he is working closely. I am anxious to know whether as a member of our Board of Directors you would favor such a combination, and whether you would approve of my plan to publish a debate on this question, with an authority like General Goethals taking the affirmative side, and some one like Mr. Stimson (though I do not yet know his views) taking the opposite side. It seems very difficult to get our Board of Directors together particularly at this time, and it will evidently be necessary to get their opinions individually.

2. You will be interested to know that our National Budget Guard has been developing very rapidly even in this usually unproductive month of August. We have secured the cooperation of 185 Mayors as honorary local chairmen and 41 bankers as active chairmen in cities of more than 5,000 population. We find a very responsive attitude on the part of bankers generally, but it is a rather slow and tedious process to get every city in the country organized under the present methods. The enclosed memorandum from my associate, Mr. McMahon, explains the situation in more detail. Of course, I recognize how productive a letter from you to the

various Federal Reserve Governors, asking for suggestions regarding local chairmen, would be, but it seems to me that this is asking a great deal. If such a letter is for any reason inappropriate, could you give me a counter suggestion as to the best means of discovering a "live-wire" and patriotic banker in the more important cities to receive the designation of local chairman.

Very sincerely yours,

Director

Hon. Benj. Strong,
Federal Reserve Bank,
New York, N. Y.

TELEPHONE, STUYVESANT 8171

NATIONAL BUDGET COMMITTEE
SEVEN WEST EIGHTH STREET
NEW YORK CITY

September 6, 1921.

My dear Mr. Strong:

Thank you very much for your willingness to help with the Governors of the Reserve Banks. I enclose herewith a draft of the proposed letter.

I do not know yet how Secretary Weeks and Secretary Denby feel about the proposed combination of the Army and Navy Departments. I shall undertake to get as much information on this subject as I can. I do know that General Dawes and Mr. Brown are in accord with this one proposal at least. In fact, Col. George Van Horn Mosely has sent us a proposed editorial on the subject which he would like to have us use as one of our regular weekly bulletins. Doubtless, you have already discussed this matter with Mr. Pratt and we can take it up at the meeting of the Board of Directors when we have more information at hand.

Very sincerely yours,

Stanley Howe

Hon. Benj. Strong,
15 Nassau Street,
New York City.

My dear Governor

I am very much interested in the work of the National Budget Committee and its efforts to crystallize and organize public sentiment to support the programme of Government economy and insure the permanent success of the National Budget System.

In this work, it seems to me, the bankers of the country should take a leading part. In many of the smaller cities they are doing so, but the larger cities are more difficult to organize.

It would greatly facilitate the work of organization if you would induce a banker to accept the active chairmanship for his city in each of the following cities in your district:

Boston, Bridgeport, Cambridge, Fall River, Hartford, Lowell, New Bedford, New Haven, Providence, Springfield and Worcester.

(I understand that Mr. George E. Hanigan, President of the Lowell Trust Company, has tentatively agreed to serve as chairman in Lowell.)

If it is not asking too much, I should greatly appreciate your co-operation and assistance in this matter.

Very truly yours,

TELEPHONE, STUYVESANT 8171

NATIONAL BUDGET COMMITTEE
SEVEN WEST EIGHTH STREET
NEW YORK CITY

September 16, 1921

My dear Mr. Strong:

You are, of course, quite right about the manner of first approach to the various Governors of the Federal Reserve Districts, and your letter is a great improvement on our original draft. I am enclosing the memorandum which you requested, together with copies of literature for you to choose from for enclosure, if you desire. Perhaps it would be a good idea to send each one of the Governors a full set of our weekly editorials.

Very sincerely yours,

Director

Hon. Benj. Strong,
15 Nassau Street,
New York, N. Y.

The National Budget Committee was organized originally for the purpose of promoting the adoption of a National Budget System. At the request of leading members of Congress, the Committee also took up the problem of the reorganization of the administrative branch of the government and question of Congressional budgetary procedure, as necessary steps in budgetary reform.

Upon the creation of the Congressional Joint Commission on Reorganization and adoption of the Budget Act, the National Budget Committee responded to the appeal for the support of enlightened public opinion and undertook and is now engaged in arousing, crystallizing and organizing public sentiment for the support of a general programme of government economy and efficiency to be effected through budgetary reform, government reorganizaion and the adoption of improved business methods in all departments of the government.

The need for such work is not only evident but is specifically voiced by President Harding and members of his Cabinet, by General Dawes, Director of the Budget, Chairman Brown of the Reorganization Commission, and by leading members of Congress.

If the budget system is to prove a success; if reorganization is to become a fact; and if economy and efficiency are to be permanent national policies; both the people and the public officials must develop a "Treasury Conscience" and the "Conviction of Wastefulness" must be kept alive. The Government must inevitably reflect and carry out public opinion. The whole matter, therefore, depends on the people and their sentiments.

Permanent results are to be obtained only by a process of popular education and organization. As President Harding put it: "Eternal vigilance is the price of government economy and efficiency."

It is equally true that "No single individual can accomplish much alone," but solidarity of opinion and unity of action, through education and organization, are irresistable.

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TELEPHONE STUYVESANT 8172

NATIONAL BUDGET COMMITTEE

SEVEN WEST EIGHTH STREET

NEW YORK CITY

October 6, 1921

Dear Governor Strong:

Mr. Pratt has asked me to write you to attend a meeting of the Board of Directors of the National Budget Committee at the Downtown Association on Monday, October 10th, at one o'clock. Mr. Pratt is in Washington today in conference with General Dawes and other officials, and will have some very important matters for you to consider.

We hope that you will make a special effort to come.

Sincerely yours,

Stanley Westcott
Director

Hon. Benj. Strong,
15 Nassau Street,
New York, N. Y.

TELEPHONE, STUYVESANT 8170

NATIONAL BUDGET COMMITTEE

SEVEN WEST EIGHTH STREET
NEW YORK CITY

READ AND NOTED!
B. S.

October 14, 1921.

Mr. George Beyer,
Secretary to Governor Strong,
Federal Reserve Bank,
15 Nassau St., N.Y.C.

My dear Mr. Beyer:

Enclosed herewith is a copy of our weekly bulletin, together with copy of extracts from a letter written to Mr. Oliver C. Fuller, President of the First Wisconsin National Bank, Milwaukee, Wisconsin, which explain briefly the need for continued work of this organization.

We hope to have on Monday a report for Mr. Strong regarding the Suggestions for Chairmen sent to the Governors of the several Federal Reserve Districts.

Very truly yours,

E. G. Beach

NATIONAL BUDGET COMMITTEE
7 West 8th st.,
New York.
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ORGANIZATION BULLETIN No. 50-A. October 14, 1921.

Hon. A. B. Farquhar, of York, Pa., has just accepted the Active State Chairmanship for the State of Pennsylvania.

Mr. Farquhar was 83 years old on the 28th day of September and is one of the leading business men and citizens of the state. Having long ago contracted "the habit of unselfish public service", he now enthusiastically throws the full weight of his great influence and experience into the movement for Government economy, efficiency and retrenchment.

The Governors of the following states have recently announced their approval of the movement and accepted Honorary State Chairmanship:

Alaska	Idaho	New Hampshire
Delaware	Kansas	Ohio
Georgia	Louisiana	Oregon
Indiana	Mississippi	vermont
	Missouri	

Our newest City Chairmen are:

J.Lionberger Davis	St.Louis ,Mo.
Eugene R.Black,	Atlanta, Ga.
Thomas H.West, Jr.,	Providence, R.I.
Clay H.Hollister,	Grand Rapids, Mich.

The immediate effort should be to swell the membership. If all the convinced advocates of Government economy and sound budgetary practise once get together and enroll in the Budget Guard, Congress will hear and heed the demand for retrenchment and reduced taxes.

The course of events in Washington during the past few weeks indicates that without such united action, success is doubtful or will be postponed.

The enemies of the budget system and of retrenchment are not idle, and they voice their opposition in the Halls of Congress.

MORE MEMBERS MORE INFLUENCE !

*

EXTRACTS FROM LETTER TO MR. OLIVER C. FULLER,
PRESIDENT, WISCONSIN NATIONAL BANK,
MILWAUKEE, WISCONSIN.

"October 13, 1921.

"I can assure you that the busy men who are giving of their time and means to this work would not do so if they were not convinced that it is necessary. In this conviction they agree with the President, General Dawes, Chairman Brown and other leading statesmen. Close observation of the course of events in Washington discloses the fact that the retrenchment policies meet with determined opposition in many quarters.

"Recent senatorial criticism of General Dawes' course suggests the need of further reform in Congressional budgetary procedure. Strongly supported demands for large, and sometimes increased, appropriations for specific purposes demonstrate that many, even of our best citizens, still fail to realize the necessity for retrenchment and increased efficiency.

"If the convinced advocates of budgetary reform, government reorganization, economy and efficiency will get together, there can be no doubt of the result. If, however, they continue to stand idle while the organized forces of liberal-spenders are busy, the old methods will certainly prevail.

"In planning this movement, we have tried to reduce to a minimum the necessary work of the City Chairmen, all of whom are busy men and volunteers. The fact that so many of them are cooperating with us proves that it is not impossible. In many cases they have accomplished splendid results by writing a personal letter to a selected list of influential citizens."

TELEPHONE, STUYVESANT 8171

NATIONAL BUDGET COMMITTEE
SEVEN WEST EIGHTH STREET
NEW YORK CITY

October 19, 1921

My dear Mr. Strong:

I enclose herewith a preliminary report of the results secured through the letter, which you were good enough to send out to the various Governors of the Federal Reserve Districts. I think that the response is very gratifying. Of course, we will continue to follow the work up.

Very sincerely yours,

Stanley H. Howe

Hon. Benj. Strong,
15 Nassau Street,
New York, N. Y.

TELEPHONE, STUYVESANT 8170

NATIONAL BUDGET COMMITTEE
SEVEN WEST EIGHTH STREET
NEW YORK CITY

Clek 10/27/21 Q

Oct. 26, 1921.

Mr.George Beyer,
Federal Reserve Bank,
15 Nassau St., City.

Dear Mr.Beyer:

Enclosed herewith is a detailed statement of the status of the recommendations of the Federal Reserve Governors.

In order to relieve Mr. Strong of the details of following up these suggestions, do you think it would be advisable to suggest to him that Mr. Howe communicate with the Governors directly? We could thereby alleviate the correspondence which Mr.Strong might consider it necessary to do and also save time in keeping the Governors advised concerning whatever action may be taken.

This suggestion is prompted by your last letter to Mr.Howe enclosing a communication from Governor Calkins wherein you state that the letter is referred to Mr.Howe for attention.

In all cases we would,of course, state that we are writing at the suggestion of Mr.Strong, or that he had referred the matter to us for reply, etc.

If you think this plan would be agreeable to Mr.Strong, I will recommend to Mr.Howe that he write Mr.Strong to this effect.

Under other cover, I am sending you a few specimens of our latest material.

Very truly yours,

Edward P. Beach

PS.
I believe Mr.Strong stated that after hearing from the other Governors he might have some suggestions to make regarding recommendations in the 2nd District. This explains the status of New York and New Jersey.

TELEPHONE, STUYVESANT 8170

NATIONAL BUDGET COMMITTEE
SEVEN WEST EIGHTH STREET
NEW YORK CITY

October 27, 1921

Hon. Benjamin Strong,
Federal Reserve Bank,
15 Nassau Street,
New York City.

Dear Mr. Strong:

In order to relieve you of the detail work of following up the recommendations of the Governors of the several Federal Reserve Districts, may I suggest that you permit us to communicate directly with the Federal Reserve Governors. This plan will also enable us to more expeditiously handle the arrangements for appointments of City Chairmen and refer declinations to those Governors who have responded to your suggestion for recommendation.

Enclosed herewith a tabulation of the status up-to-date in the various districts.

When you have an opportunity to give it consideration, we would be pleased to receive your suggestions for any recommendations you care to make in the Second District.

Thanking you for your cooperation,

Very truly yours,

Stanley H. Howe

Director.

FIRST DISTRICT.

GOVERNOR MORSS - BOSTON.

Providence - Thos. H. West, Jr. has accepted.

Boston - Daniel C. Wing will confer with Governor Morss.

New Haven - W. P. Curtis offers to serve on committee but declines chairmanship.

Fall River - John S. Brayton offers to serve on committee but declines chairmanship.

Springfield - H. A. Woodward declines and recommends Henry H. Bowman, Wm. E. Gilbert or George A. McDonald.

Portland - W. W. Thomas declines.

Worcester - F. A. Drury declines.

New Bedford - Irving W. Cook declines and recommends Wm.S. Cook.

No word from:

Bridgeport - Chas. G. Sanford

Hartford - Leon P. Broadhurst

Cambridge - Walter E. Earle

We need chairmen in

Lawrence, Mass.

Manchester, N.H.

Somerville, Mass.

Waterbury, Conn.

SECOND DISTRICT.

GOVERNOR STRONG - NEW YORK.

N.B. No recommendations for

Albany, N.Y.

Jersey City, N.J.

Newark, N.J.

Paterson, N.J.

Rochester, N.Y.

Syracuse, N.Y.

Yonkers, N.Y.

Schenectady, N.Y.

Utica, N.Y.

Troy, N.Y.

Hoboken, N.J.

Elizabeth, N.J.

Bayonne, N.J.

THIRD DISTRICT.

GOVERNOR NORRIS - PHILADELPHIA.

Philadelphia - Arthur V.Morton has the matter under consideration; will consult Governor Norris et al.

Wilmington - Otho Nowland declines and recommends Philip Burnett.

We have no word from

Camden - F. C. Howell

Trenton - H. A. Smith

Reading - R. S. Mech

Scranton - D. R. Atherton.

We need a chairman in

Harrisburg.

FOURTH DISTRICT.

GOVERNOR FANCHER - CLEVELAND.

Toledo - E. H. Cady)
) have the matter under consideration.
Columbus - R. H. Schryer)

Akron - Harry Williams, declines and recommends Cranell Morgan, F. M. Harphan, George W. Crouse or T. E. Smith.

No word from

Dayton - W. R. Craven

Youngstown- H. W. Grant

N.B. Please select chairmen for Cleveland and Erie, also Canton, Ohio

FIFTH DISTRICT

GOVERNOR SEAY - RICHMOND.

We wrote

Baltimore - Waldo Newcomer

Richmond - John M. Miller

Norfolk - W. A. Goodwin

Washington - John Poole

Mr. Poole has accepted.

Messrs. Newcomer & Miller have declined.

No word from Mr. Goodwin.

We are writing Thos. Hildt, Baltimore, and W. H. Addison, Richmond, A word from Governor Seay would be helpful.

SIXTH DISTRICT.

GOVERNOR WELLBORN - ATLANTA.

Atlanta - Eugene R. Black accepts.

Birmingham - Tom O. Smith accepts.

New Orleans - M. L. Poole declines.

~~No word from~~ P. D. Houston, Nashville, has secured a substitute - J. T. Howell V.P. Am. Nat'l Bk.

We need chairmen in

Savannah, Ga.

Knoxville, Tenn.

SEVENTH DISTRICT.

GOVERNOR McDOUGAL - CHICAGO

Grand Rapids - Clay H. Hollister accepts.

Indianapolis - Evans Woolen offers to serve on committee but declines chairmanship.

Milwaukee - Oliver C. Fuller declines.

Detroit - John W. Staley declines and recommends Ralph Stone.

N.B. Please select chairman for

Des Moines, Iowa

Fort Wayne, Indiana

Peoria, Illinois.

EIGHTH DISTRICT.

GOVERNOR BIGGS - ST.LOUIS.

St.Louis - J.Lionberger Davis accepts.

Louisville - F. M. Sackett declines.

No word from

Memphis - R. Brinkley Snowden.

NINTH DISTRICT.

GOVERNOR YOUNG - MINNEAPOLIS.

St. Paul - Cyrus P. Brown declines.

No word from

Minneapolis - E. W. Decker.

TENTH DISTRICT.

GOVERNOR MILLER - KANSAS CITY.

Kansas City - J. W. Perry offers to help but declines chairmanship

Denver - J. C. Mitchell declines.

Kansas City,Kan. - P. W. Goebel declines.

No word from

Omaha - F. H. Davis.

N.B. Please select man for

St.Joseph, Mo.

Oklahoma City.

ELEVENTH DISTRICT.

GOVERNOR VAN ZANDT - DALLAS.

Dallas - Nathan Adams declines.

No word from

Fort Worth - W. P. Andrews.

N.B. Please select man for

San Antonio.

TWELFTH DISTRICT.

GOVERNOR CALKINS - SAN FRANCISCO.

Los Angeles - Henry M. Robinson offers to secure good man in his own bank, and we have accepted same with thanks.

No word from

Oakland - R. M. Fitzgerald

Portland - Edward Cookingham

Salt Lake City - L.H.Farnsworth

Seattle - M. A. Arnold

Spokane - D. W. Twohy

San Francisco - James J. Fagan

TELEPHONE, STUYVESANT 8170

File

NATIONAL BUDGET COMMITTEE

SEVEN WEST EIGHTH STREET
NEW YORK CITY

November 4, 1921

Governor Benjamin Strong,
Federal Reserve Bank,
15 Nassau Street, N.Y.C.

My dear Governor Strong:

Many thanks for yours of November 2nd enclosing recommendations for City Chairmen in New York and New Jersey cities in the Second District.

We shall report to you on our progress and success with your selections.

In accordance with yours of October 29th, we sent to each of the Governors of the Reserve Banks a detail report on our progress with their selections. The assistance given by you and your fellow Governors is of the greatest value.

We have just received the acceptance of R. H. Schryver, President of the Citizens Trust & Savings Bank, Columbus, Ohio, and the declination of Thomas Hildt, President of the Merchants National Bank, Baltimore, and have reported same to the respective Governors.

Very truly yours,

Stanley H. Howe

Director of Organization

TELEPHONE, STUYVESANT 8170

NATIONAL BUDGET COMMITTEE
SEVEN WEST EIGHTH STREET
NEW YORK CITY

November 7, 1921

Governor Benjamin Strong,
Federal Reserve Bank,
15 Nassau Street,
New York City.

My dear Governor Strong:

For your information I make the following additional report:

We have a letter this morning from Governor Van Zandt of Dallas, recommending R.D. Barclay, Vice President of the National Bank of Commerce, or Nat M. Washer (merchant) for Chairman in San Antonio, also stating that he would write to the other men recommended by him.

Governor Biggs of St. Louis writes that J. Lionberger Davis is doing splendid work in St. Louis, and that he will take up the matter with Mr. Snowden of Memphis. He recommends Mr. Oscar Fenley for Louisville.

Very truly yours,

Stanley H. Howe

Director of Organization

TELEPHONE STUYVESANT 8171

NATIONAL BUDGET COMMITTEE

SEVEN WEST EIGHTH STREET
NEW YORK CITY

November 15, 1921

Governor Benjamin Strong,
Federal Reserve Bank,
15 Nassau Street, New York City.

My dear Governor Strong:

In the absence of Mr. Howe, in the West, we make the following report for your information:

We have written to the bankers recommended by you for City Chairman in the Second Reserve District.

Mr. J. H. Herzog of Albany has accepted. Mr. Charles B. Rogers of Utica declines because of a recent illness.

Mr. W. C. Heppenheimer of Hoboken declines because he is not a resident of that city and recommends Mr. Palmer Campbell, President of the Hoboken Land & Improvement Company, and Mr. C. M. Owens, President of the Hoboken Chamber of Commerce.

Mr. Charles L. Farrell of Newark, New Jersey, declines because of stress of business and we have written Mr. Spencer Marsh, Vice President and Cashier of the National Newark and Essex Banking Company, suggested by you as an alternate.

We have no word as yet from the other persons selected by you.

Governor Fancher of Cleveland has just secured a Chairman in Erie, Pa., and all of the Governors are giving us splendid cooperation.

Very truly yours,

NATIONAL BUDGET COMMITTEE

By: Neil H. McMahon

Tour of 888 Cities Starts November 14th

1921	NOVEMBER					1921
SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Nov. 2 Trade Meeting.
Nov. 8 Election Day.
Nov. 9 Executive Meeting.
Nov. 14 National Tour of 888 Cities—Starts from N.Y.
Nov. 16 Trade Meeting.
Nov. 23 Executive Meeting.
Nov. 24 Thanksgiving Day.
Nov. 30 Trade Meeting.

1921	DECEMBER					1921
SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Dec. 7 Executive Meeting.
Dec. 14 Trade Meeting.
Dec. 21 Executive Meeting.
Dec. 26 Christmas.
Dec. 28 Trade Meeting.

1922	JANUARY					1922
SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
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22	23	24	25	26	27	28
29	30	31				

Jan. 2 New Year.
Jan. 4 Trade Meeting.
Jan. 11 Executive Meeting.
Jan. 18 National Budget Day.

(Reprint from the N. Y. Evening Mail)

"ARMY" TO ENFORCE NATIONAL ECONOMY

Thousands Join "National Budget Guard."

A nationwide army of taxpayers, with its nucleus recruited from thousands of members of the National Budget Committee, is being mobilized by that organization to protect the United States Treasury from invasion by enemies of governmental economy and thrift. The special function of the National Budget Guard, as the new association is known, will be to maintain a close watch upon federal appropriations and to enforce strict observance of the provisions of the national budget bill which was passed last week and which the budget committee originated.

Through Chairman John T. Pratt the committee, which has its headquarters at 7 West Eighth Street, has enlisted the co-operation of thousands of members of the organization in every large city in the country and an army of taxpayers is being recruited under direction of Manny Strauss, chairman of the committee's finance committee, to pledge their active interest and support by urging their representatives in Congress to curtail governmental expenditures.

Taxpayers who are interested in reducing the cost of running the government are invited to join the guard to present a solid front in favor of eliminating from the budget every item of unnecessary expense. Taxpayers have been asked to demonstrate their support of this policy by enrolling and signing the following pledge:

WILL GUARD TREASURY

"I hereby pledge myself to become a soldier in the National Budget Guard and to stand ready to be mobilized upon notice from the commanding officer at any time to help protect the budget of Uncle Sam and to guard the treasury of the United States against invasion from the many enemies of economy and thrift in the government."

BUSINESS	CHAIRMEN	ADDRESS	TEL. No.
Bakers—Wholesale			
Confectioners—Wholesale			
Butchers and Packers			
Grocers—Wholesale			
Products and Fruits			
Fish			
Hay, Feed and Grain			
Coffee and Sugar Exchange			
Butter and Eggs Exchange			
Produce Exchange			
Advertising			
Corrugated Paper Products			
Paper Boxes			
Paper and Twine			
Printing and Stationery			
Publishers and Newspapermen			
Chain Stores			
Clothing Manufacturers			
Clothiers' Linings and Converters			
Rain Coats			
Sponging, Etc.			
Buttons—Mens'			
Coat Fronts and Pads			
Woolens and Worsteds			
Woolens and Worsteds—Men's Wear			
Woolens—Women's Wear			
Belts and Suspenders			
Caps			
Hats—Men's			
Men's Neckwear			
Fifth Ave. Merchant Tailors			
Merchant Tailors			
Tailor Trimmings			
Retail Clothiers and Furnishings			
Shirts			
Umbrellas and Canes			
Silks			
Ribbons			
Women's Silk Underwear			
Women's Cotton Underwear			
Petticoats			
Kimonos and House Dresses			
Children's and Infants' Wear			
Corsets			
Gloves			
Laces and Embroideries			
Yarns and Thread			
Veilings			
Hoisery and Underwear			
Women's Neckwear			
Knit Goods and Sweaters			
Women's Dress Trimmings			
Notions and Novelties			
Buttons, Women's			
Toys			
Hair Goods			
Cloaks, Suits and Skirts			
Dresses			
Waists			
Furs			
Millinery Flowers and Feathers			
Wholesale Merchandise, Dry Goods, etc.			
Jewelry Mfrs. and Kindred Lines			
Diamonds and Precious Stones			
Jewelry—Retail Up-Town—Down-Town			
Opticians and Optical Goods			
Pawnbrokers			
Drugs—Wholesale			
Retail Druggists			
Chemicals			
Varnishes			
Paints and Oils			
Hides and Skins			
Leather			
Boots and Shoes—Wholesale			
Boots and Shoes—Retail			
Leather Goods, Trunks and Bags			
Beverages			
Cigars and Cigarettes			
Leaf Tobacco			
Engineers			
Painters and Wall Paper			
Real Estate—General			
Real Estate—Brokers			
Plumbers and Plumbers' Supplies			
Insurance			
Architects and Const. Engineers			
Lumber			
Iron, Ornamental and Architect.			
Electrical Contractors			
Sheet Metal Workers			
Builders			
Plate Glass			
Lighting Fixtures			
Steam Heating and Allied Trades			
Specialty Shops			
Ladies Tailors and Dressmakers			
Department Stores			
Department Store Buyers			
Furniture and Allied Lines			
Art Shops and Allied Trades			
Phonographs, Pianos, Musical Instru.			
Display Fixtures			
Metals and Smelting			
Ice and Coal			
Moving Pictures			
Theatres			
Music Publishers			
Bankers and Brokers			
Cotton Exchange			
Retired Business Men			
China and Glassware, Etc.			
Exporters and Importers			
Forwarding and Shipping Agents and Custom House Brokers			
Hardware and Cutlery			
Judges and Lawyers			
Accountants			
Dentists			
Educators			
Physicians			
Rabbis			
Automobiles and Auto Trucks			
Auto Sundries			
Garages and Auto Repairs			
Storage and Moving Vans			
Waste Industries			
Rubber Goods			
Bags and Burlaps			
Auctioneers			
Florists			
Hotels and Restaurants			
Laundries			
Photographers			
Funeral Supplies and Undertakers			

First List of Chairmen will be printed Nov. 14—Please send acceptance promptly

TELEPHONE STUYVESANT 8171

NATIONAL BUDGET COMMITTEE
SEVEN WEST EIGHTH STREET
NEW YORK CITY

ACKNOWLEDGED
DEC 27 1921

November 28, 1921

Mr. George Beyer,
Secretary to Governor Strong,
Federal Reserve Bank,
15 Nassau St., N.Y.C.

My dear Mr. Beyer:

Your letter of November 23rd enclosing correspondence between Governor Strong and Mr. J. J. Rowe, Vice President of the First National Bank of Cincinnati, was duly received. Acknowledgment has been delayed by intervening holiday.

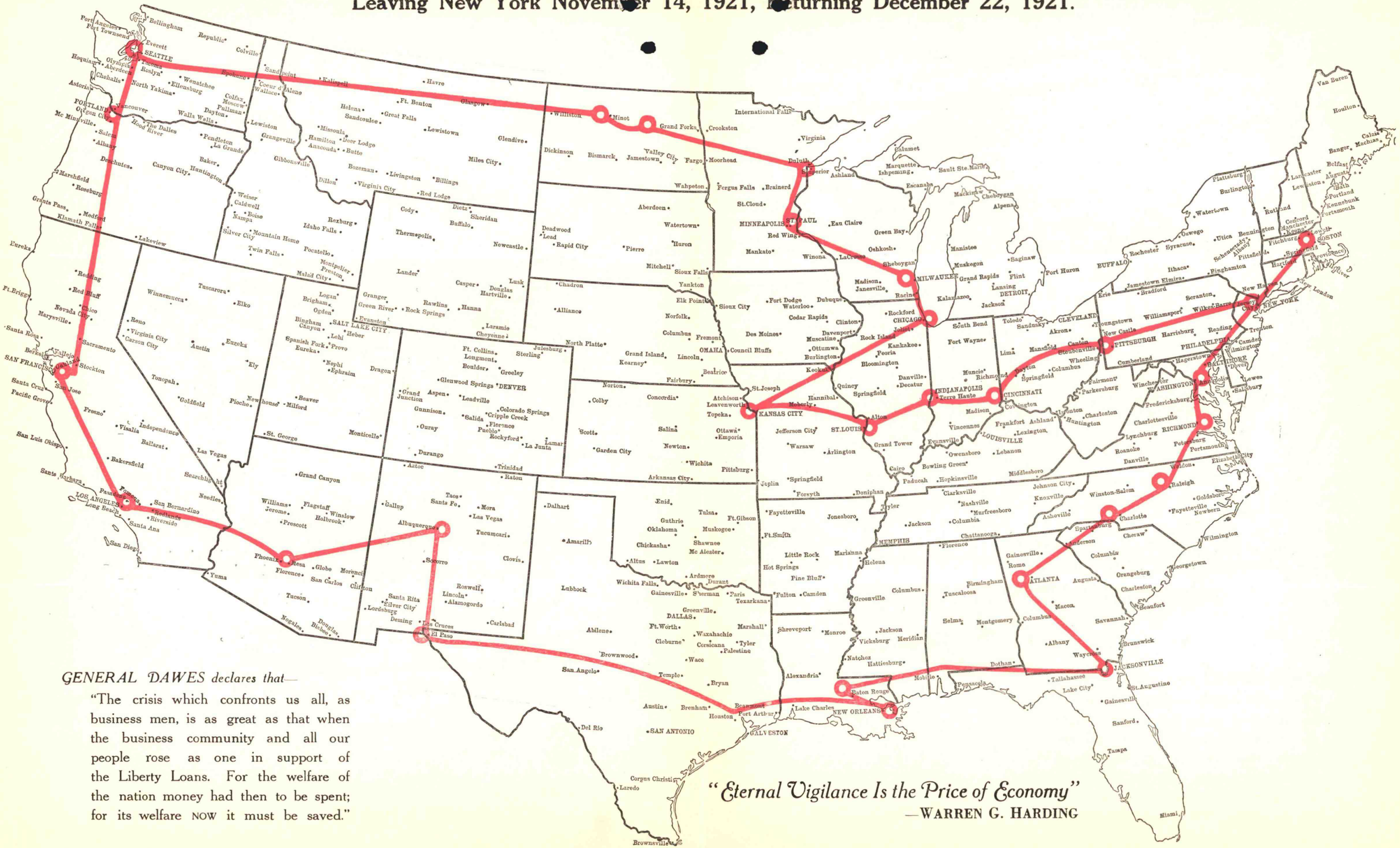
I am preparing a report of progress on the bankers recommended by the various Governors and will send it to you in a day or two for your information.

I may say that of those recommended by Governor Strong, Leslie Sutherland accepted. J. H. Herzog of Albany accepted and later resigned. C. A. Chase of Syracuse, half accepted but desired to get out of it if possible. C. L. Farrell of Newark, C. B. Rogers of Utica and W. C. Heppenheimer of Hoboken declined.

Very truly yours,

H. H. McMorran

Transcontinental Tour of Prominent Business Men in Behalf of the National Budget Committee
Leaving New York November 14, 1921, Returning December 22, 1921.



GENERAL DAWES declares that—

"The crisis which confronts us all, as business men, is as great as that when the business community and all our people rose as one in support of the Liberty Loans. For the welfare of the nation money had then to be spent; for its welfare NOW it must be saved."

"Eternal Vigilance Is the Price of Economy"

—WARREN G. HARDING

Copy of letter used by Trade Chairmen in
St. Louis, Mo.

Mr. J. A. Jaynes,
42 Olive Street,
St. Louis, Mo.

Dear Mr. Jaynes:-

The chairmanship of our trade in the great civic movement for government economy has been wished on to me and I have accepted because of the conviction that something can and ought to be done to reduce taxes and restore prosperity.

I am desirous that our trade do its full share. We must maintain our reputation for public spiritedness and patriotism. The enclosed folder tells why. Read it. Then sign and return the enrollment card with your check for as much as you can afford to invest in tax reduction and prosperity.

Very truly yours,

Chairman, Hosiery Division.

What we want of our representatives:

"NOT HOW MUCH DID YOU GET FOR YOUR DISTRICT
BUT HOW MUCH DID YOU SAVE FOR YOUR COUNTRY?"

WHY YOU SHOULD ENROLL IN THE BUDGET GUARD

General Dawes, the fearless Champion of Government economy, after comparing the present crisis to the crisis of the war, declared:—

> "I am, therefore, accepting the position of Director of the Budget only with the idea that the patriotism of the bureau chiefs and the country as a whole can be so aroused in this emergency that it will be met as was the emergency of war four years ago. Unless the bureau chiefs of the departments and the leading business men of the country respond to the call of the President, as they did four years ago, the situation is hopeless so far as any material relief for two years is concerned from this source."

NATIONAL BUDGET COMMITTEE

(Incorporated, Wash., D. C., 1919)

7 West 8th Street

New York City

DIRECTORS

BASIC TRUTHS

All business men and other thinking citizens agree upon these fundamental propositions:

1. There must be a reduction of Federal taxation to permit a revival of business and return of prosperity;

2. There can be no reduction of taxation until there is a substantial reduction of Government expenditures;

3. There can be no sufficient reduction in Government expenditures without the general adoption of sound business methods and the perfection of the Budget System for the elimination of extravagance and waste.

THE PRESSING NEED

The Act providing for a budget system became a law June 10, 1921. Under its provisions an entirely new bureau had to be created, organized and equipped. This bureau was required to prepare a budget and an alternative budget for the fiscal year commencing July 1, 1922, and a codification of the laws governing estimates, all to be transmitted to Congress on the first Monday of December, 1921.

The appropriations for the current fiscal year, commencing July 1, 1921, had already been made and most of them were mandatory, but the budget bureau has been able to effect savings amounting to hundreds of millions out of those appropriations. In September Director Dawes reported to Congress that such savings would aggregate at least 350 million dollars. This has been accomplished by the newly developed system of administrative supervision and financial control, together with administrative improvements initiated by the budget bureau.

And yet the system is still in its infancy, is still an experiment. The amazing development of the budget bureau as an organ of administrative control has been a surprise to many convinced advocates of the system, and a distinct shock to its enemies. Congress retains the right to ignore and disregard the provisions and recommendations of the President's budget, by a mere majority vote. The last word is therefore with your Representatives—until you speak for yourselves.

THE TASK AHEAD

In providing an executive budget system for the Nation, Congress did little more than concede the minimum and demanded concessions and compromises which may well require careful revision.

Additional budgetary legislation will be necessary in order to make the system a permanent success; also changes will be necessary in methods of appropriation. The Federal Bureaus must be reorganized to eliminate duplications and unnecessary offices; salaries must be reclassified; and other provisions made for business methods.

The advance thus far made in budgetary reform was won against prolonged and determined opposition. The liberal spenders and selfish politicians, who put district above country, are still opposed to the new system and to all other sound business methods. They seize every opportunity to discredit and weaken the new system. Their opposition is continuous.

As long as millions of citizens fail to realize that the Government must economize, they constitute a real menace to the business world and to the Government itself.

It is clearly evident that there is still much to do in educating the people, in crystallizing public sentiment and in organizing popular support for sound economy policies.

THE NATIONAL BUDGET COMMITEE

The National Budget Committee was organized originally to promote the adoption of the Executive Budget System. At the request of leading members of Congress it took up the problem of the reorganization of the administrative branch of the government and the question of Congressional budgetary procedure, as necessary steps in budgetary reform.

The Budget Guard has been organized (1) to secure the widest expression of public opinion upon the matter of Government economy; (2) to line up the convinced advocates of the Budget System and business methods to back up the President's budget in Congress and make effective the great work of General Dawes; and (3) to win new supporters of those policies, to the end that the Budget System may be safeguarded against all its enemies and perfected by new legislation, as experience shows the needs.

MEMBERSHIP

Enrollment is essential. By that simple but significant act the member throws his influence on the side of economical and efficient administration of public affairs. With the aid of his committee he can keep in close touch with the course of legislation and government action, and be ready in any emergency to raise his voice in effective protest or approval.

It is not necessary to keep pestering your Representatives with letters on all occasions; it will be sufficient to let them know that you are enrolled in the Budget Guard.

The first real budget in our history furnishes the citizen his first opportunity for a really intelligent consideration of the activities and financial transactions of his Government; and through his own committee, each member will be able to secure a careful, systematic, impartial, non-partisan discussion of the same.

DO YOUR SHARE

Finally, but not least important: In all public matters numbers count. Each always counts one; but when many are united in opinion, purpose and action, the influence of each is multiplied and the organized many are irresistible.

We have often seen how an organized minority can dominate. Let us demonstrate that an organized majority can enforce its will.

TELEPHONE STUYVESANT 8171

NATIONAL BUDGET COMMITTEE
SEVEN WEST EIGHTH STREET
NEW YORK CITY

READ AND NOTED,
B. S.

December 3rd, 1921

Mr. George Beyer,
Secretary to Governor Strong,
Federal Reserve Bank,
15 Nassau Street, N.Y.C.

My dear Mr. Beyer:

Many thanks for your letter of December 2nd, containing suggestions for chairmen in Utica and Hoboken. We shall write Mr. Taber and Mr. Jagels at once.

Since I wrote you on the 28th, Mr. C. A. Chase of Syracuse and Mr. Spencer S. Marsh of Newark, New Jersey, have accepted.

Thanks also for the clipping from the Post.

Very truly yours,

H. H. McMahon

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Dec. 28 Trade Meeting.

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BUSINESS	CHAIRMEN
Bakers—Wholesale	
Confectioners—Wholesale	
Butchers and Packers	
Grocers—Wholesale	
Products and Fruits	
Fish	
Hay, Feed and Grain	
Coffee and Sugar Exchange	
Butter and Eggs Exchange	
Produce Exchange	H. W. Stimpson
Advertising	
Corrugated Paper Products	
Paper Boxes	
Paper and Twine	
Stationery	Chas. A. Lent
Printing	Nelson Macy
Lithographers, Engravers.	W. I. L. Adams
Publishers and Newspapermen	W. E. Pulsifer
Paper	Chester W. Lyman
Chain Stores	Edward Wise
Clothing Manufacturers	
Clothiers' Linings and Converters	
Rain Coats	
Sponging, etc.	L. H. Rothschild
Buttons	
Coat Fronts and Pads	
Woolens and Worsteds	John H. Love
Woolens—Women's Wear	
Belts and Suspenders	
Caps	
Hats—Men's	
Men's Neckwear	
Merchant Tailors	E. Twyeffort
Tailor Trimmings	
Retail Clothiers and Furnishings	
Shirts	
Umbrellas and Canes	
Silks	
Ribbons	
Women's Silk Underwear	Herbert S. Martin
Iron, Ornamental and Architect.	
Petticoats	
Kimonos and House Dresses	
Children's and Infants' Wear	
Corsets	
Gloves	
Laces and Embroideries	
Yarns and Thread	
Veilings	
Hoisery	A. Keeney Clarke
Women's Neckwear	
Knit Goods and Sweaters	
Women's Dress Trimmings	
Notions and Novelties	
Buttons, Women's	
Toys	
Hair Goods	
Cloaks, Suits and Skirts	
Dresses	
Waists	
Furs	
Millinery Flowers and Feathers	
Wholesale Merchandise, Dry Goods, etc.	Chas. A. Sherman
Jewelry Mfrs. and Kindred Lines	August Goldsmith
Diamonds and Precious Stones	
Jewelry—Retail Up-Town—Down-Town	
Opticians and Optical Goods	
Pawnbrokers	Benjamin Fox
Drugs—Wholesale	
Retail Druggists	
Chemicals	A. S. Somers
Varnishes	
Paints and Oils	
Hides and Skins	
Leather	
Boots and Shoes—Wholesale	
Boots and Shoes—Retail	
Leather Goods, Trunks and Bags	
Beverages	
Cigars and Cigarettes	
Leaf Tobacco	
Engineers	
Painters and Wall Paper	
Real Estate—General	Lawrence B. Elliman
Real Estate—Brokers	Geo. W. Short
Real Estate, Bronx	J. Clarence Davies
Plumbers and Plumbers' Supplies	
Insurance	
Surety Companies	Joel Rathbone
Architects and Const. Engineers	
Lumber	J. B. Tisdale
Oil	Henry Fletcher
Electrical Supplies	E. B. Latham
Electrical Contractors	W. J. L. Banham
Sheet Metal Workers	
Builders	Alex. S. Williams
Plate Glass	
Lighting Fixtures	A. Wahle
Furniture and Allied Lines	
Specialty Shops	
Ladies Tailors and Dressmakers	
Department Stores	Ancell H. Ball
Art Shops and Allied Trades	
Pianos, Phonographs, Musical Instru.	M. J. deRochemont
Display Fixtures	
Metals and Smelting	
Ice and Coal	
Moving Pictures	S. L. Rothafel
Theatres	S. L. Rothafel
Music Publishers	
Bankers and Brokers	G. A. C. Christiancy
Cotton Exchange	H. W. Stimpson
Retired Business Men	
China and Glassware, Etc.	
Dry Colors	Marcus M. Marks
Exporters and Importers	W. E. Peck
Forwarding and Shipping Agents and Custom House Brokers	
Hardware and Cutlery	
Lawyers	A. Parker Nevin
Accountants	H. W. Cook
Sporting Goods	H. B. Spalding
Dentists	
Physicians	
Educators and Judges	Chas. T. Terry
Automobiles and Auto Trucks	Glenn Tisdale
Auto Sundries	
Garages and Auto Repairs	
Transportation	John A. Ritchie
Storage and Moving Vans	John A. Ritchie
Rubber Goods	A. L. Viles
Bags and Burlaps	Benj. Riegel
Auctioneers	
Florists	
Hotels and Restaurants	
Laundries	
Photographers	
Funeral Supplies and Undertakers	

Transcontinental Tour

of Prominent Business Men in Behalf of National Budget Committee November—December 1921

SCHEDULE

New York
Boston
Pittsburgh
Cincinnati
Indianapolis
St. Louis
Kansas City
Chicago
Milwaukee
Minneapolis
Superior
Duluth
Grand Forks
Minot
Seattle
Tacoma
Portland
San Francisco
Los Angeles
Phoenix
Albuquerque
El Paso
New Orleans
Baton Rouge
Jacksonville
Atlanta
Athens
Charlotte
Raleigh
Richmond
Washington
Baltimore
Philadelphia
New York

TELEPHONE, STUYVESANT 8171

NATIONAL BUDGET COMMITTEE
SEVEN WEST EIGHTH STREET
NEW YORK CITY

December 13, 1921

My dear Governor Strong:

By direction of the Chairman, a luncheon meeting of the Board of Directors is called for Wednesday, December 21st, at 1:00 p.m., Downtown Association, 60 Pine Street.

The meeting is called for the transaction of routine business, and to hear a report from Mr. Pratt on his transcontinental tour.

Sincerely yours,

Joseph Cohen

For the Secretary

Hon. Benj. Strong,
15 Nassau Street,
New York, N. Y.

TELEPHONE, STUYVESANT 8171

NATIONAL BUDGET COMMITTEE
SEVEN WEST EIGHTH STREET
NEW YORK CITY

December 16, 1921

Dear Governor Strong:

The luncheon meeting of the Board of Directors called for Wednesday, December 21st, will be held at the Recess Club, 60 Broadway, instead of the Downtown Association.

Sincerely yours,

Stanley Howe

Director

Hon. Benj. Strong,
15 Nassau Street,
New York, N. Y.

TELEPHONE, VANDERBILT ~~1913~~ 1713

NATIONAL BUDGET COMMITTEE
340 MADISON AVENUE
AT 43RD STREET
NEW YORK CITY

February 4, 1922

Hon. Benj. Strong,
15 Nassau Street,
New York, N.Y.

My dear Governor Strong:

Note

Mr. Pratt has asked me to advise you that there will be a meeting of our Board of Directors at our new headquarters at 340 Madison Avenue (near 43d Street) on Wednesday, February 8th, at four p.m. The following matters will be considered at the meeting:

1. Present plans for national organization, and proposed legislative changes in Washington. (see memorandum attached)

2. New personnel. Mr. Walter G. Miller has been employed as head of the publicity department and editor of our monthly magazine. The copy for the first issue of the magazine, to be published this month, will be ready for the consideration of the directors at the Wednesday meeting. Mr. Frank L. Jones has been employed as a field organizer, and the services of Mr. David Helm have been secured as our Washington representative.

3. New Jersey and Southern trips. Mr. A. Parker Nevin has agreed to give a week of his time as a volunteer, to help us complete our organization in the States of Maryland, Virginia, North Carolina and South Carolina. A series of public meetings have been arranged in Baltimore, Richmond, Raleigh, Charlotte and Camden, S.C., which will be addressed by Mr. Nevin. Mr. Frank L. Jones has begun work in the State of New Jersey to assist Mr. Arthur N. Pierson, our State Chairman, in working out an intensive state organization by Congressional districts.

4. New forms for increasing the membership. Enclosed herewith are the new forms of invitation cards, acceptance blanks, and explanatory folders, which we are sending out thru the country in our campaign for membership. The name of the state chairman is filled in in each case.

We hope that it will be possible for you to be present at this meeting. If not, I know that Mr. Pratt would appreciate it very much if you could write us a letter, to reach us in time for the meeting, indicating your approval (or otherwise) of these matters to be considered.

Sincerely yours,

Stanley H. Howe

Director of Organization

MEMORANDUM ON EDITORIALS

(1) Reorganization of the Executive Departments of the Federal Government.

This subject should be handled from the standpoint of the necessity of reorganization, based upon the general idea that executive leadership is impossible until the executive organizations are reorganized along functional lines.

(2) The Necessity of the Creation of Permanent Under Secretaries of the Executive Departments.

While this is a question of reorganization, it is nevertheless distinct from the mere recording of governmental activities under functional divisions. If the federal government would authorize permanent under secretaries, the Cabinet members would be relieved from the obligation which now consumes practically all of their time, of actually managing the administrative work of the several departments. If they were relieved of this obligation, the country would be taking a long step forward toward the possible creation of sound national policies, by conferences between the Cabinet members and the President and between that group and the leaders of the political party in power in Congress. One of the great weaknesses of our executive organization at present is the fact that the Cabinet officers have not sufficient free time to discuss national problems with the leaders of the dominant party, because of the tremendous drain on their time, caused by the lack of a permanent under secretary in charge of all administrative matters in connection with their several departments.

(3) Budget Figures for the Next Fiscal Year.

This should stress the point that the President's Budget called for $3,500,000,000, and that any increase in these figures will mean increase in taxation; also, that any special bills calling for the appropriation of money will increase our taxation. In other words, the Budget submitted by the President should be,always within reasonable limits, inclusive of all expenditures to be made by the government for the next fiscal year.

(4) Changes of the Rules of Procedure in the Senate, Following the Rules in the House, under which the Budget would be referred in the Senate to a Single Committee on Appropriations.

This Committee might well consist of the Chairman and the ranking member of the opposition of each of the Committees in the Senate now having powers of appropriation.

(5) Change in the Rules of both the House and the Senate under which the Members of the President's Cabinet might have the right of the floor.

There is no Constitutional objection to this procedure. It

could be carried out as a practical matter without a change in the Rules, but a change in the Rules would be more effective, as it could be brought about only by the creation of public opinion as to the necessity of having the leaders of the executive branch of the government appear in person before the legislative branch of the government.

(6) Editorials covering the Executive Budget Principle, which is the Strengthening of the Executive Departments to a Point where all Matters of Administration are carried on apart from party politics, not only in the Executive Departments, but also in Congress.

This will result in having all national matters connected with the administration of the federal government's activities taken up in the first instance with the proper executive departments and not with Congress. This would operate successfully if permanent under secretaries for the departments were created, as above referred to, which would insure an organization capable of considering in the first instance all questions affecting the administration of national affairs, and would leave to the Cabinet members and the President, in consultation with the leaders in the House and Senate, all questions of party politics.

TELEPHONE, VANDERBILT 1713

NATIONAL BUDGET COMMITTEE
340 MADISON AVENUE
AT 43RD STREET
NEW YORK CITY

March 31, 1922

Hon. Benj. Strong,
15 Nassau Street,
New York, N. Y.

My dear Governor Strong:

A special meeting of the Board of Directors of the National Budget Committee will be held at the office of John T. Pratt, 52 Broadway, New York, at 10:00 A.M., Monday, April 3, 1922. If you cannot attend, will you please fill out and sign the enclosed proxy.

The purpose of the meeting is to nominate and elect the following state and city chairmen to membership on the Board of Directors:

Walter S. Dickey	Kansas City, Mo.
Arthur N. Pierson	Westfield, N. J.
A. B. Farquhar	York, Pa.
LeRoy Hodges	Richmond, Va.
John P. Burke	Los Angeles, Calif.
Albert L. Ordean	Duluth, Minn.
M. A. Arnold	Seattle, Wash.

Sincerely yours,

Stanley H. Howe
Director

Acknowledged 4/3/22 EB

TELEPHONE, VANDERBILT 1713

NATIONAL BUDGET COMMITTEE
340 MADISON AVENUE
AT 43RD STREET
NEW YORK CITY

May 15, 1922

Hon. Benj. Strong,
15 Nassau Street,
New York, N. Y.

Dear Governor Strong:

Will you be good enough to sign the enclosed letter to Governor M. B. Wellborn of the Federal Reserve District in Atlanta, Ga.

Sincerely yours,

Stanley H. Howe

Director

TELEPHONE, VANDERBILT 1713

Woodrow Wilson - Hon Chmn

NATIONAL BUDGET COMMITTEE
340 MADISON AVENUE
AT 43RD STREET
NEW YORK CITY

May 23, 1922

Charles F. Nesbit -

M. a. Arnold Seattle Wash.
J. T. Burke
I. M. B.
Chas. G. Davis
Wichita Kan.
Walter
A. B. Farquar
York Pa
J. H. Fries
Winston Salem
Wadsey
Kelly Reed Va.
Frank O'Donnell
Oregon Ill.

Hon. Benj. Strong,
15 Nassau Street,
New York, N. Y.

My dear Governor Strong:

I wonder if you would be willing to sign the attached letter to Governor Norris, because I will need it very in Philadelphia.

Sincerely yours,

Stanley H. Howe

Director of Organization

TELEPHONE, VANDERBILT 1713

NATIONAL BUDGET COMMITTEE
340 MADISON AVENUE
AT 43RD STREET
NEW YORK CITY

August 10, 1922

Governor Benj. Strong,
15 Nassau Street,
New York, N. Y.

Dear Governor Strong:

It was very good of you to advance the check for $500 to the order of the National Budget Committee as a temporary loan, to make it possible for us to meet our current expenses. I hesitated very much to ask it, as you have already done so much for the committee. But I did not know what else to do in the emergency, as all of our underwriters were out of town.

You will be interested to know that we are organizing a very strong speakers committee for an educational campaign throughout the country during the last week in September and the first two weeks in October. Among those who have consented to speak for us are:

General Charles G. Dawes
Senator Medill McCormick of Illinois
Governor Henry J. Allen of Kansas
Governor E. Lee Trinkle of Virginia
Francis H. Sisson,
Governor R. A. Young of Minneapolis
Wm. A. Prendergast, Chairman, Public Service Commission
Dr. J. T. Holdsworth, Vice-President, Bank of Pittsburgh

With kindest regards, I am,

Sincerely yours,

Stanley Howe

NATIONAL BUDGET COMMITTEE
340 MADISON AVENUE
NEW YORK CITY

August 31, 1922

Dear Governor Strong:

Mr. Pratt has asked me to inquire whether it would be possible for you to have luncheon with him at the Down Town Association, 60 Pine Street, at one o'clock on Wednesday, September 6th. He has asked the other directors of the National Budget Committee to be present, to discuss important plans for our work prior to the coming Congressional election.

Sincerely yours,

Stanley H. Howe

Director of Organization

Hon. Benj. Strong,
15 Nassau Street,
New York, N. Y.

Acc't Say yes, by phone.
BS

NATIONAL BUDGET COMMITTEE
340 MADISON AVENUE
NEW YORK CITY

September 5, 1922

Dear Governor Strong:

Among other things, Mr. Pratt is anxious to consider tomorrow the program described in the enclosed folder, and the more detailed objectives outlined in the typewritten sheet. I hope that you will find time to look it over before the meeting.

Sincerely yours,

Stanley H. Howe

Hon. Benj. Strong,
15 Nassau Street,
New York, N. Y.

The work that must be done by the National Budget Committee is so imperative that it is of the utmost importance that a program, as definite as it is constructive, should be set before the directors, officers, state and local, and all members of the Committee.

1. To bring this about within as short a time as possible, it will be necessary to educate the people all over the country as to -

(a) The need and the expansion of the National Budget.
(b) The enlistment of national legislators in upholding the National Budget in making appropriations in Congress.

2. A thorough reorganization of the Executive Departments along the lines of strict economy and more efficient service. Emphasis should be laid upon the necessity of having the national government restore to the care of the states those matters which formerly were more properly handled by the states -- education, maternity, health, etc. The confusion arising by the failure to differentiate between the constitutional function of the national government and those of the state governments has resulted in much waste and duplication and a vast saving is possible.

3. Putting before the Senate the advantage and necessity of adopting the same program as carried out by the House Appropriations Committee under Chairman Martin B. Madden, i.e., making the maximum figures presented bythe Budget Bureay for any department the maximum to be alldwed that department when the appropriation is voted.

4. The enactment of a law whereby the heads of the Executive Departments shall be permitted to sit with Congress and have a voice though not a vote, in the proceedings which touch, directly or indirectly, the conduct of the Government.

5. The establishment of permanent positions, such as Under-Secretaries, for each of the Executive Departments, the incumbents to administer the routine duties of the departments, thereby enabling the members of theCabinet to have their time free for the consideration of problems of policy.

6. The carrying out of the plan for the uniformity of accounting systems in the various departments as was contemplated in the Budget law.

7. Calling upon Congress to make the Tariff Commission what, under the law, it wasintended to be - a body to which all tariff matters should be submitted for advice and approval. When the policy of a tariff has been determined by Congress, the Tariff Commission should work out the schedules called for by such policy andits expert conclusions should be strictly adhered to by Congress.

8. Making the international relations of this country vital to every citizen and arousing his interest in the conduct of these relations. Especial stress should be laid upon:

(a) The machinery to be used by the United States in carrying on international cooperation.
(b) The manner of funding the foreign debts due to this country.
(c) The restoration ofmoneys values so necessary to our foreign trade.
(d) Immigration - its control; its taxation and its relation to the turning of the raw material into one hundred per cent. Americans.

NATIONAL BUDGET COMMITTEE
340 MADISON AVENUE
NEW YORK CITY

September 12, 1922

My dear Governor Strong:

In a recent letter, you inquired as to whether we had made any attempt to get Senator George Wharton Pepper to speak for us. I have just received the following letter from his secretary:

> "Upon bringing your letter to Senator Pepper's attention, he advised that on account of the campaign, it would be impossible for him to accept service on the special speakers' committee. However, if you will send him such material as you may have, he will be glad to make use of it in his campaign speeches."

Very sincerely yours,

Stanley H. Howe

Hon. Benj. Strong,
15 Nassau Street,
New York, N. Y.

NATIONAL BUDGET COMMITTEE
340 MADISON AVENUE
NEW YORK CITY

September 29, 1922.

Mr. J. H. Case,
c/o Federal Reserve Bank,
15 Wall St.,
New York City.

My dear Mr. Case:

As a member of the National Budget Committee, you are especially invited to meet General Charles G. Dawes, former Director of the Budget, at dinner at the Waldorf Astoria Hotel on Friday evening, October 13th at 7:00 p.m. A formal invitation will be mailed to you later.

I am writing you now, so that you may set aside this date on your calendar.

Sincerely yours,

Daniel Appleton

Vice-Chairman, Dinner Committee

P.S. Ladies invited

NATIONAL BUDGET COMMITTEE
340 MADISON AVENUE
NEW YORK CITY

December 16, 1922

Governor Benjamin Strong,
15 Nassau Street,
New York City

My dear Governor Strong:

Mr. John T. Pratt earnestly requests the pleasure of your company at luncheon at the Downtown Association on Thursday, December twenty-first, at 1 P.M.

It is necessary to provide for the election of Directors of the National Budget Committee. Mr. Pratt hopes that you will be able to be present.

Very truly yours,

Frank L. Jones

Assistant Secretary

Calendar

NATIONAL BUDGET COMMITTEE
340 MADISON AVENUE
NEW YORK CITY

December 18, 1922

Governor Benjamin Strong,
15 Nassau Street,
New York City

My dear Governor Strong:

Mr. Pratt has asked me to notify you that the luncheon of the National Budget Committee on Thursday, December twenty-first, at 1 P.M., will take place at the Recess Club, 60 Broadway, instead of at the Downtown Association.

Very truly yours,

Frank L. Jones

Assistant Secretary