



3-20-1911

Notes of a Meeting Held in the Diplomatic Reception Room of the Department of State on Monday, March 20, 1911

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Recommended Citation

Huntington-Wilson, Francis Mairs; Carr, Wilbur J.; McNeir, William; Hale, Chandler; Smith, Sydney Y.; Doyle, William T. S.; Weitzel, George T.; Hengstler, Herbert C.; Wilson, Charles F.; and Miller, Ransford S., "Notes of a Meeting Held in the Diplomatic Reception Room of the Department of State on Monday, March 20, 1911" (1911). *Notes, Speeches, Articles, and Addresses*. 4.
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Notes of a meeting held in the Diplomatic Reception Room of the Department of State on Monday, March 20, 1911 at 4.30 p. M.

Present. The Assistant Secretaries, the Solicitor, the Director of the Consular Service, the Chief Clerk and the Chiefs and Assistant Chiefs of the Divisions and Bureaus of the Department.

I think the present organization of this Department with its Assistant Secretary Wilson. I have had a theory for about two years that we ought to have conferences perhaps at fixed times, once a week or fortnight, to try to get in touch and have a uniformity of ideas as to what the Department is trying to do and the best ways of trying to do it; but I have been so busy myself that it seemed impossible. We have had one little discussion with most of the Chiefs of the Divisions and Bureaus, but there is a little more time to spare just now and the progress of the President's economy investigation and the bringing to the attention of this Department the different phases of it made me think it would be especially opportune now for us to have a conference. So I will speak a little about what I understand will be the object of the President's investigation, and then about the running of this Department in general, and then I think it would be a good thing if we could have some discussion and exchange of views and begin to form the habit of exchanging views, very informally, between the different men in the Department in responsible positions.

I think the investigations under Mr. Cleveland were begun mainly with the purpose of trying to get uniformity and simplification of everything to do with accounting, and doubtless it will pass on to the broader problem of administration, because I suppose quite as important and probably the most important step towards economy would be the adoption of sound principles of administration. So that I suppose sooner or later it will come to an exchange of views between the different Departments, each to try to profit by the experience of the others to work out

the broader phases.

I do not know whether you all know that the most important expert who investigated the Department was good enough to report in a very complimentary manner on the organization of this Department so far as it has been reformed. That is gratifying, but it is less important to be gratified with a little progress than to be disgusted with the faults remaining. ~~at the White House under the direction of the President is concerned, it~~

I think the present organization of this Department with its political and geographical divisions and the increased Trade Relations Bureau, the additional force of the Solicitor's Office and the expert direction of the consular service - all these things making a specialization and supplying a sufficient number of men, each group of whom could deal with their own work with the same minute attention that a diplomatic mission having only one country to deal with could do, have made the Department a good enough machine - so good a machine that we ought to start a more copious and valuable output; and the Secretary of State, having made that machine and having undertaken to carry on our foreign relations with a sort of universal specialization instead of having an open door administration or a Pan-American administration, to try to make the most of what there is in it for our country's interest alike in every part of the world, makes it a great deal more worth while to be in this Department and in the foreign service than it ever was before. I think we may all feel a quiet pride in what Mr. Knox has already accomplished in the first half of this Administration. Thinking of that what is borne in upon me most strongly is that it makes it incumbent upon all of us more than ever before to be even more careful to make no mistakes than eager to accomplish more, although our eagerness to accomplish more should be at the maximum, if that is not an Irish expression. But the Secretary has now a record of achievement very precious and worth guarding at all hazards. That is what I mean. It is quite different from beginning which would mean great delay. You can afford to take more chances to achieve something

I do not want to deliver a long sermon and I will try to go

a little faster, but - have been called upon, as all other Departments have, to furnish (Mr. Wilson was interrupted at this point by a request to go over to the White House). jurisdiction of the various officers, and powers and duties of each officer, each clerk in the Department and the salaries Mr. Carr. So far as the work of the Committee on Economy and Efficiency at the White House under the direction of the President is concerned, it has undertaken a long investigation to standardize documents, standardize most of the forms and so on. There is a long pamphlet concerning the question of purchasing forms that has been gotten out. I do not know whether any of you have seen it, but it has been sent to some of the officers I know. It is known as Circular 36. The idea of the Committee is to get into one document all of the various data and explanations that are now comprised in a large number of documents, so that when the matter comes up to the administrative officer for authorization or approval he has under the signature of the various responsible officers everything which he needs to formulate his opinion and to make a decision as to approving or disapproving a particular thing. finite results.

They have suggested three different kinds of forms to accomplish the same object, and the Department's representative on the Committee is Mr. Fitzsimmons of the Bureau of Accounts. The Chairman of the sub-Committee is working up this whole subject. Then another thing they have undertaken to do is to standardize and define the terms applicable to every Department of every article purchased by the Government, the idea of that being so that they may use tabulating machines in tabulating expenditures. A certain term in one Department will mean precisely the same as a certain term in another Department, and by that means they will get at a segregation of the various kinds of expenses under the Government, which will enable them to compare, for instance, the cost of a particular thing in one Department as against the cost of the same thing in any other Department, and in that way get at any unusual expenses and a standard of cost.

services, and some other letter to indicate something else.

Then we have been called upon, as all other Departments have, to furnish a lot of information about various features of our work, such as the organization and jurisdiction of the various officers, and powers and duties of each officer, each clerk in the Department and the salaries paid to the different positions and so on, the idea being to put in the possession of that Committee the data necessary for a general survey of the organization and methods and powers and duties of all the different Executive Departments and their various branches, Bureaus, Divisions and positions.

Another very important object which the Chairman of that Committee has in calling for that information is, as Mr. Norton said one day, to get everybody in the various Departments to thinking about things along exactly the same lines, thinking about the same things. In that way they bring the maximum amount of intelligence and experience to bear on each problem before it, and also that sort of thing has a kind of moral effect all through the Departments in keeping people thinking and stimulating their ambition to accomplish certain definite results.

Mr. McNeir has given me a list of two or three other things. There is the question of coding in the first place, giving a code number to each different item in the estimates. That is, each Department, for instance, will have a code number, and then working out a general division of appropriations under that Department, and then finally giving a number or letter to a particular class of expenditures applicable the Departments, and so on. Say, for instance, the Department of State will be 10,000, and some general appropriation bill is being considered, the different offices would have some number after 10,000. 10,000 and 3 you might say would be the Assistant Secretary's office, and under 10,000-3 might come K or something of the sort to indicate traveling expenses and something to indicate

services, and some other letter to indicate something else. It is a scheme to standardize and classify expenditures under all the Departments and Bureaus. An attempt has been made to carry that idea of classification and segregation of expenditures and so on into a re-classification of the estimates. I think it has not been completed yet.

Mr. McNeir: That re-classification was completed by the Bureau of Accounts was it not?

Mr. Carr: Any fund out of which a salary was paid was classified under that letter together with the number representing the Department, which in our case was 10,000 and so on down, with all the contingent expenses, miscellaneous, under 28 or 30 groups. That concerns so far as it relates to this Department only the Bureau of Accounts. The code numbers have been completed and sent in; also the personnel of the Department giving the personnel of the various Bureaus and salaries and duties attached to them. We have in course of preparation now what to my mind will be one of the most valuable reports made, and is being gotten up by the Solicitor's Office. It covers the duties of each officer from the Secretary down, under the Constitution, the laws, the decisions of the courts, the decisions of the Comptrollers and Executive Orders and proclamations. Anything assigning any duty of the Secretary of State or any of his subordinates will be, we hope, elucidated in this report which Mr. Clark is getting up with the aid of his assistants. To my knowledge that has never been attempted before, although there has been an extract of the statutes published.

Mr. Wilson: The pamphlet referred to in the notice sent out by Mr. Wilson relates only to accounts. There

Then there is in course of preparation a report showing the connection of the Bureaus with the Secretary's Office; that is, how they report. That will be a very simple matter in this Department as I suppose, although it has not been passed on yet. I think that, with the exception of a report that Mr. Morrison has about completed, is all that is before the Department. The undertaking to have a report of traveling expenses, dividing them up, has been reconsidered by the White House, because it went into such detail that in some of the Departments it would take six months of the entire force to get it up. Others said it would take a year and others reported it was impossible to do it without a large increase of clerks. Mr. Morrison reported that as for this Department it would take forty-five days, and then it would be incomplete because it would be impossible to get all the minute details asked for from the diplomatic and consular officers, as they are included in the mileage. I refer to our estimates. While the law re-

Mr. McNeir: I would like to ask while we are all together that all the aid you gentlemen can give the Solicitor's Office in getting up this report of the organization of the Department be given to it, because unfortunately I do not know of a complete set of these orders in the Department. We are taking them out of any possible office we can find them in, and if you have any hidden away anywhere I would like you to bring them out.

Mr. Carr: I think it would be a very good thing to send extracts from some of these reports from the White House showing the object of this thing.

Mr. McNeir: The pamphlets referred to in the notice sent out by Mr. Wilson relates only to accounts. There

has been very little printed except the message of the President asking a continuation of the appropriation and the statement of Mr. Norton on the Sunday Civil Bill.

Then at the first meeting of the Committee on Efficiency and Economy the President made a brief address wherein he outlined his ideas and Mr. Carr has a copy of it.

Mr. Carr: The President said on the occasion of that meeting:

(Reads) "While I can not indorse all of the things that have been said as to the amount of money that can be saved yearly by a more economical and efficient administration of the Government, I do thoroughly indorse the proposition that in Government business, as in every other business, a close and diligent scrutiny will lead to economies.

"At the very outset, before we can begin our work, we are confronted by the difficulties which arise out of the confused and archaic system of displaying our expenditures. I refer to our estimates. While the law requires that the estimates be submitted to Congress in the usual form this year, I am very desirous that point be given to the purpose of this inquiry by having the proposed expenditures reclassified and thus reduced to a scientific basis, so that there may be some common understanding as to what is meant when appropriations are asked for. At the present time Congress appropriates large sums of money, leaving it to each administrative officer to make his own classification when he comes to expend that money. This practice makes intelligent judgment as to economy and efficiency impossible, and so before we get into the more interesting phase of this work we have to go right down deep and lay the foundation

in the forms of the estimates and appropriations. This will lay a burden of extra work upon all of you, but I know how loyally you will respond to it.

"My long experience in the Government leads me to believe that while Government methods are much criticised, the bad results, if there are bad results, are not due to a lack of zeal or willingness on the part of the civil servants. On the contrary I believe that a fine spirit of willingness to work exists in the personnel, which, if properly encouraged, will secure results equal to those secured by the best-managed private corporations.

"Now, we want economy and efficiency; we want savings, and savings for a purpose. We want to reduce the expenditures of the Government, and we want to save money to enable the Government to go into some of the beneficial projects which we are debarred from taking up now because we can not increase our expenditures.

"Projects affecting the public health, new public works, and other beneficial activities of Government can be furthered if we are able to get a dollar of value for every dollar of the Government's money which we expend.

"One of the disappointing things about being President is that one comes in contact too little with the men down in the service upon whom we rely to do the day's work. I wish I might meet them and encourage them more frequently than I do. I realize that while there are about fifty of you here, you are a very small group. To you and to all your associates in the departments, I wish to extend my thanks for the spirit of cooperation which you display, and with you I look forward to an interesting experience as we inaugurate this new presidential inquiry into economy and efficiency. When we have completed the work, I ought to be able to receive--"

(Mr. Lane interrupts himself)
 This is one of the points, by the way, they are laying great stress upon, and one of the best of the whole work. (Continues reading) "Receive daily, weekly, and monthly reports which will indicate clearly to me where the good administrators are, the men who ought to be encouraged, and where the wasteful and inefficient ones are, the men whose activities ought to be discouraged."

"There has been a good deal said in the newspapers about experts who have been engaged for the purpose of reducing expenses. We have advisers. We have men who suggest. But we haven't any experts who are going to make these reductions but you!

"If the reductions are made, it is the men in the departments, the committees, who will be entitled to the credit, and all I am anxious to do is to have you know that it is upon you that we depend for this work, and that this work is not undertaken in any criticism of anybody in the departments; but that it is a suggestion to the departments to do the work themselves and by their own investigation and their own energy and interest and effort, see if they can not reduce what it costs to run the Government."

"I do not think I can emphasize that point too much. It is natural if a man comes into your department and says, 'Why, you are running this department too extravagantly; I am here to show you how to economize,' for you to feel an intense antagonism to that man. What I want to impress upon you is that there is nobody investigating you, but that you are investigating yourselves; you are trying to determine what can be done to reduce expenditures and increase efficiency. I think you ought to embrace this work with earnestness and enthusiasm. The work of a Government clerk, of a division chief, of a bureau chief, may well fall into a dead routine

where there is nothing to gain, nothing ahead but to keep up a treadmill motion. That is what I wish to eliminate from your service if it is there. I want you to feel that there is something ahead that you can accomplish, and that when you have accomplished it you will get the credit for it."

Mr. Hale: Now, does the President propose to accept the suggestions that all the Departments make, or is it left to Mr. Cleveland and his reorganization committee to do that themselves.

Mr. Carr: No, the President through the Committee, as I understand it, is anxious for suggestions from every possible source.

Mr. McNeir: I think that question will be best answered by a form that we have which I omitted to mention, but which has not been answered yet, and that is Form 5. The purpose of this form is to provide the means for obtaining criticisms or constructive suggestions made either by persons in charge of work in the several departments or by committees or departmental experts. That form has not been acted upon yet because I have not had a chance to talk with Mr. Wilson about it, but I certainly infer from that that he wanted suggestions as to any improvement we might make on the present methods. There has been nothing printed except this little statement I referred to, and those forms except those documents relating to accounts, and of course they are only applicable to the Bureau of Accounts and the gentlemen managing the expenditure of the money. The whole thing, so far as I can see it simmers down to a suggestion of getting some definite system of bookkeeping, and whether we are going to keep the books in an amplified form with all the minute items prescribed here, and whether the forms are to be changed to the forms adopted by the Census Office which appear in this bulletin 6.

Mr. Carr: Mr. Wilson is not here I see, but has a number of things to talk about. One or two of them I know some- the latest and most economical forms gotten out by the Govern- thing about, and since the subject of telegraphing has been ment, but they are merely submitted and we are asked to ap- mentioned I notice he has a note here in regard to the de- point a committee of experts in that line to meet with the sirable of being very careful in drafting telegrams with a view to saving as much expense as possible. It seems Committee to decide whether they are applicable to the de- according to this note that the cost of telegraphing in partments or not. That Committee will be appointed prob- ably in a day or so and will undoubtedly consist of Bureau of Account clerks. The forms, the order voucher and order of purchase form, take the place of the form voucher, receipt and everything else. It is all in one. The order to the merchant to send the goods to the department, the bill, the approval of the person for whom they are intended, the ap- proval of the inspector and finally the approval of the Secretary ordering payments, is all in one form. As it is

Mr. Clerk: In that connection, Mr. Carr, formerly I under- now we have a Department form which accompanies the voucher stand we permitted anybody who wanted to send an inquiry on its return.

Mr. Hale: I think one thing at fault is, when they cut down our annual appropriations we want to get to work and in some way get rid of the appropriations we carry for all these foreign explorations and what not. They are all credited to us simply because they are foreign expenditures, things in which we have no interest whatever. I mean the exploration of the Bottom of the ocean. It is of interest to somebody perhaps, but we do not care particularly about it, and it is all charged up to us and the sum total is added up and in the eyes of Congress it counts against us.

Mr. Smith: We spend lots of money for the other Departments - we send telegrams for all the Departments that are charged against us.

These are all Census Office forms which are supposed to be of things to talk about. One or two of them I know some- the latest and most economical forms gotten out by the Govern- thing about, and since the subject of telegraphing has been ment, but they are merely submitted and we are asked to ap- mentioned I notice he has a note here in regard to the de- point a committee of experts in that line to meet with the sirable of being very careful in drafting telegrams with a view to saving as much expense as possible. It seems Committee to decide whether they are applicable to the de- according to this note that the cost of telegraphing in partments or not. That Committee will be appointed prob- ably in a day or so and will undoubtedly consist of Bureau of Account clerks. The forms, the order voucher and order of purchase form, take the place of the form voucher, receipt and everything else. It is all in one. The order to the merchant to send the goods to the department, the bill, the approval of the person for whom they are intended, the ap- proval of the inspector and finally the approval of the Secretary ordering payments, is all in one form. As it is

Mr. Carr: Mr. Wilson is not here I see, but has a number of things to talk about. One or two of them I know something about, and since the subject of telegraphing has been mentioned I notice he has a note here in regard to the desirability of being very careful in drafting telegrams with a view to saving as much expense as possible. It seems according to this note that the cost of telegraphing in this Department to the foreign service last year was in the neighborhood of \$170,000 and that is a perfectly enormous expenditure, and when you stop to consider that the cost of the words of a foreign cablegram was anywhere from ten cents to a dollar and a half, perhaps more in some cases, a man can very well save his salary by sitting down five minutes and blotting out a few words.

Mr. Clark: In that connection, Mr. Carr, formerly I understand we permitted anybody who wanted to send an inquiry abroad; we not only permitted it but required that he should pay the cost. I understand that is no longer done.

Mr. Carr: I think that is done in some cases.

Mr. Smith: It is done if the telegram goes through the Diplomatic Bureau.

Mr. McNeir: We have only recently in the Chief Clerk's office told people they would have to pay ^{for} not only the outgoing but the incoming telegrams.

Mr. Clark: But I know particular cases where that was not done.

Mr. McNeir: That was a special instruction. Now, in the case of this flood in Paris the first part of last year the Department did telegraph there as to the whereabouts of people there supposed to be in Paris, but they generally save those things and lump them all together, probably two or three cables a day, and we did not charge the cost of that.

Mr. Carr: There would be a way of accomplishing that I should I know it was decided that we would not charge anything there. I am out of my bailiwick, so my suggestions are not

binding on the Department. I should think the telegrams Mr. Carr: That was a question like the late earthquake in Italy, a public calamity and it seemed that this Department ought to do anything it could for the benefit of the public at large.

Mr. Clark: A man came in today about some trouble in Mexico and asked to have a telegram sent, and of course we sent a telegram. I see no reason why that man should not pay for that.

Mr. Carr: No, I do not either.

Mr. McNeir: We had several cases in the Venezuelan trouble when we charged for inquiries down in South America.

Mr. Smith: I should think that where an application for leave of absence is made and leave granted by telegraph, the person ^{interested} informed should pay for the telegram.

Mr. Doyle: It would seem that if we had in the Department such a person as a telegraph editor, somebody who had the cipher well in mind, he could go through a telegram and without changing the sense would perhaps materially reduce it.

Mr. Carr: There never has been anybody to do that, but I made a suggestion the other day that it would be a very good thing if every person who has the preparation of important cipher telegrams should prepare them with a code book beside him. I doubt whether an editor would do it. That is very much like the question of paraphrasing a telegram. An editor without an intimate knowledge of the subject under discussion might prepare a telegram which would not carry the meaning at all.

Mr. Clark: To re-submit it I think would be the way to do that.

Mr. Carr: There would be a way of accomplishing that I should think. I am out of my bailiwick, so my suggestions are not binding on the Department. I should think the telegrams might be sent to the cipher operator and framed up there in accordance with the cipher and then re-submitted.

Mr. Hale: Would there be any objection to having incoming telegrams edited?

Mr. Weitzel: I just want to suggest that as to incoming telegrams it seems to me you might reach that by requiring the secretaries of all the missions to be responsible for them and then put it on the efficiency records. In other words, if every secretary is made responsible for all the telegrams that go out from that mission he will pay more attention to it, and especially if he knows it is to go on his efficiency record. Of course it is difficult to get that on the efficiency record, but you would have to rely upon the telegraph operators to do that. Of course, the secretary under the present arrangement does not always control the wording of the message that goes out from the Legation, but I think under instructions of the Department he should have sufficient control over the messages to cut them down to a very appreciable extent.

(Mr. Wilson returned).

are still worth mentioning in this Department.

then, coming down to actual business methods, I do not know

undermanned on certain days and others are under-worked.

Mr. Wilson: When I was called out I was going to say that I did not think I could say anything strong enough to express the importance to my mind of a strong esprit de corps in the Department, a pride in the Department's work and an absolute loyalty to it and a hearty cooperation. I mean everybody should put the Department as a whole above his own particular Division or office. I think one of the great improvements that can be made in Washington in the whole Departmental system will be better coordination between the different Departments. Very often there will be three persons dealing with one subject and failing to keep each other informed of what they are doing and that is bad administration. Concurrent action ought to exist in all the branches of the Government. It is a great mistake, I think, in important matters for one man to do a job by himself, no matter how well informed and able he may be, if the thing is so important that the responsibility for it is heavy, and if there are any other people in the Department whose particular duties make it probable that they can contribute anything to dealing with that problem, and I think that, by oral consultation between the officers of the different Bureaus and Divisions, that can be done with very little loss of time much more satisfactorily than by memoranda. It often pays for four or five people to meet together and draft one thing as to some angle of which each has special knowledge. All those things I think are really matters of administration that ought to go without saying, but, nevertheless, are still worth mentioning in this Department.

Then, coming down to actual business methods, I do not know whether the different Bureaus and Divisions have the same methods always, and there is a part of our work - although I believe the work of this Department is a large proportion of it intellectual and a less proportion mechanical than in any other Department in Washington - still the mechanical work is susceptible of reduction to its lowest terms in cost, with almost mathematical precision. And I suppose it is

Mr. McNeir's duty to know whether some Divisions and Bureaus are

undermanned

undermanned on certain days and others are under-worked.

Mr. McNeir: We have requests every once in a while for extra clerks in Bureaus and get them from Bureaus which are not hard pushed.

Mr. Wilson: I think it is worth considering whether we ought not to have organized in the Department a regular central copying and writing office as they have in the British Foreign Office.

Mr. McNeir: What we should have here is three or four extra typewriters and stenographers, subject to detail in the various Bureaus.

Mr. Buck: Now, I had to hire some body to do some work for Mr. Clark, because the clerks cannot do it, and pay them out of the \$2,000 for extra typewriting. Of course, to meet an occasion such as occurred this morning, when the Latin-American Bureau wanted a stenographer for an hour, we can do that, but otherwise we cannot. There is another proposition. The outlying Bureaus, while they have all the work they can attend to, their clerks are not inter-changeable in the Department as are those in the Bureaus that are in this building. For instance, we cannot call on Trade Relations for a clerk for an hour at a time, for before the man gets over here the time is over and we do not want him.

Mr. Wilson: I think it is every likely true that it would be more economical though to reduce the unit to its lowest terms and put all the rest of the typewriting affairs, the affairs that are expected to take much less responsibility beyond merely mechanical exertion, together.

Then, another thing, I think a great many people ought to be able to do a little typewriting who do not do it. All the diplomatic secretaries are expected to typewrite, and I know from personal experience that one can learn in a week or two to typewrite fairly fast with two fingers.

Mr. McNeir: I think the majority of the people in this office do typewriting. There are some of the older ones who do not, but the

majority I think do. If we could have two or three typewriters here that we might swap around as they are called for we could get along all right.

Mr. Davis: That would not cost you over three or four thousand dollars, would it?

Mr. McNeir: It would not cost that much. About \$3,000.

Mr. Wilson: How far are you getting on with getting the archives into flat folds?

Dr. Buck: Why, I think from one-third to a half of all the accumulation of four years. We are up against the question of space now about that. There is absolutely no place to put another file case.

Mr. Wilson: How about the accounting and all that, Mr. Morrison? Do the figures seem to be applicable to this Department?

Mr. Carr: I think they will be. In looking over them I do not see any reason why they are not applicable. If they are applicable to other Departments, I do not see why they should not be here.

Mr. Wilson: There is just one little point that occurs to me. It is always makes me rather tired to see a note going to an Embassy with a whole lot of marks and initials upon it, but in signing it is a great comfort to know that very reliable people have passed on a note. If we could only be infallible and have a rule that such and such officers must be consulted on such and such a thing, then if there was no mark we could be sure everything was as it should be. Whether we can do that on that assumption that a person signing could know.

Mr. McNeir: Why could we not have a tab fastened on the letters and put the marks on the tab?

Mr. Wilson: That makes a little more mechanical work. We could take only the important papers and when the paper was prepared the carbon with the little marks on it could be sent through with the paper for signature.

Dr. Buck:

Dr. Buck: That would not be a true copy of the original.

The marks are not on the original. pleasing variety of method too.

Mr. Wilson: I think that is going a little too far. marks than the

Dr. Buck: I do not intend it as a criticism.

Mr. Wilson: What do you think we could do to get rid of those marks?

Mr. Davis: Cannot all those marks be put on a carbon and the carbon accompany the document? There was a note on potash with H. K. P.

Mr. McNeir: The question comes up right away, what is an important document? How is the Chief Clerk going to tell whether it is important or not? Oh yes, it was unanimous. But I mean it is no-

Mr. Wilson: Mr Smith would not that be easier? I mean now when the things go back to the Bureau to be sent out, you have to see assembled the record and the original do you not?

Mr. Smith: The carbon is certified by the draft clerk after the original is press copied. He compares it as press copied with the carbon. McNeir: They go to the four Secretaries.

Mr. Wilson: Would it not be easier, to have the record copy stay with the original all the way through and come back? Editor's office.

Mr. Smith: Just as easy. There might be a slight change in the letter, and a slight chance of loss of the carbon. We would always check them off when they come back. Mr. Carr: Their accounts, I suppose that

Mr. Wilson: Are the press copy books worth while? Morrison?

Mr. Smith: Well they are convenient for reference.

Mr. Wilson: There is no other, larger reason for keeping them except the question might arise whether a despatch was signed as it was claimed to have been signed; that is if the reading of the despatch was signed corresponding with what some one may say. we done it.

Mr. Carr: Mr. Hengstler do not you in the Consular Bureau make two copies and no press copy? Mr. Morrison's cooperation and with

Mr. Hengstler: Standard letters we do, but not with instructions. we tried that on miscellaneous letters and found it quite successful.

thing of being able to say any day in a few minutes how each fund For

For instructions it is not so successful.

Mr. Wilson: Then this is a pleasing variety of method too.

Mr. McNeir: Is there not a deeper objection to the marks than the appearance of the letter?

Mr. Wilson: These young gentlemen who were attached to the Department and go back when they get a masterly instruction sometimes may know the author. There was a note on potash with M. H. D. prominently at the bottom.

Mr. Davis: But there were two other sets of initials besides.

Mr. Wilson: Oh yes, it was unanimous. But I mean it is nobody's business outside who writes things. To how many officials do the summaries of the press go?

Mr. Patchin: All bureaus have them.

Mr. Wilson: And those manifold copies or daily lists of important current matters?

Mr. McNeir: They go to the four Secretaries.

Mr. Wilson: They ought to go to the Director of the Consular Service, and perhaps to the Chief Clerk and the Solicitor's office.

Mr. Wilson: In the matter of accounts, when officials of the foreign service are slow in sending their accounts, I suppose that fact is first known - do they go straight through to Mr. Morrison?

Mr. Hale: Yes.

Mr. Wilson: Mr. Morrison, I would like you to let Mr. Hale and Mr. Carr know right away by telegraph. Notify their offices in case of the respective services.

Mr. Morrison: We do that, Mr. Wilson. We have always done it.

Mr. Wilson: Well, it is a good thing, nevertheless.

I think that Mr. Carr with Mr. Morrison's cooperation and with Mr. Hale's has brought us pretty well towards the position contemplated in these things Mr. Cleveland recommends. I mean the very desirable thing of being able to say any day in a few minutes how each fund

stands

Expenditures

stands and what the estimated ~~total~~ ^{total} is and what the surplus is and all that, and I hope everybody will cooperate to perfect that system because there is very little in the matter of the internal working of the Département more important.

On the subject of accounts I have talked about it with Mr. Carr a great deal. Looking at it this way the first thing you ought to know is whether an expenditure is necessary and desirable. Now, that is the business of the Divisions concerned, to some extent, as advisers, to the Chief of the Diplomatic Bureau, who ought to take immediate responsibility for the general state of the administration of their service. Then, the second, is the expenditure legal out of such and such a fund. Well the Bureau of Accounts on nearly every question has precedents and will be able to pass on those details. And, then, the third, also for the Bureau of Accounts, have we got the money. Then, the fourth, did we get what we started out to spend our money for. That goes back to the Diplomatic Bureau and the Division or other office concerned. And then, fifth, is the arithmetic of the transaction correct. That is most important.

So, it seems to me that the first and fourth elements belong to the Diplomatic Bureau or Consular under the Director and under the Third Assistant Secretary directing the Diplomatic, and the second, third and fifth belong to the Bureau of Accounts. And on those general principles we ought to make wise expenditures, and with the system already started and keeping financial records we ought to know where we are at it a moment's notice.

Mr. Carr: I would make one suggestion with pressing emphasis upon the desirability of everyone in the Department, of the Divisions preparing instructions to be very careful to inform Mr. Morrison of any authorization of the expenditure of money. It is very important that he should know as soon as possible.

Mr. Wilson:

Mr. Charles F. Wilson: Mr. Davis has some suggestion to make about

Mr. Davis:

Mr. Davis:

Mr. Wilson: I go so far as to say that no correspondence affecting financial affairs ought to go out without going through that has been found very excellent in manufacturing concerns employing the Bureau of Accounts and getting its mark.

Mr. Morrison: Now, I have letters on my desk to-day stating that checks for \$3,000 and \$5,000 are to be sent at the request of a Consul, and they have been in my desk for five days and no checks received yet.

Mr. Wilson: That is very wicked, but I must excuse myself by saying that when I am notified that there is \$5,000 to go to China and think of the starving millions, it even overrules my sense of good administration. I know of even writing a telegram telling him to draw on the Secretary of State immediately. One day I forgot it for forty-eight hours and wondered how many people would starve; but, of course, the telegram ought to have gone to Mr. Morrison then, but it ought not to have gone out originally without his mark on it.

I do not want to weary everybody on the first day. I do not know whether there is anything further for me to say to-day.

Mr. Morrison: Mr. Wilson, I would like to submit this for your information (handing a paper).

Mr. Wilson: I am very much obliged to you.

Why it would be a good thing for the different Bureau and Division Chiefs to go around from one to the other and see exactly how things are done in the other offices. Each man may find something a little better and work towards the uniformity we want.

Mr. Miller: That has been done generally.

Mr. Wilson: Well, the main thing is the proper spirit. It will be a good thing from time to time to have meetings like this, or smaller ones, and I hope everyone will make most freely all suggestions, no matter whether original or not, because we are all working for exactly the same thing.

Mr. Charles F. Wilson: Mr. Davis has some suggestion to make about that.

Mr. Davis:

Mr. Davis:

I mentioned to some gentlemen on the seat here a method that has been found very excellent in manufacturing concerns employing a great many people in more or less executive capacity; that is to say a secret list assigning every man about the concern a number. The manager of the concern has that list of numbers with the corresponding name of the individual. No one else knows to whom those numbers apply. Everyone about the concern is instructed to write at any time he chooses upon matters of economy and efficiency, and it has occurred to me that through the consular and diplomatic service and throughout the local administration if that system were put into effect and some one man charged with the duty of representing the Commission of Effectiveness, possibly if that one man had all this information that would ultimately come to him he would in a very short time know where all the weak spots are, and it is the weak spots you are trying to discover. You can easily strengthen when you know where the weak spots are. I can readily see why a Bureau Chief would not want to criticise some other portion of the Department if there was the slightest possibility of his name being known, but if he felt he communicated what he thought would promote economy and efficiency for any part of the service secretly he would do it. The Dayton Cash Register Company, one of the most successful concerns in the United States, has adopted that method and it has worked out finely. It has developed not only their executive management but it has developed the inventive genius of their people. They have eight thousand people at Dayton and their spirit is certainly fine and that encouragement has given it.

Mr. Wilson: It seems to me when we get around to something really more important than improving the methods in the different foreign missions and the foreign service, where of course much has been done, making absolute uniformity of records and all that, in dealing with the distance something of that sort might be useful, although a manufacturing concern is composed of a personnel working

for

for money only, and I believe the personnel of this Department puts other interests first. I do not think any question of secrecy or whether it was really kind to a fellow member of the service or might involve criticism of some methods in vogue with him should deter people from making suggestions. I should not think any man in this Department should have any other feeling than gratitude for having pointed out any mistaken methods in his bailiwick if there were any. But we certainly want some way to get at the best methods, and I thought, as we all have only one object in view which we put above ourselves, that just by frank, mutual suggestion and criticism we could work it out more directly than by written communications, private talk and so on. But, of course, anybody's suggestion will be most welcome to me. If there is anything that cannot be threshed out in a meeting of this sort it can be threshed out otherwise.

Mr. Davis: I think a meeting once in two weeks would be a good thing, get us all better acquainted with each other.

Mr. Wilson: I hope nobody will be broken hearted to hear of another meeting a week from to-day at the same hour. That will give us a little time to develop a self-sacrificing spirit.

Adjourned to meet Monday, March 27, 1911, at 4:30 P.M.

and then about the running of this Department in general, and then I think it would be a good thing if we could have some discussion and exchange of views and begin to form the habit of exchanging views, very informally, between the different men in the Department in responsible positions.

I think the investigations under Mr. Cleveland were begun