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Report of the Secretary of State to the Legislature of Mississippi

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## Special Report to the Legislature of the State of Mississippi by the Secretary of State [1916]

Mississippi. Secretary of State

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SPECIAL REPORT  
TO  
THE LEGISLATURE  
OF  
THE STATE OF MISSISSIPPI  
BY THE  
SECRETARY OF STATE



JANUARY 4, 1916

JOSEPH W. POWER  
Secretary of State

## EFFICIENCY

“Efficiency is the doing of everything in the very best possible way that will produce the best possible result. It is also the doing of everything that needs to be done, and the not doing of things that should not be done.”

## INTRODUCTION AND INSCRIPTION.



THIS report contains some of the most important reasons why Mississippi is over-spending her revenues. It also suggests ways and means of curing the deficiency.

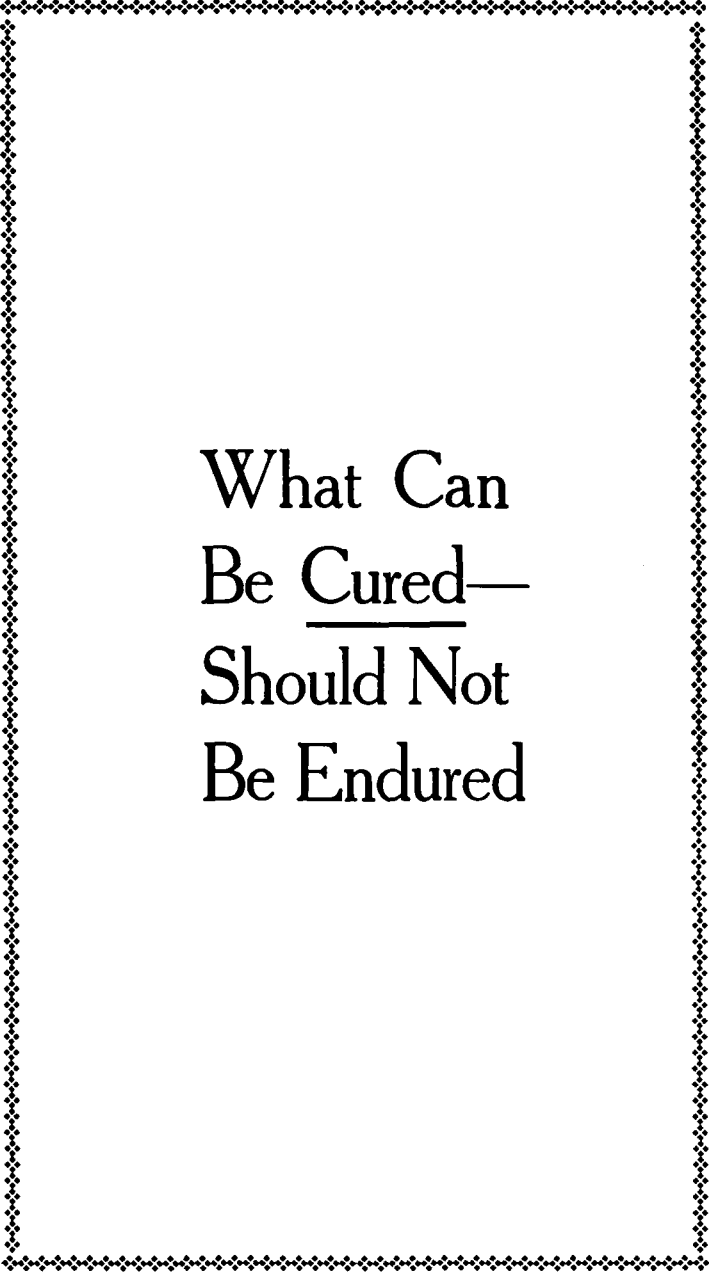
Many concrete examples are cited to show neglected economies through the State departments and institutions being conducted unsystematically. Concrete illustrations are drawn to explain the exact results to be obtained by a proper application of efficiency, system, centralization and standardization. Numerous practicable ways are suggested for lessening expenditures, and scientific means are discussed for increasing revenues. Of course, in the past, various meritorious recommendations covering specific executive details have been presented to the Legislature, but probably as a whole, the Legislature has never received a report so comprehensive and detailed regarding the entire State Government as the one herewith submitted. Convincing comparisons are made between the inefficiency in the governmental affairs of Mississippi and the efficiency found in other states and in the business world. In other words, this special report is really an essay on efficiency as found elsewhere and as needed in Mississippi.

Although each of the various subjects discussed in the report has a separate heading and may be read separately, each subject has a relation to all the others, and the real thought the writer has in mind can only be discovered by reading the entire report. It is written as though a continuous story, and an effort has been made to make the story interesting as well as convincing.

Some persons read more rapidly than others but even a person who reads slowly can read the entire report in less than three hours. Therefore, this special report is being respectfully dedicated or inscribed to every Legislator who has the welfare of Mississippi at heart to the extent of devoting two or three hours to a task which might be instrumental in placing Mississippi in the front rank instead of at the "foot of the class," and which task might help to make the accomplishments of the present Legislature greater than any previous ones.

As a final introduction, I wish to express my appreciation to Mr. F. G. Rosin for his valuable assistance in the compilation of this report. Mr. Rosin is an efficiency specialist and a public accountant who not only has a university training and a wide knowledge and experience in efficiency, systematizing and public accounting, but he has actively investigated most of the institutions and departments of the State.

There is a complete index in the back of the report.



What Can  
Be Cured—  
Should Not  
Be Endured

## REASONS FOR THIS REPORT TO THE LEGISLATURE.

Realizing the financial affairs of the State of Mississippi are in such an unsatisfactory condition that they have reached a crisis where some serious efforts must be made to adjust them, I feel that it is the duty of everyone in the State (and particularly the duty of State officials and other employees of the State) to lend whatever assistance may be within his power or knowledge.

At the opening of a new Legislature, many of the Legislators are new to the work, and the majority of State officials are serving for the first time. Even though many of the new members of the Legislature, and the new State officials, may have a thorough book knowledge of Civics and Political Economy, and may have kept themselves in close touch with the practical workings (both failings and advancements) of State governmental affairs in this State, and in the other states of this country, or of the states in foreign countries, there are many executive details which are not reported either in newspapers, or in our State departmental reports, which details could be of material service in formulating new legislation, and, also, as an aid to the present financial problem that faces the present administration at the very commencement of its work.

During my long service as Secretary of State, I have had an opportunity of observing and accumulating executive details, which I believe worthy of calling to your attention, and which I hope, in conjunction with suggestions from the Governor and others, may be instrumental in helping to make this Legislative Session more efficient than any that have preceded it. It is the ambition of your new Governor to make his administration the best Mississippi has ever known, and it is with his full consent that I am tendering this report, with the thought of co-operating with the Governor in his ambition, and not with the thought of offering anything that may conflict with his plans or wishes.

Since the Civil War, this State has not faced such a financial distress. Not that I refer to the so-called "hard times" due to the European War, for I understand the business of the State is now in a fairly prosperous condition. I am told the department stores of Jackson, for instance, have had a larger fall and Christmas trade this past year than ever before in their history. Cotton and other commodities have been steadily rising in price, and the general prosperity of the State is all that could be wished for under present conditions. The financial distress mentioned applies to the State government. State expenditures for years have been exceeding the State revenues. Although past Legislatures have recognized this fact and have discussed the problem, no real solution has so far been seriously acted upon. The State's bad financial condition now makes it imperative for the problem not to be again evaded; and, not only is it impossible for this Legislature to put off longer what should have been done long ago, but the present Legislative body has the opportunity to make a name for itself by thus putting into operation legislation that will accomplish something really worth while for Mississippi.

Seriously believing my present report contains suggestions that may be helpful, I implore every member of the Legislature to carefully read and think over these suggestions, and, as you read, please believe that your Secretary of State has only the best interests of the State at heart and that he will gladly furnish any further details either you or your committees may wish in discussing the thoughts contained herein.

every particular, with the details of a large business or corporation. States buy and sell just as a business does, and it is equally important for the buying and selling of states to be done as efficiently. States have various employees and various heads of departments, and it is obviously just as necessary for these employees and department heads to be fitted for their work, and to competently fill their respective positions, as for employees in other fields of work. That employees should work ambitiously, and should put in full days of work and be punctual, is certainly as needful for a state as for a big business.

### **Necessity of Systematic Records.**

Why should a state be excused from keeping systematic, detailed, balanceable records, when it is only by so doing that the public can know how their money is being spent? Without systematic, detailed, balanceable records, the public can not know the real financial condition of the State, neither is there any means by which comparisons can be made, between departments and institutions, as to salaries paid; as to number of employees; capabilities of employees; duplications of work and of employees; accomplishments of institutions toward students and inmates (in education, cures, health, welfare, and discipline); how the State's property is being taken care of; how well the State's owned land is being cultivated; what becomes of the supplies purchased; proper amounts of supplies; prices of supplies; kinds of supplies; wastes in supplies; any general lack of economy; which departments or institutions are being run efficiently and which are not; actual cost of running the State; what expenses may be either reduced or eliminated.

Without knowing the actual cost of running the State, the Legislature cannot plan accurate appropriations for each next period, but must depend upon the respective requests of each department and each institution, without there being a general comparative supervision to verify the correctness of the requests for appropriations; etc., etc.

### **No Excuse for State's Lack of System and Economy.**

Imagine a big business or corporation not using time-clocks or employing time clerks to see that all employees commenced and quit their day's work at the proper time. On the other hand, imagine, if you can, a State department or State institution where a time-clock would either be suggested or wanted. Which is wrong, the corporation or the State? Unquestionably, the State is wrong.

The State, with its various departments and institutions is like a big corporation with its branches; and the State should be run just as efficiently as the corporation. In fact, there is less excuse for lack of economy, lack of system, and lack of efficiency, by a state, than by a corporation. In the business world, the larger the corporation, the more effort toward efficiency is expended, and a state (even the smallest and less thickly populated) spends more money annually and has more branches and departments than most large corporations. Besides, corporations are usually owned by a few persons, while a state's ownership comprises hundreds of thousands of individuals; and that fact makes the responsibility of the state much greater than that of corporations.

### **No General Supervision of State's Business.**

What would happen to a corporation, if each and every department or branch worked independently without any general supervision? Such, though, is the method employed by the State of Mississippi. There is no general supervision of the departments and institutions of the State. Oh, yes, the departments and institutions are under the nominal supervision of the Governor, while the State Legislature has supreme authority over everything, even the Governor; but, that kind of supervision is only a farce.

The Governor's supervision barely extends beyond the appointment, and removal for cause, of boards of trustees, and the appointment, and removal for cause, of some officials. In addition, he does sign appropriation warrants before the money is drawn from the State Treasury, but, in this, the Governor does no real supervising, and depends mainly upon his confidence in the official, or the board of trustee member, whose warrant is being signed. Even, at times, when he may interrogate a person presenting a warrant for signature, he has no available means of knowing how that expenditure compares with similar expenditures from other departments or institutions; and, thus, the value of the Governor's signature to a warrant is small, except insofar as it impresses some State employees and deceives them into believing they are being supervised.

### **Methods of Buying in Business World.**

Contrast State supervision of its departments and institutions with the supervision given by a big corporation over its departments and branches. Could you conceive of a corporation allowing even pennies to be spent by one of its departments or branches without the supervising officials knowing all the whys and wherefores, not only with reference to that particular department or branch, but, also, with reference to the corporation as a whole? Whereas, the State allows its money to be spent by hundreds of thousands of dollars, with scarcely no general supervision, and with absolutely no comparative supervision as between departments or as viewing the State as a whole.

In the first place, corporations have everything standardized and centralized. All the purchases for all the branches and departments of a big corporation are centralized and placed in the hands of an experienced buyer or purchasing department. A corporation would not permit its purchases to be made by a man who had never had any experience in buying supplies and who might possibly some day develop some ability along that line. Instead, the corporation would carefully select a thoroughly capable and experienced buyer to whom it would pay a yearly salary of \$5,000.00, \$10,000.00, \$15,000.00, or even \$25,000.00, depending upon the size and the volume of business of that corporation.

In paying so large a salary, the corporation would not do so because it is philanthropic, and because it likes to promiscuously pay large salaries, but because it would have to pay that sum in order to get the kind of man it would need, and because that type of buyer would save for the corporation many thousands of dollars more than his salary.



### **Methods of Buying in State Government.**

How does this method of buying compare with the purchasing of supplies for the State? State purchases are made by some State officials, by superintendents of some institutions, by stewards and chefs and supervisors of other institutions, and at other institutions by boards of trustees. These State employees receive salaries ranging from \$2.00 or \$3.00 per day one day each month for boards of trustees, to \$2,000.00 a year for some State officials. The buying by these State employees is but a small part of their work. When many of these employees were either appointed or elected to their present positions, they were not chosen because they knew something about buying, but were chosen, either because they were friends of so and so, or, because they had some political influence with the political rulers of the administration during which they sought the positions. Prior to holding their present positions, most persons who do the State's buying probably never made anything but personal purchases, such as an occasional necktie or suit of clothing, the cigars they smoke, and sometimes groceries when their housekeepers were too busy to buy them. Could anything be more inconsistent?

### **Qualities Needed by a Buyer.**

In a similarity to corporation methods, the State should concentrate all its purchases either in a single buyer, or in a commission of buyers, and this buyer, or these buyers, should possess even a higher type of capableness than a buyer for a corporation. Besides buying ability, State-buying requires a broad-mindedness that would not fail to recognize, for instance, that deaf children being educated into useful citizens require a different kind of diet than insane persons who may always be State dependents. This broad-mindedness and buying ability should include the following qualities and knowledge; intelligent knowledge of bookkeeping, of system, and of the use and preparation of statistical records, in order that capable comparisons could be made between the needs of various State departments and institutions; ability to judge when things are needed and when they are not; thoughtfulness to the extent of not trying to lessen State expenditures by withholding either quantities, kinds or qualities of food and supplies, when so doing would interfere with the health or education of institutional inmates or students, or interfere with the development of cures, or with the general efficiency of any institution. This broad-mindedness and buying ability should include the discernment to appreciate that, when an institution superintendent's board is part of his salary, that superintendent should not be denied such foods as a man of his position would himself purchase if he were paid a higher salary and compelled to supply his own table; at the same time, it should include honesty toward the State to the degree of striving to the uttermost in every conceivable way to curtail State expenditures; courage enough not to be influenced by friendship, or political influence, to make more favorable purchases for a given State official, department, or institution, than for others; sufficient fearlessness to ignore political or public criticism, when it was found to be more advantageous for the State to buy supplies outside of the State, or outside of a given locality of the State; stamina that would not fail to try to curb

the wasting of foods and office supplies, nor fail to deny the privilege to purchase superfluous office supplies, etc., regardless of whom the criticism touched; determination which would not permit political pressure or persuasion to alter an opinion known to be correct; justness that would not fear to change a decision, if it later proved to be wrong; mental integrity of the type to appreciate that many details, with reference to many kinds of supplies, are better understood by the department or institutions heads, than could possibly be understood by persons not being brought constantly in touch with the uses of those supplies; progressiveness or up-to-dateness with which to realize that the purchase of some kinds of efficiency machines or office devices is a step efficiencyward, and, through saving time and labor, is an economy and not an extravagance; judgment to know that it is more economical to pay \$2.00 for a pair of shoes, which an inmate of an insane hospital can wear for six months, than to pay \$1.50 for a pair that will last only one, two, or three months; discrimination to say "yes," or "no," at just the time and the place where either exactly fits; and, finally, the broad-mindedness and buying ability that should be possessed by a State buyer or buyers should include good, old, common-sense, that would thoroughly be aware that the business affairs of the State should be conducted as economically and as competently as are the business transactions of big corporations.

#### **Efficiency and Supervision by a Big Corporation.**

Standardization and centralization should not stop with simply the systematizing and centralizing of the State's buying, but, as with big businesses, it should be applied to every detail of State business. The officials of a big corporation either employ efficiency and system specialists, or have an efficiency department of their own, to plan everything in every department and branch in the best way it should be done. The bookkeeping and clerical work, to the smallest detail, for every department and branch is arranged by the efficiency specialist or efficiency department. Everything is considered, there are no duplications of work, or of methods or of movements. Competent accountants do the accounting work, competent bookkeepers look after the bookkeeping, competent clerks fill the clerical positions, competent stenographers and typewriters perform all the stenographic and typewriting duties, competent superintendents superintend, competent buyers buy, competent salesmen sell, etc. Competency is never lost sight of in anything.

Reports and records going to the various officials and heads of departments or branches give all the information (and no more) that is necessary for the supervision needed. Although the corporation president receives reports and records that give him a full knowledge of everything that is going on in every department and every branch, he is not over-burdened with details to the extent of preventing him from having time in which to plan the more important things of his business. In like manner, the department heads and branch heads are burdened only with the details that are necessary for a proper supervision, in order that they, too, may have time to plan the bigger problems of their respective departments or branches.

### **Big Problems Being Watched by Business.**

These bigger problems of management, referred to above, include improvements and economies of every description: for instance, discovering improved methods to make work easier and clearer, adding some details, stopping other details; reducing labor and expenses of various kinds; finding better ways of watching wastes of supplies and other inventories; seeking means of increasing revenues; changing employees into positions for which they are best fitted; seeing that employees do a requisite amount of work; discharging employees that are either utterly incompetent, or not conscientious in their work; seeking improved office and other efficiency machines and ideas; etc., etc.

### **Details and Poor Organization Interfere with Governor's Work.**

The president of the State of Mississippi is called Governor, but the Governor has not the opportunity to view his departments and institutions as does the president of a corporation. In the first place, he is swamped with details, such as signing warrants and signing many other papers and records that he has little opportunity to know about. These details prevent him from devoting time to the larger problems of State government. Co-operation between his institutions and departments is unknown and he has no way to bring it about, until the Legislature changes the plan now in force of permitting each department of the State Government to run its affairs independently, without co-operation with other departments, and, without real supervision by the Governor and by the Legislature itself.

### **Reorganization of State Departments Needed.**

The Legislature should arrange the State Government into distinct departments; each of which looks after one distinct kind of work and no more (now some departments have work entirely unrelated to their supposed work); each department being under the head of an official fitted for superintending it; and all the superintending officials being under the supervision of the Governor. Under the suggested plan, the Governor should, as does the President of the United States, and as the president of a big corporation does, bring about co-operation by holding weekly, or monthly, or quarterly, or semi-annual, or yearly meetings with the heads of departments and institutions; in which meetings, there would be, for the benefit of all, open discussions between departments and institutions of their various problems; and the Governor should be kept constantly informed of State affairs by either daily, or weekly, or monthly, or quarterly reports from each and every department and institution in the State. Of course, it probably would not, or might not, be practical for all these reports to go direct to the Governor. They should first go to the State Efficiency Expert, or to the State Comptroller, or perhaps the Auditor of Public Accounts, and the official to whom these reports went should rearrange them, or rearrange such facts as the Governor wished, into a single comprehensive report.

### **Reorganization Would Make the Governor Responsible for Everything.**

Thus the Governor would have real supervision of everything in the State, and both the Legislature and the public could rightly hold the Governor responsible for everything that would go wrong. The Governor could then be held responsible for leakages of all kinds, for lack of economy and for lack of progressiveness, just as the president of a corporation is held responsible for anything that goes wrong in any or all of his departments or branches. How the State departments should probably be arranged will be mentioned later, as will also concrete suggestions about a central purchasing agent and other centralized or efficiency details.

### **Corporation Methods Illustrated by Familiar Industries.**

For the benefit of Legislators who do not live near large cities, and who, therefore, may have but little opportunity of observing or otherwise knowing the methods pursued by big corporations, I will illustrate the State's lack of co-operation and supervision by a contrast with familiar industries.

Suppose, fifty years ago, a man had a small blacksmith shop at a cross-roads or in a small village. Although the man had no education and but little business ability, he was able to save some money because he was the only blacksmith in that vicinity. With his savings he purchased a small farm where he raised cotton, and, also, a few vegetables, and enough hay and corn for his own use. Later, he purchased or built a small cotton gin. Competition comes in the form of a new blacksmith and a new cotton ginner. These, together with the boll weevil, interfere with his business progress, so that today he is in the same financial and mental condition he was when he first started his blacksmith shop fifty years ago. In the meantime, his neighbor farmers have new farming implements and new agricultural methods, and his competitors the blacksmith and cotton-ginner, have new machinery and new ideas.

Suppose at this point in his life, several of his older relatives who had been progressive and had each amassed a large fortune were to die and were to leave him all their property. There were left to him large estates in nearly every county in the State; also, his legacy consisted of twenty-five or thirty large general stores in various parts of the State and blacksmith shops and lumber mills and cotton gins. Do you suppose this man whose methods and ideas have not changed for fifty years would be able to personally superintend his new property? Instead, the attorneys transferring the property to him would suggest his obtaining a capable manager for his immense estate. And, do you suppose the new manager would attempt to supervise his various new interests without the proper authority over each and all the different branches, and without proper records and an accurate means of comparing the related branches? The manager would employ capable assistants or sub-managers, and each would have to be able to competently assist him.

The manager and his assistants would open up a main office, and would keep records whereby they would know that each of the general stores was not being run under more proportionate expense than each of

the others and that each was making the profit it should. They would see that each estate in each county was raising as much cotton and as much corn as it should, and they would see that none of the cotton or corn was being wasted or stolen. They would also have comparative records to show the profits and expenses for each and every one of the lumber mills, and for the cotton gins and blacksmith shops.

Wherever employees or individual managers were not competently doing their work, they would be discharged, and, in selecting new men to fill the vacancies, the general manager would not, simply to please some politician, employ a person who had no ability, but he would first learn if the person seeking the position is experienced and could ably do the work. The general manager would not employ blacksmiths to plan his bookkeeping, neither would he employ blacksmith helpers to keep the books after the blacksmiths had installed them. Nor would the general manager employ laborers from lumber camps to look after the purchasing of all his supplies. The general manager would be the real manager and he would insist that everything was done properly.

He would have the books of the general stores and of the lumber mills and the cotton gins regularly audited, and he would see that they each kept up-to-date sets of books. He would know at all times the exact status of everything; and he would certainly know at the end of each year the exact profits or losses for each of his branches, as well as for the entire immense estate as a whole.

Do you think the Governor of Mississippi has the same opportunity to manage the State's business? Does the Governor have a main office where he can keep in touch with everything? Why should the State be managed less well?

### **Efficiency Ideas and Machines.**

New efficiency machines and new efficiency thoughts are created to save time and labor, both of which latter are directly or indirectly the equivalent of money. If a new efficiency machine or a new efficiency idea is conceived, it is done because it saves money, time, or labor, or because in something it is better than things that have preceded it. Of course, sometimes the efficiency machine or the efficiency idea does not work out as well as its creator planned, but many do work out as well and some even better than was planned. Hence, the concerns which adopt money-saving devices or ideas naturally are making more money than the concerns that do not keep abreast of the times, or the concerns which are tardy in laying hold of new methods and ideas.

The same rule holds in regard to states, as to outside business. The states that are keeping up-to-date are experiencing economies and improvements that the less progressive states are losing, and, no matter what the least progressive states may do in the future, the money they lose by being behind the times is forever lost to them. Some states are realizing this truth, and it behooves the other states to arouse themselves, else they become swallowed up in antiquatedness.

### **Efficiency Departments.**

In the efficiency departments and experimental departments of corporations and of some states, the duties of some of these experts is to

carefully watch everything of an efficiency nature that is going on in the world. Magazines, newspapers, trades-papers, government reports, and states' reports are read, and all worth-while items are clipped and, either used, or, systematically filed away for future use. These efficiency departments engage the services of high class men with inventive or creative abilities. Big corporations understand their business and are not foolishly spending money for efficiency experts and efficiency departments. If a corporation did not find a given thing profitable it would quickly abandon it. Efficiency departments of corporations likewise use civil service methods in selecting and governing their employees.

#### **Auditing Departments Should Audit.**

I call your attention to another thing in which the State executive affairs of Mississippi compare most unfavorably with similar functions in corporations and in some states. Auditing departments of corporations and of some states, actually audit, and, in addition to their regular auditing departments, corporations and some states have public accountants audit their books annually or semi-annually. The books and records of the departments and institutions of the State of Mississippi are but rarely audited by public accountants, while the duties of the State Auditor of Public Accounts do not include auditing. He does, in a sense, audit the records of the State Treasurer, but, as regards the State institutions and the other State departments, the State Auditor of Public Accounts simply sees that the warrants paid by the State Treasurer do not overdraw the appropriations designated by the State Legislature.

To be efficient and up-to-date, the department of the Auditor of Public Accounts should employ experienced, thoroughly capable auditors with constructive ideas, to devote their time exclusively to auditing State books; and, also, public accountants should, at certain stated regular intervals (and in special cases), be called upon to audit and investigate every department and institution of the State.

Not only does efficiency and safety demand close auditing supervision, but, as the public believes many public officials are corrupt and given to graft, justice to the State employees themselves requires the State to disprove that belief. Statistics of investigators everywhere show that the state governments lose comparatively little money through theft or embezzlement, but that the real large State losses come through lack of efficiency and business economy.

#### **State Employees Should Be Fitted for Their Work.**

Unlike outside business, the State employs persons regardless of whether or not they are exactly fitted for their respective positions. Mention has already been made of how the State does its buying of supplies. Clerks and bookkeepers are hired when they have neither clerical ability nor bookkeeping knowledge. The records and bookkeeping systems in use in nearly all State departments and institutions have been planned mainly by either the heads of the departments and institutions, or by clerks and bookkeepers, and none of these persons has either the necessary experience for such work or a special ability in that direction.

### **No Uniformity in State Systems.**

As a result, there is, of course, absolutely no standardization between departments and institutions, and, even viewing them individually, most of the systems are said to be jokes. Some use double entry book-keeping, some use single entry, and some barely keep memorandum accounts. Some balance their books and some do not, and some would not know how even if they wished their books balanced. Prior to 1913, some institutions and departments did not even understand how to reconcile their cash accounts with their bank books. Some keep appropriation accounts, most institutions and departments do not. Scarcely any keep asset and liability accounts.

### **Necessity for Asset and Liability Accounts.**

Without asset and liability accounts, it is utterly impossible to know the financial condition of the State. To illustrate: a given institution has been spending \$100,000.00 per year for food supplies, and \$5,000.00 for furniture and fixtures, \$3,000.00 a year for repairs to its buildings, \$3,500.00 a year for coal, \$1,500.00 a year for clothing, \$3,000.00 a year for dairy and horse feed; how can the Legislature know what appropriation to make for the new biennial period unless it knows the following? That there is an inventory on hand at that institution, at the end of its appropriation period, which inventory consists of the following: buildings, \$281,000.00; food supplies, \$5,000.00; furniture and fixtures \$50,000.00 (although there was \$500.00 spent for furniture during the last year, the same amount had been expended for furniture for fifteen successive years beside the original investment in furniture; the furniture had been taken care of and there was, therefore, this surplus amount of furniture at the institution) (or, the furniture problem might be the reverse—there being an original investment of \$20,000.00, besides the \$500.00 each year, and the new inventory disclosing too little on hand, perhaps only \$10,000.00); coal, \$2,000.00; clothing, \$1,200.00; dairy and horse feed, \$1,750.00. Regarding the \$3,000.00 repair item, if the value of the buildings was religiously appraised, the Legislature could tell how badly the buildings were deteriorating, whether they were being kept in proper repair and how soon they would have to be replaced by new buildings

With but a few exceptions, the Legislature receives no appraisalment nor other inventorial information. No end of the year inventory is kept of accounts receivable—these being records of money owed to the State for taxes, sales of agricultural and dairy products, sales of scrap materials and refunds due for shipment shortages or overcharges. No end of the year inventory is kept of accounts payable—these being records of money owed by the State for supplies not paid for, but either purchased or contracted for after appropriations have been spent; and records of money owed by the State for undercharges on invoices rendered them, for emergency repairs to engines or boilers or roofs or plumbing, all of which repairs sometimes have to be made in the latter part of an appropriation year, when a given institution's appropriations have been entirely spent, and the repair bill has to be held over by the contractor until the next appropriation period.

Also, if these facts were known, the Legislature, after verifying the justice of the emergency expenditures, would be willing, of course, to increase the appropriations of the unfortunate institutions. To regulate appropriations the Legislature must know the inventories on hand at the end of fiscal years or appropriation years.

In final reference to asset and liability accounts, although the State has invested in its property approximately \$20,000,000.00, and spends about \$2,000,000.00 each year, it cannot tell at the end of any year whether its investments and expenditures are profitable or a big loss to the people of the State. Asset and liability accounts help to solve the problem.

### **Efficient and Standardized Systems Needed.**

Referring to the inefficiency in most of the office systems of the State, and to the fact that no two institutions or departments have systems at all similar, this is a grave error. There should be standardization and uniformity wherever possible. Public system specialists or system experts connected with either the State's Efficiency Department or with the Auditor of Public Accounts should design the best system that would fit all institutions and departments, and all institutions and departments should be compelled to install it. Of course, the same system may not exactly fit all institutions and departments, but as many details as possible should be applied to all. Where a certain detail would not fit, the best detail to take its place would be planned. For instance, if it were found that the same kind of cash book would not fit all institutions, even where another form of cash book were found expedient, there might be no logical reason for that institution or any other institutions, not to use the best form of voucher check itemizing the purchases for which the voucher check was a payment; and having a provision on the voucher check for the signature of the superintendent, for the signature of the bookkeeper as to the items on the voucher check having been checked and properly recorded, the signature of the receiving clerk or supervisor or steward affirming that the exact materials and exact quantities had been received in good condition, and the signature of a member of the auditing committee of the board of trustees certifying to the bill having been authorized and audited by the board of trustees in accordance to law. Some institutions do not use voucher checks, and but a few institutions use countersigned voucher checks. Most institutions, also departments, simply use the old-fashioned kind of check, which neither brings the purchases and payments into close contact, nor distributes through signatures, the responsibility of institutional business transactions, nor insures a close supervision of purchases, payments of bills and receipts of goods.

### **Probable Savings from Efficiency and Standardization.**

If every State system, every State record, and every detail of clerical work in the institutions and departments of the State, were, as far as practical, standardized and made uniform and brought to the highest state of efficiency (including, perhaps, centralization), the State of Mississippi would reap economies that past Legislatures would not have believed possible.



Some of the savings the State would achieve are: reductions in the number of employees through the doing of things in the best way and through the elimination of duplications of positions, duplications of records, duplications of other work and duplications of movements in performing the work still adhered to; another money-saving would come through the reduction of printers' bills; still other savings would appear by reason of the general improvement, not only in the clerical work directly affected, but upon the improvement, in all kinds of work, due to the good influence set by the competency accomplished among the clerical workers; this latter thought is an important one and should not be ignored; and, also, savings would be made through the stopping of leakages and wastes and superfluous purchases of supplies—all of which three would be possible by having accurate records, not only as regards separate institutions and departments, but, likewise, as regards the State as a whole, because the uniform records would permit of able comparisons of expenditures for, and consumptions of, supplies between the various institutions and departments.

#### **Savings on Printers' Bills through Standardization.**

Continuing the above subject of the money savings that would accrue to the State should the State adopt efficient, standardized, uniform systems, mention was made of savings through a reduction of printers' bills. During the State Legislative Investigations of institutions in 1913, a member of the Legislative Investigative Committee, after carefully going over figures presented by one of the public accountants employed by the Committee, stated that it was his firm conviction that standardization alone would save for Mississippi probably \$250,000.00 every year, and that the saving in printers' bills would amount to many thousands of dollars.

Consider how printing savings would be possible. Now, each and every department and institution has a separate system and each is unlike any other. Some have unnecessary records and many make frequent changes. Each department and each institution separately orders the printing of its individual books and records, and, on account of trying not to spend too much from a given year's support appropriation, in order not to break the law by spending more than the amount appropriated for that year, many departments and institutions frequently order a printing supply for but one year.

As you probably know, the principal cost in printing is in the "make up;" by "make up" is meant the work of setting up the design and the type and the ruling machines. The cost for large quantities of any kind of printing is comparatively small after the printer has once set up the form. Therefore, the great number of forms, and the frequency of ordering printing, and the ordering of small quantities, is proportionately expensive and extravagant. Should the same book-keeping system, or nearly the same system, be installed in all institutions and departments in Mississippi, and should all the printing for the whole State in a supply sufficient for three or five or ten years, be ordered at one time from one printer, after competitive bids had been rendered, the printing expenditures would be astonishingly lessened.

### **Printing of Biennial Reports.**

Regarding the printing of Biennial Reports, these are now ordered through the State Board of Public Contracts, and, although the Board probably gets the lowest possible price for the printing, this detail of the State Government is in sad need of change.

Of course, in justice to the efficiency of institutions, in their reciprocity of exchanging their Biennial Reports for reports from like institutions in the United States, we recognize that both Mississippi institutions and the outside institutions may be mutually benefitted by knowing what is going on in the world in their respective lines. Naturally, it behooves persons thinking over this subject to be broad-minded, and not to interfere with anything that may help our institutions; but, as lots can be learned from outside institutions, many of which are indeed progressive and well worth imitating, it is necessary for our institutions to have Biennial Reports to send to these outside institutions, in order that the outside institutions will furnish us with their reports.

### **Present Biennial Reports Useless as Comparative Records.**

However, our Biennial Reports need considerable supervision, and, at present, there is absolutely no State official with the specific authority to do this. Most of the reports are prepared by persons ill fitted for such work. They have neither the literary ability with which to properly write the narrative parts, nor the business ability to know how to prepare the statistical sections. The statistical sections are not only arranged inefficiently, but they are compiled only with reference to each individual institution or department, and, consequently, each statistical arrangement is so unlike any other in the State that each Biennial Report is almost useless for comparative purposes with others. As stated elsewhere, being unable to compare in detail the expenditures and revenues (institutions and departments have various other revenues besides appropriations), the Legislature can not readily or justly distribute appropriations.

In accordance with former suggestions herein, if the State were seriously systematized and standardized, the State's Efficiency Expert or Comptroller, or Business Manager, would look after this detail, too; and the Governor and the Legislature would then receive comparative information through his general report of the State and through the Budget prepared by him for the Governor and the Legislature.

### **Biennial Report System Needs Supervision.**

Nevertheless, you should know of the following errors in our system for Biennial Reports. The State Board of Public Contracts prescribes the number of all Biennial Reports to be printed for the Legislature, and the Board pays for the work out of the special appropriation given it for that purpose. Besides the number of Biennial Reports of each institution and department, which is ordered by the State Board of Public Contracts, the various institutions and departments individually order and pay for, out of their separate support appropriations, what extra quantity of Biennial Reports each wants for its own use. No one supervises the quantity of these extra copies of Biennial Reports, and no one supervises either the size of the Biennial Reports or the contents. The narrative part of all Biennial Reports should be carefully edited by

a broad-minded person of education—one who has both the ability and the experience in either literary or newspaper work. Either the one, who edits the Biennial Report, should have the ability and knowledge to also edit the statistical parts, or the statistical part should be edited by some other person who has the requisite talents.

### **No Record of Total Cost of Biennial Reports.**

As the individual institutions and departments do not include in their Biennial Reports the amount expended by the State Board of Public Contracts for Biennial Reports, none of the Biennial Reports show the true or complete expenditures for printing by that individual institution or department. Conversely, as the Report of the State Board of Public Contracts includes only what it spends for the institutions and departments, there is no record in the State that shows what any one institution or department spends for printing, nor what all the institutions and departments collectively spend for printing.

### **Centralized Buying of State Supplies.**

At this point, it might be well to call attention to the various suggestions that have been made for centralizing the State's buying. This subject has been partly discussed earlier in my report. The various suggestions follow. A single buyer, or a purchasing department, for the State as a whole. A single buyer or a purchasing department for the charitable institutions, another for the educational, another for the correctional, and still another for the remaining departments. A single buyer, or a purchasing department, for the charitable and correctional, or for the charitable and educational, or for all institutions. For a permanently employed buyer for the whole State to be a part of the State Board of Public Contracts; or, for him to be a member of a proposed permanently employed Central Board of Trustees for all institutions; or, for him to be a member of a proposed permanently employed Central Board of Trustees for the charitable institutions; or, that the Central Board of Trustees should be in control of both the charitable and educational institutions, on account of there being comparatively so few institutions in Mississippi; or, for him to be either a part of an Efficiency Department, or, for him to be both the State Buyer and the Efficiency Expert; or, for him to be part of a State Business Manager's office; or, for him to be both the State Buyer and the State Business Manager; or, for him to be part of a State Comptroller's office; or, for him to be both the State Buyer and the Comptroller; or, for him to be attached to the Governor's office; or, for him to be attached to the department of the Auditor of Public Accounts; or, attached to a State Finance Department; or, to a State Tax Commission; or, to a State Revenue Department.

Which plan is best may be in dispute under the present plan of things in Mississippi. Should the executive organization be changed, the problem then would be comparatively easy. Personally, I believe the best plan at this time would be either a separate buyer, or a separate purchasing department, to buy everything for the entire State, except emergency purchases, and even emergency purchases should be under his supervision.

However, that centralized buying in some form will save Mississippi many thousands of dollars each year can hardly be denied. Hence, it

seems to be one of the chief aids toward solving Mississippi's present financial difficulties, and, if so, it is imperative for this Legislature to adopt it.

### **Centralized Buying in Other States.**

If other states can save immense sums of money each year by centralized buying, why should not Mississippi save proportionately as much? Illinois adopted centralized buying for her twenty-two charitable institutions in 1910, and saved \$250,000.00 the first year she applied it, and she has saved \$100,000.00 for her charitable institutions every year since, despite the increased cost of all kinds of supplies. She tried it first for the charitable institutions, and, now being convinced, she is going to adopt centralized buying for the whole State.

Having tried centralized purchases in a small way in 1913, Vermont created a single purchasing agent to do all the buying for the State. Some of the states doing centralized buying in some classification of government are Kansas, New York, Wisconsin, Arizona, Iowa, Washington, Illinois, Minnesota, West Virginia, Ohio, North Dakota, Rhode Island, Nebraska, New Hampshire, Arkansas, Kentucky, Vermont, Massachusetts, and California.

In addition to these, some other states, like Mississippi, are buying coal and printing through a State Board of Public Contracts. With but one exception (Michigan), all states that have tried centralized buying claim immense savings and are thoroughly satisfied with the change.

I call your attention to an early section in this message in which a central buyer is suggested, and I beg to remind you of the fact that central buying will be useless unless a high-priced, experienced, conscientious, broad-minded, capable buyer is placed in charge of the work. Politics, favoritism, or incompetency can not enter the buying department without irreparably hurting it.

### **Budget System.**

A State Comptroller, if one is ever appointed in Mississippi, or a State Efficiency Expert, if one should be appointed, or the State Business Manager, if one should be appointed, or, perhaps, the State Buyer, should, as previously mentioned, make up for the Governor and the Legislature a comparative statement for the State as a whole. This statement should be compiled from the individual reports of institutions and departments, and it should be arranged clearly so that like things in the various institutions and departments may be seen at a glance.

This statement might include a State Budget which is much needed in Mississippi. All national governments and nearly all the progressive states in this country use the Budget System for their finances. Anyhow, even if not included in the general comparative statement, budgets should be made by the State Comptroller, or Business Manager, or Efficiency Expert, or State Buyer, and presented to the Governor in time for his message to the Legislature.

If the State departments were properly supervised through audits, and by a Comptroller, or Efficiency Department, or a Business Manager, the Budget that the Governor would receive would be authoritative, and neither the Governor, nor Legislature, would have to do much more than approve the appropriations asked for. Of course, a Budget would include the probable revenues of the State as well as the proposed expenditures.

## A Problem in Arithmetic

If each of the State's 2,000 employees loafs one hour a day and wastes another hour through improper methods and systems, or two hours wasted every working day, and there are 300 working days in a year and the average pay per employee is 30c per hour ( $2000 \times 2 \times 300 \times .30$ ), what would the State save on this one item in ten years if everything were systemized, standardized and centralized, and if the State had real supervision over everything and had an Efficiency Department and a Civil Service Department?

**TAXATION DEFICIENCIES IN MISSISSIPPI.****If Mississippi's Taxation System Were Up-to-date.**

Suppose the State revenues were also fully systematized! If the taxation system were highly efficient, the State taxes would be supervised by experienced persons in a State Tax Commission or a State Equalization Board. Only persons who understand taxation would be permitted to have any part in the work. County Assessors would not, as now, be elected or appointed, regardless of whether or not they were experienced and could capably assess property; but all County Assessors would be thoroughly experienced, and absolutely competent and conscientious. County Assessors would be under the supervision of the State Tax Commission, or the State Equalization Board, and this Commission or Board would be under a real supervision by the Governor. The present State Revenue Agent's department, of course, does not fill an efficient taxation system's requirement.

**Maps and Charts Necessary.**

Each county and each district should have a map or chart showing every plat of land and every piece of property, and probably the State Tax Commission or State Equalization Board would have a general map or chart of the whole State, as well as having one from each county or district. Thus, no land, or no property, would, as now, escape taxation. The maps or charts would show the cultivated land, the wooded land, and the uncultivable land; they would also show cities, towns, villages, railroads, rivers, streams, lakes, bayous, highways, etc. Two sets of the county maps, also two single maps of the State as a whole, should be built on a scale large enough to be seen all over the legislative halls at the State capitol. One set should be placed in the House of Representatives, and the other in the Senate. They should be arranged on fixtures which would roll up out of the way when the maps or charts were not in use. Much legislation deals, in some way, with locations in the State of various persons, property, land, towns, villages, rivers, highways, etc. With these large maps or charts before them, Legislators could quickly and intelligibly dispose of legislation upon which otherwise they might experience difficulty in making an early decision. By this means the Legislators would be able to talk intelligibly before their respective constituents.

Incidentally, although these maps would show State institutions, and other State property, and other State land, there should be, also, in the legislative assembly halls, equally large charts or maps of each individual State institution, and of all other State property and State land.

By the aid of a large map of the State Insane Hospital at Jackson, the State Legislators could more readily discuss the new building now being erected there, or the land there under cultivation, or the size and situation of the dairy.

With a large map of the Insitute for the Deaf and Dumb at Jackson, there could easily be pointed out the unfinished parts of both the Main Building and the Negro Building, and the unfinished bakery; all of which unfinished parts have not been appropriated for, although the present

buildings were erected in 1906; also, could be seen the exact location of the proposed swimming pool for the students; and the possibility or advisability of the Legislature arranging for a central heating plant for the White Building and the Negro Building, instead of the present heating method; also, the suggested location for a railroad switch from the A. & V. Railroad Company's tracks (the railroad having agreed to stand half the cost), in order to save hauling expenses for coal, and other supplies.

In the same way, could be seen the situation of the suggested railroad switch at the East Mississippi Insane Hospital of Meridian, and the location of the unfertile land that that Institution would like to sell and use the money with which to buy nearby cultivable land, which latter land the Legislators would also be able to find on the large maps.

### **Efficient Taxation Methods.**

With reference to county maps for taxation supervision, these would be the basis for a scientific and business-like plan for equally assessing property. There are a number of efficient methods now in operation by the progressive states in this country. These should be carefully studied, and the one should either be selected or originated that would best answer Mississippi's problem. The just mentioned progressive states have saved hundreds of thousands of dollars for themselves by systematizing their taxation methods.

Some of the improved taxation methods include tested scientific plans of determining: how much more to assess a corner property than the one next to it, and how much less to assess the properties as they approach the center of blocks; the proper way to proportion assessments of properties with relation to each other, and with relation to their nearness to street car lines, or to railroad freight depots, or nearness to railroad passenger depots, or nearness to exclusive residential districts, or to manufacturing centers, or to desirable commercial activities; the proportionate values to appraise land with regard to fertility, and with regard to timber, and with regard to proximity, or distance, to railroads, or cities, or to public highways, or to rivers; the just plan for appraising personal property and inheritances; the up-to-date method of knowing how to value the intangible property of corporations, such intangible assets as franchises, capital stock, good will, monopolized patents, or copyrights, and unfringable trade-marks, etc., etc.; and how to tax foreign corporations doing business in the State.

Up-to-date State Tax Commissions and State Equalization Boards have monthly, or quarterly, or semi-annual, meetings of all their County Assessors. At these meetings the latest discoveries in taxation are discussed, for taxation is a progressive subject and new ideas are being developed all the time. The latest books on taxation are either read or discussed at the meetings. Interesting debates are held between various County Assessors or with the State Tax Commission members. County Assessors recite their experiences, or read papers upon some of their problems, or upon some new thoughts they have conceived. These meetings develop co-operation and enthusiasm, and all who attend go home better fitted through knowledge and willingness to do their work for the State.

The State Tax Commission itself, of course, gleans valuable information at the same time that it is imparting other information to the County Assessors.

Assessments in the various counties are proportionately equalized, as are the rates of percentages, also, either made uniform, or equalized. Only experienced County Assessors are permitted to serve, and, as a means of facilitating the State Tax Commission's supervision of the State's tax transactions, weekly, monthly, or quarterly, reports are sent to the State Tax Commission by all County Assessors.

### **Inefficiency of Mississippi's Tax System.**

Compare Mississippi's tax system with this just outlined, up-to-date plan which is being used by some progressive states. County Assessors are elected without any reference to experience or ability, and, consequently, scarcely any of our County Assessors are seriously fitted for their work. Assessments are mainly guess work, both as regards property and land, and as regards personal property and inheritances. Assessments in some counties are too low; in some other counties, the assessments are too high; and in still others, they are of a middle degree of valuation. Assessments in some counties are proportionately twice as high as in others. As a result, there is no uniformity of methods of assessments, nor of valuations. In the counties where the assessments are too high, an injustice is done citizens; while in the low assessed counties, an injustice is done the State.

Either through a political revenge at a given State administration, or through a local ambition, or through ignorance, a given County Assessor, in collusion with the county supervisors of his county, could make very low assessments, and, because the rate of percentage for State taxes is fixed by the State Legislature, the low assessments would cheat the State out of considerable taxes. At the same time, the county supervisors would protect the amount of their own local taxes by arranging a high rate of percentage for county taxes.

In Mississippi, there are no systematic map records, and the State loses thousands of dollars simply through untaxed properties; besides the tremendous losses through the lack of State-wide supervision by a State Tax Commission, or a State Equalization Board, and through the latter by the Governor. Inestimable tax losses accrue to the State through not having a modern system of assessment by experienced assessors, both as regards tangible property and as to intangible assets. Probably no losses of State money are so great as that due to improper taxation supervision.

### **Taxation Investigation Suggested.**

No investment the State could make would bring as great a return in actual dollars and cents, and be of such permanent good, as an expenditure of \$10,000.00, or \$15,000.00, or even \$20,000.00, to investigate Mississippi's system of taxation. Even so small an investment would actually make several hundred thousands of dollars every year for the State. The investigation should be placed in the hands of one or more experienced investigators, probably to be appointed by the Governor with the advice and agreement of one or more other State officials.



Extreme carefulness should be exerted to get the right man, or men, for the actual investigation work. An investigator should be experienced and thoroughly conversant with up-to-date taxation systems. He should be broad-minded, highly educated, and of a distinctly studious type, because the investigation would require a deep study of highly technical books explaining in detail the methods in other States, in foreign countries and in municipalities all over the world. He should visit five or six of the most progressive states and study at first hand the methods in use there. Later, he would have to investigate things as they actually are in Mississippi.

It would not be possible to select one certain method, and, simply because it was known to work well in one or more other states, to foist it on Mississippi. Each state is a problem unto itself, and the particular system needed for Mississippi could only be determined after serious study and investigation. The investigators should be extremely conscientious and not affiliated with any political faction.

From the appropriation (\$10,000.00, or \$15,000.00, or \$20,000.00), would be paid the investigator's salary, \$2,500.00, or \$3,000.00 a year, which ever it would be necessary to pay to get the right type of man; and a part would be used by the investigator in traveling expenses to the states where taxation is most efficiently administered. The rest of the appropriation for the investigation of Mississippi's taxation methods would be expended in the actual inquiry into taxation affairs in the State.

There are so many grave taxation omissions and errors and inequalities in Mississippi, and they have been so openly discussed, that the Legislature probably does not need any examples or arguments to convince it of the dire need for a remedy. Such an investigation, as suggested, though, would be practically valueless unless the right investigator was chosen; and should this investigation be planned, the voluminousness of the work should not be lost sight of in the appropriation made. The investigator would have to read from 50,000 to 75,000 pages of very technical text, besides his visits to other states, and his investigation in Mississippi. He should be given at least two years to do the work and report to the Legislature.

### **Taxation Systems in Other States.**

Of all states in the Union, Mississippi is one of the eleven that are furthest behind the times in taxation. Among the states where taxation is really being efficiently administered, are New York, Michigan, Wisconsin, Indiana, California, Kansas, West Virginia, Maryland, Ohio, Illinois, Vermont, Montana, and Massachusetts. Every State in the Union has a tax commission, or similar body, except Pennsylvania, Illinois, Iowa, Delaware, South Carolina, Kentucky, Oklahoma, Nebraska, New Mexico, Vermont, and Mississippi. Vermont and Mississippi have state revenue agents, which, though, are practically collection agents of back taxes.

As an illustration of the results under an up-to-date taxation system, the increased valuations of property under improved methods in Kansas amounted to \$1,500,000,000.00, and in West Virginia \$600,000,000.00. Many other states accomplished similar increases in the valuations of property, besides the efficiency of all other details of their tax systems.

Taxation is the principal source of state revenues.

Suppose the methods of taxation were fully systematized and made scientific?

**If someone were to prove to you beyond a shadow of a doubt that you are as far behind the times as it is easy to see the State affairs of Mississippi are, and that by simply making yourself up-to-date you could positively accumulate several hundred thousand dollars during the next year, what method of suicide would you select if this time next year you were even worse off financially than you are today?**

## STATE-WIDE INVESTIGATION OF 1913.

**1913 Investigation Not Conducted on Right Lines.  
But a New One Should Be.**

To summarize what I thus far have written, the solution of Mississippi's financial problem, and, also, the duty she owes to her citizens (simply because she is living in the twentieth century, and must not be adhering to nineteenth or eighteenth century methods), is for her to apply efficiency, centralization, standardization and modern systematization to everything where they will fit. It is incumbent upon the Legislature, therefore, to make a real investigation along this line. I imagine some persons in the State might say: "What? An investigation? Surely you don't mean to suggest that the Legislature should spend more money on an investigation? How about the money that was spent in 1913? Did that investigation do any good? Here you are 'kicking' about the State not having any money and at the same time you suggest for us to waste more money on another investigation."

The recommendation I am making is not for an investigation like the one in 1913. Nearly everyone agrees that the 1913 investigation did not produce the results expected. However, I believe though that it had more good effect than many persons believe. As a result of it, many institutions and departments, which had been running things in a very haphazard way, were aroused and since have greatly improved in various ways. I, myself, had my attention called to the inefficiency of my office system, and, as a result, I had system specialists install for me an up-to-date system, whereby I now balance my accounts and know the true condition of my office affairs all the time, whereas, previously, I never knew just how things stood.

Yes, I agree that the 1913 investigation was not planned in the right way. As a proof of this fact, I quote from the Joint Legislative Investigating Committee's report of their work to the Legislature in 1914:

"In the beginning, we computed, as best we could, without a precedent to follow, the almost infinite scope of work and its far-reaching effect upon the life of our beloved State, and we determined to be careful and thorough in what we did; careful, that no innocent man should be made to suffer an injustice; and thorough, that no guilty man might escape without being held to account for his misdeeds. Working to this end, we employed none but high class men to audit the books of public officials and institutions."

At the time of the 1913 investigation, there was considerable agitation as to the honesty or dishonesty of State employees. Both the Legislature that planned that investigation, and the Joint Legislative Investigating Committee which superintended the actual work of the investigation, had in mind simply an effort to determine how many State employees were honest and how many were dishonest.

Although it is a fact that some State employees are sometimes dishonest, and the Committee found some dishonesty, so, also, are there some dishonest persons outside of State affairs. Investigations everywhere, both of business affairs and the executive doings of state governments, have disclosed the fact that the percentage of losses to business and states, through dishonesty, is comparatively small, but a real loss

that is considerable, comes through the absence of economy and the absence of efficiency.

Of course, the Legislative Investigating Committee should have sought for dishonesty, but that should not have been the dominating thought. Instead, their paramount thought should have been to discover Mississippi's deficiencies, and to proffer remedies to cure the tremendous wastes, which exist because of improper business methods, and of insufficient supervision, and of the need for business economy, for centralization, for system, for standardization, and for efficiency.

### **1913 Investigative Methods Probably Inexcusable.**

Without meaning any disrespect or unjust criticism of the Legislative Investigating Committee, I must call your attention to the fact that they really should have operated differently. Some of the public accountants employed by the Committee were experienced investigators and early in the 1913 investigation called the Committee's attention to the necessity of planning the investigation along constructive lines. I quote from one of the reports of the public accountants:

"Following the usual custom in auditing, our first thoughts were to locate any glaring carelessness, and to ferret out either covert criminal commissions or subtle premeditated omissions. However, during the first two or three days of our work, the carefulness and integrity obvious in everything we tested, and as suggested in the general plan of their system, gave prophecy that our work in this direction should be secondary. Not that it is possible to know the end at the beginning; because, in accounting, the possibilities for either intentional errors or deliberate fraud are so numerous that certainty of the absence of these wrongs can not be known until an audit is complete in every detail. We, therefore, left nothing undone.

"Although, as just stated, we left nothing undone in a strictly auditing sense, our main efforts have been directed toward system and efficiency. After all, it is in these that most businesses and state institutions are deficient; and, though deficiencies of this character are not given the same publicity that criminal acts bring about, they are really more important, for actual statistics show that the accumulation of leakages through a need for system and efficiency represents a much greater money loss to the world than losses through theft.

"We respectfully call your attention to the fact of our report consisting chiefly of system and efficiency criticisms and recommendations, and we trust considerable benefit will accrue to this institution and, therefore, the State, through our suggestions."

### **Helpful Suggestions by 1913 Accountants Were Not Used.**

As may be seen by the above quotation, the Legislative Investigating Committee had no excuse for not conducting their work along constructive lines, such that would have prepared the way for permanent economies for the State. In fact, after reading some of the reports of some of the public accountants, the Committee did discuss the subject. I understand that the result of the discussion divided the Committee into two factions,—a minority faction for a constructive investigation,

and the majority faction for a continuance along a purely auditing line. Naturally, the minority faction had to give in to the majority.


In this connection, it probably is opportune to mention that it is mainly from the reports of some of the Legislative Investigating Committee's public accountants I have gleaned the facts embodied in this special report to the present Legislative body. Not that I mean that everything they suggested was new to me, for I had long either known or thought of many of the shortcomings in the executive details of Mississippi, but many of their suggestions were new, and even the ones I already knew were explained so clearly and convincingly that they were more strongly impressed upon my mind than before.

### **Belief of Minority Members on 1913 Committee.**

As I have referred so much to efficiency, system, centralization, and standardization, perhaps you may be interested to learn what one of the ablest members of the Joint Legislative Investigating Committee believed with reference to these subjects. He said:

"For years, I have known and read of efficiency, system, centralization and standardization, but never until I read that report (he referred to a report which had then just been completed by one of the public accountants) did I fully realize what they meant. That report is certainly ably written; there is page after page of almost classical reading; and, I tell you, I never in my life had a subject so hammered into my mind. I am positively convinced that Mississippi is way behind the times, and that her future success depends entirely upon her adoption of efficiency, centralization, and standardization."

He also believed with another member of the Committee that standardization alone would save the State \$250,000.00 a year. In quoting this committeeman, my idea is partly to show that many of the suggestions herein made by me were brought out by the 1913 investigation and were not used, but chiefly I wish to make for myself an opportunity to quote certain parts of one of the public accountants' reports. The report I will quote defines the subjects above referred to, and I believe the definitions may be helpful.



*"DO IT RIGHT, RIGHT NOW"*

## Investigations

“While the finding of flaws and of dishonesty, and the ferreting out of mismanaging in State institutions may be pleasing to the respective legislatures accomplishing them, and though the published results of the respective investigations may be highly interesting to the general public, the costs of such investigations are enormous; and the results can never equal the value of ‘getting busy’ and running all institutions and departments in the most modern way.”

## GENERAL EFFICIENCY AND CENTRALIZATION RECOMMENDATIONS BY THE 1913 ACCOUNTANTS.

As explained in this heading, and as promised in the preceding section, in this section of my report I will quote, in full, parts of the reports of some of the public accountants employed by the Joint Legislative Investigating Committee in the State-wide investigation of 1913. The quoted parts give definitions of, and recommendations concerning: efficiency, standardization, and centralization. Please note that I also am using their headings and subject titles.

### **“CO-OPERATION—Centralization—Standardization—Modern Efficiency—Corporation Management.**

“All the separate names of the above heading are separate entities, but the paths of all lead to *efficiency* while *modern efficiency* is the ‘big stick’ that urges them on.

“Everything everywhere is travelling efficiency-ward. Some have almost reached the goal, while others have scarcely started their journeys. The itineraries of many have been left behind for the guidance of those who are ambitious and ready to make a start.

“In our business, we naturally find in various places all over the country many gradations of efficiency. Aside from the work itself being our business, we are seriously enthusiastic in the cause of efficiency and progression, and we, of course, try to further its interests as far as we can. Although the necessity for turthfulness in anything of this nature must be apparent and needs no apology, we regret that the real condition of things in the institutions of this State compel us to be uncomplimentary.

### **“Mississippi Institutions Are Behind the Times.**

“It would not be far from the truth to assert that the institutions of the State of Mississippi are from 10 to 30 years behind the times, in office and general all-around efficiency, and in corporation management-ship. This conclusion may be easily verified by anyone who will give the matter careful thought, or, by anyone who has been in touch with the modern trend of things. Everyone who has witnessed the remarkable efficiency of the aggressive corporations of today would undoubtedly recognize the same fact, as would also all, who, in the final analysis, judges all the institutions as branches of one parent corporation, which, in fact, they are, and not as though separate competitive corporations.

### **“Centralization and Standardization Apparently Never Attempted Here.**

“To the best of our knowledge, no concerted systematic effort has ever been made by aggressive, up-to-date business men (men of corporation calibre) to standardize, centralize, and systematize the State institutions of Mississippi. Investigations and examination have been made from time to time at various institutions, under the direction of various State Legislatures, but they were not carried out with the thought that each one is part of the whole, and that every institution in the State has something, or needs something, that every other institu-



tion in the State either has or should have. Even at the present time, after all the various investigations, by all the different State Legislatures for many years, have been acted upon, the institutions investigated have practically the same systems that they had in the beginning. No effort being made to centralize things, of course, nothing was done in that direction, as, also, were modern efficiency ideas almost totally ignored, but, a logical co-operative application of the findings of the numerous investigations, and, the standardizing of similar things that were in all institutions, were inexcusably left undone. What real excuse can be offered for having in the same city, two things of the same kind, with a double over-head cost? To illustrate: why, in Jackson, should there be two dairies, one at the State Insane Hospital, and one at the Institute for the Deaf and Dumb, when a great saving would follow combining them into one? Contrawise, why should there not have been a computing machine in one or both of them? *Et cetera, etc.*

#### **“Investigations Costly and State Does Not Get Best Results.**

“While the finding of flaws and of dishonesty, and the ferreting out of mismanagement in State institutions, may be pleasing to the respective Legislatures accomplishing them, and though the published results of the respective investigations may be highly interesting to the general public, the costs of such investigations are enormous; and the results can never equal the value of ‘getting busy’ and running all institutions in the most modern way. The State spends enough money now among all the institutions to get the best service possible. It spends far more proportionately for service than outside large business concerns do, but it gets in final results considerably less than they get. If properly managed, for the same expenditures it now makes, the State could and should have more efficient service, and more systematic institutions, than the greatest efficiency and the best systematicism found in the business world. Inefficient, careless service from officials and employees, inefficient systems and inefficient machinery cost tremendously. When estimated over a proper period of years, it will be found that, in any state institution of average size, these costs are greater proportionately per year than all the dishonesty per year in all the institutions.

#### **“Making Mississippi Ideal State Would Go Down in History.**

“Believing, as we do, the present State Investigation Committee to be composed of sincere capable men, we have felt at liberty to express ourselves freely on the result of our experience, our present investigation and our convictions. However, we glean that some past committees, although probably capable and not insincere, have been inspired by political aspirations, to bend their efforts only to such things that would best make themselves known. Exposing ‘graft,’ in state institutions seems to have been their most popular chase. Incidentally, there could scarcely be a stronger proof that past investigations have after all been fruitless, than the fact that each return investigation has brought out almost the same old things, in almost the same old ways. If, though, committees were really inspired by no higher motive than making names for themselves, they certainly selected the lesser means. If the institutions

in this State were brought up to the highest standard of efficiency, if they were established on a purely business basis, if all leakages were permanently stopped, if they were made self-supporting, if centralization and thorough co-operation were in complete profitable operation, and if everything conceivable were standardized, Mississippi would then be doing only what she ought to do: but, nevertheless, she would be a State among states, and the names of the men who achieved that goal would go lastingly down in history.

#### **“Best Result Comes from Use of All Efficiency Thoughts.**

“General co-operation, standardization and efficiency for each institution and for all, are very important and absolutely essential, but they alone can not bring the big returns that centralization and corporation managementship would bring if inaugurated.

#### **“Standardization.**

“Standardization, by the way, is the making standard, as far as possible, of everything in all the institutions. For instance, instead of permitting the institutions to use different kinds of office forms for any one same purpose, the very best form for that purpose should be selected, and a full supply of that form for all institutions should be printed in a single printing order. If this were done, considerably lower prices would be obtained, and the State would have greatly reduced printing expenses. The institutions would also be getting the advantage of the money saving, in addition to having the more efficient office form.

#### **“Co-operation.**

“Co-operation includes standardization and efficiency, and, in fact, all other requisites enumerated in the heading of this section of our report; because, of course, co-operation means co-operating in everything co-operatable. Concretely, though, some institutions have land and but few men, while other institutions have men but no land. Some raise agricultural products, others don't. Some have dairies and ice-plants, while others buy milk, butter and ice at retail prices. Some have cattle and horses with comparatively no pasture, while others have pasturage beyond their needs. No one can doubt that co-operation along these lines would be desirable and profitable.

#### **“Efficiency.**

“Efficiency is the doing of everything in the very best possible way that will produce the best possible result. It is also the doing of everything that needs to be done, and the not doing of things that should not be done. Although different, at the same time, it is synonymous with, and includes, co-operation, standardization, centralization, and corporation managementship. Many concrete examples of efficiency are given throughout our report.

#### **“Corporation Managementship.**

“As the name signifies, by corporation managementship is meant, the emulation, in design, of the supervision given by big modern parent cor-

porations to their separate subsidiary corporations. In this application, it implies the running of all of the state institutions as though they were subsidiary corporations under one management.

**“Centralization.**

“Very little needs to be said about the meaning of centralization, as the very word itself speaks for itself. It is the foundation for corporation management. Some of the many ways in which it applies to the institutions of this State are well worth calling to your attention, and we earnestly recommend that careful consideration be given to this subject. We trust the State of Mississippi may be convinced that centralization is the big, real, logical thing to do; and, when she does decide upon centralization as the inevitable one right way, she should force it into being without delay. To quote Mr. A. F. Sheldon:

“ ‘Do it right, right now.’ ”

**“Making State Up-to-date Not an Easy Task  
but Could Be Done by Degrees.**

“Co-operation, centralization, standardization, modern efficiency and corporation managementship, however, are great big words with great big meanings. They bring great big results, with comparatively little expense, but they can be established only by big men of ability and experience. Perhaps everything could not be worked out at one time, but, just as soon as any one detail is worked out, it should be started at once.

“After all, if anything is proved to be the best thing to have why should it be deferred? Whatever it is, get it and get it at once.

**“Central Office.**

“If a central office, taking over the clerical work of all State institutions, is cheapest, most efficient and in every way best, get it and get it at once. Having but one office expense, one set of books, one set of bookkeepers, clerks and stenographers, one set of efficiency machinery, with the opportunity of having all of the best on the market, etc., certainly must be convincingly best and why should the State not have it?

**“Central Purchasing Agent.**

“Why should there not be a central purchasing agent? Large purchases can be made at much better figures than smaller ones. Besides, the State spends through its State institutions several hundreds of thousands of dollars each year. We did not prepare an exact figure for the whole State, but, in Jackson, alone, the expenditures from support appropriations aggregate about \$200,000.00. At the present time, this money is being spent by persons, in the various institutions, who may or may not be always conversant with the markets, and who may or may not have buying ability. Just imagine a railroad or other corporation, permitting a million of dollars of their money to be spent by other than up-to-date, experienced buyers. An efficient, high-priced buyer would save the State his salary and many more dollars each year. The objection may be proffered that different institutions have different standards, and that confusion would ensue. This would not have any

effect on things. For instance, at present, the Institute for the Deaf and Dumb frequently specifies, on its quotation sheets, the brand, variety and quality of the supplies it wants. Under the centralization way, institutions would send to the central office a requisition that would be similar to their present orders on merchants, but giving brand, quality, and any other important information.

#### **Central Dairy.**

“Instead of having a dairy at each institution, why should there not be a central dairy that would supply milk and butter to all state institutions.?”

#### **“Central Butchering Department.**

“The central dairy could also have a central butchering department.

#### **“Central Printing Plant and an Efficiency Man.**

“We recommend a central printing plant, also, an efficiency man to keep the State alive to the newest efficiency ideas and to superintend everything of an auditing, systematizing or efficiency nature. Both are discussed elsewhere in the report.”

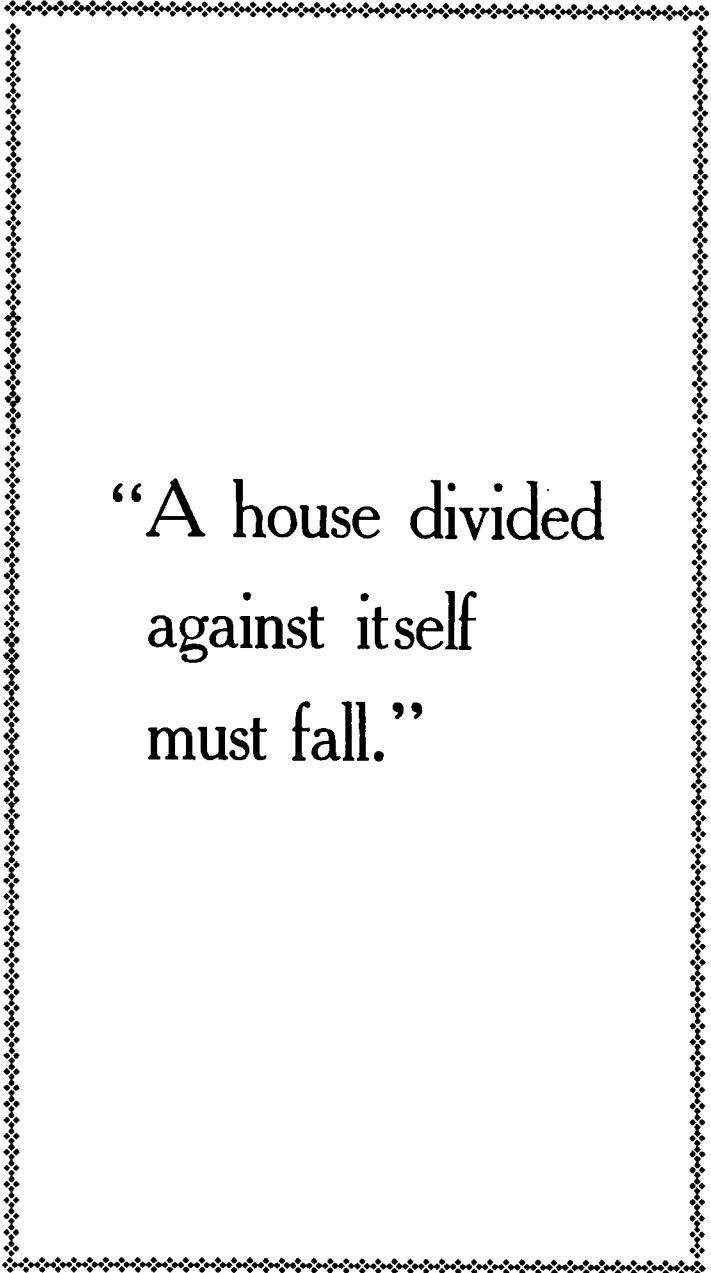
#### **Central Boards of Trustees.**

Another centralized recommendation by the 1913 public accountants was a Central Board of Trustees. I spoke of this subject previously but wish to point out some arguments in favor of central boards of trustees:

“(1). It makes possible uniformity in the organization and administration of the various institutions. The central board should be a clearing house of statistical and other information relating to the several institutions and their inmates; and by the standardization of services, salaries, accounts, methods and reports, it can secure uniformity and equality between the several institutions, and greater economy and efficiency in their management.

“(2). It promotes economy by the elimination of duplicate officials and employees, by establishing a more vigorous supervision over financial expenditure, and by centralizing the purchase of supplies in large quantities for all the institutions, so that these may be bought at lower rates.

“(3). It promotes efficiency by the centralization of power and responsibility. A single central board giving its whole time to its public duties can keep in close touch with conditions in the different institutions, and it can compare these conditions and bring all to a common standard. By relieving the managing officers of the institutions from business and financial details (most of them either ill fitted or not specially fitted for the business details), they are left free to devote their time to the care, education, cure and welfare of the inmates.



“A house divided  
against itself  
must fall.”

## CENTRALIZATION DEVELOPMENTS OUTSIDE OF MISSISSIPPI.

### Central Boards of Trustees in Other States.

"There is a marked tendency in other states of this country towards the abolition of separate local boards for state institutions, and the substitution of central boards for the control at least of all institutions in each class. Kansas established a central board for its charitable institutions in 1873; and New York, in 1877, consolidated the management of its state prisons under a single state superintendent of prisons. Other states have gradually centralized the management of one or the other or both of these classes of institutions. Half of the states have now established central boards for at least one class of institutions; eleven of these have placed both their charitable and correctional institutions under a single board; six others have placed all the charitable institutions under one board; seven have placed the correctional institutions under a single authority, and in two of these (Kansas and Kentucky) the charitable institutions are also under the control of a single board.

"In eighteen states the management of state correctional institutions is under the control of a single authority; and in several others there have been established a central supervising agency with substantial powers. These include nearly all of the most important states.

"In the states where the central board system of managing institutions has been established, this plan is regarded as a great improvement over the former plan of separate boards for each institution, and there seems to be no sentiment in favor of returning to the former methods. In 1902, a committee of the National Prison Association, after an extended investigation, expressed the conclusion that at least all penal and correctional institutions should be placed under the control of a single administrative agency."

### Centralization in Other States.

Centralization has been and still is being tested all over the world. It has long been adopted by most foreign countries and by the United States. In national governments, centralization and concentration have worked so well that the subject is rarely discussed; indeed, they work so exceptionally well that concentration and centralization are dead issues and are but seldom thought of. State governments, though, have been somewhat backward in centralizing; but, in recent years, they have begun to awaken themselves. Until 1914, New York had probably done most in this direction. However, in 1914, and 1915, Illinois, Iowa, and Minnesota started investigations, the recommendations of which if carried out as planned this year will place them as the most efficient states in the Union. A number of other states, though, have adopted centralization in some certain departments of their state governments. See the earlier section of my report entitled "Centralized Buying in Other States," and the Section entitled "Taxation Systems in other States."

### Centralization in Illinois.

Prior to adopting a central board plan, a central purchasing system for her institutions, and some other separate centralized ideas, Illinois ran her affairs almost identically as Mississippi now does. Obviously, a comparison between Mississippi and Illinois is logical. If a tried out method works well in Illinois, the same method would help Mississippi, if the detail and condition and circumstances were similar. Illinois' commerce, industries, population, state institutions and state employees are greater in number than those of Mississippi, but this does not change the fundamental likeness between the two states; and, in copying the improved methods of Illinois, Mississippi would have to consider only the changes due to less industries and commerce. Illinois has proven that centralization and efficiency are worth while, and she is preparing to apply them to everything she has.

### General Reorganization Planned by Illinois.

Illinois is going to try to follow the general principles pursued by the United States Government. In order to obtain this result, it will be necessary for a reorganization and consolidation of more than a hundred separate State officers, boards, and commissions into a limited number of executive departments. The chief authority in each of these executive departments is to be appointed by the Governor, with the advice and consent of the senate, and to be responsible to the Governor for the conduct of the respective departments. The proposed departments are as follows:

- Department of Finance;
- Department of Charities and Corrections;
- Department of Education;
- Department of Public Works and Buildings;
- Department of Agriculture;
- Department of Public Health;
- Department of Labor and Mining;
- Department of Trade and Commerce;
- Department of Law;
- Department of Military Affairs.

There are to be two other details of the Illinois State Government which are to be outside of the main executive departments. These are the Board of Elections and the Civil Service Commission.

The scope of this report to you is far too limited to permit my giving many details of Illinois' proposed re-organization, but I will briefly outline two of the proposed executive departments.

### Proposed Department of Finance, in Illinois.

This department will be supervised by a State Finance Commission which commission will consist of a State Comptroller, Tax Commissioner and Revenue Commissioner, to be appointed by the Governor and Senate; and the Auditor of Public Accounts and State Treasurer are to be *ex officio* members. Each of the commission will be in charge of a particular division of work, and the three members of the State Finance

Commission will have supervision over the whole system of finance in the State. On account of the Comptroller's direct supervision over expenditures and over the installation of the bookkeeping systems in the various institutions and other departments, he will have no difficulty in making an interesting and accurate Budget for the Governor and Legislature. In connection with the Budget, the Comptroller will see that all the "Biennial Reports" of all the institutions and departments are carefully edited, and from them he will compile a summary to be published in an official State Manual or Blue Book. The assessment of property for taxation will be given to the direction of the Tax Commissioner; and the administering of the inheritance tax, automobile licenses and other State revenues will be in the hands of the Revenue Commissioner. The functions of the Auditor of Public Accounts and the State Treasurer will continue as now with the exception that Auditor of Public Accounts will be given greater auditing powers.

### **Proposed Department of Law in Illinois.**

"The Attorney General is ordinarily considered the chief law officer of the State. In fact, the legal services of the State are performed in considerable part by attorneys not connected with the Attorney General's department. In many departments attorneys are employed and paid out of the general appropriation.

"As a result of this situation, there is no central responsibility for the legal services and advice given to all State officials, and the way is left open for conflicting opinions to different State offices which may lead some time to unnecessary litigation and expense. Formerly, the practice of employing special attorneys by particular State offices and boards was more common but all of such special attorneys and counsel are probably in conflict with the constitutional provisions relating to the office of Attorney General.

"In support of such special attorneys, it may be said that some State departments and offices require the whole time of one or more attorneys, or require attorneys with special knowledge of their problems. It may also be noted that with the present system of electing the Attorney General, that officer would be in a position to weaken the control of the Governor over departments dealing with important legal questions, if he controlled the legal advice given to the department. Further, it is urged that in conducting prosecutions, the State departments find it difficult to secure the active assistance of the State's attorneys, and, as the Attorney General has no effective control over these officers, a special attorney for the department is said to be needed to secure the efficient enforcement of certain laws.

"It is important that there should be uniformity and harmony in the legal services performed for the State, and that this work naturally comes under the supervision of the Attorney General. At the same time, there seems to be need for assigning particular attorneys to certain departments; and there is no adequate control over the State's attorneys. It is planned that all attorneys for particular departments should be appointed by the Attorney General, with the approval of the Governor, and be subject to the supervision of the Attorney General; that the Attorney General be given larger powers of supervision over the State's attor-



neys in the several counties; that State's attorneys be subject to removal for cause by the Attorney General, with the approval of the Governor; and that the Attorney General be made removable by the Governor for specified causes."

### **Arguments by Illinois Committee for Its Proposed Re-organization.**

Please note the similarity between the Illinois proposed re-organization and the suggestions I previously wrote as having been offered by some of the public accountants in Mississippi's 1913 investigation. To further show the Illinois plan, I quote the following from their 1915 report:

"In the first place, this comprehensive scheme of re-organization has been formulated in preference to a more limited plan dealing only with some groups of offices and departments, in the belief that the general survey is more likely to take all factors into consideration, while a partial study might lead to proposals for the offices considered which would conflict with the best arrangements for other offices not taken into consideration.

"In the second place, this general plan has been prepared with reference to the existing authorities and their present powers and duties. There has been no attempt to formulate an ideal scheme of State activities, or to propose extensive changes in the substantive law.

"Nor has a strictly uniform plan of re-organization been proposed for each department or group of services, such as characterizes the French system of administration. This might be advisable in organizing an entirely new system; and may be worthy of consideration at some time in the future, with the further development of State administration in Illinois.

"The plans proposed include single officials for some purposes and boards or commissions for others. Boards whose members are paid small salaries, and are expected to give only part of their time to their public duties, are not proposed."

### **Efficiency in Newest Organizations of Municipalities.**

Although states are turning more and more toward a systematic and efficient organization of their administrative services, this progressive movement is not confined to state governments. Municipalities are fast becoming efficient and are adopting centralized plans. It may be found in the Cleveland "federal plan" of 1891, and in the more recent charter of Cleveland; in St. Louis; in the New York State law of 1898 for cities of the second class; in the various types of commission government for cities; and also under the latest plan for cities, the manager plan.

### **Efficiency in Organization of the U. S. Government.**

As the older states of this country were planned at a time when the similarity between state governments and national governments was not fully realized, states have only recently recognized the fundamental likeness. National governments have ever been more systematic. Our National Government was organized at the very beginning on a more systematic plan than were the states. The government of the

United States is arranged into the following nine executive departments, and at the head of each department is one chief official:

- Department of State—in charge of Secretary of State.
- Treasury Department—in charge of Secretary of the Treasury.
- Department of War—in charge of Secretary of War.
- Department of Justice—in charge of Attorney General.
- Postoffice Department—in charge of Postmaster General.
- Department of the Navy—in charge of Secretary of the Navy.
- Department of the Interior—in charge of Secretary of the Interior.
- Department of Commerce—in charge of Secretary of Commerce.
- Department of Labor—in charge of Secretary of Labor.

It is now generally agreed that the National Government's systematic organization, together with its definite correlation of related services, and the effective supervision of its various bureaus and divisions by each and all of the nine department heads, is responsible for the greater efficiency of our National Government than that of our state governments. Each of the nine executive departments of our National Government looks after a definite type of services; and all government transactions which are related to that type, or to that particular department, must be supervised by that particular department. Note the difference between this plan and that of Mississippi.

#### **Centralized Supervision Absent in Mississippi.**

Here, a given detail may be looked after by a number of different departments, while many of our departments may look after many things not directly related to its supposed functions. For instance, the supervision of corporations in this State, in various particulars, is in the hands of the Governor, the Secretary of State, Attorney General, Auditor of Public Accounts, State Revenue Agent, Railroad Commissioners, Insurance Commissioner, State Bank Examiners, and Commissioner of Agriculture and Commerce. The details of this lack of centralized supervision of corporations will be explained in the section of this report entitled "Supervision of Corporations in Mississippi," but I wish to point out here the contrast of system in our State as it is followed elsewhere.

In our State government, the functions of nearly every official include many details that his official title would not suggest, and which details are foreign to the work for which his office was originally designated. Besides, it is obvious that, even though some transactions dealing for instance with corporations may rightly belong to more than one State department, the general supervision of a corporation should be centered (centralized) in some one authority who would have sufficient time, ability and records to make it proper for the Governor and the Legislature and the general public to hold him responsible for whatever takes place.

### **An Ideal Re-organization for Mississippi Would Require New Constitution.**

A general re-organization of the State government of Mississippi is badly needed. Of course, to make Mississippi's State Government ideal would be impossible without changing the constitution. Fearing the General Assembly would not readily agree to a complete change of constitution, the Illinois Efficiency and Economy Commission in 1915 did not suggest that change immediately. In like manner, the efficiency specialists in Mississippi's 1913 investigation hesitated to make recommendations for an entire new constitution because they, too, feared the suggestion, although unanswerably needed, was too radical for the Legislature at that time. Therefore, they simply hinted at the ideal arrangement, and suggested for the immediate present the detailed thoughts embodied throughout this report.

### **Co-operation of Departments and Supervision by the President of United States.**

In addition to the efficiency in each department of the United States, the departments are systematized collectively. The President, by and with the advice and consent of the Senate, appoints each department head, and these department heads form collectively an unofficial cabinet of advisers to the President; which cabinet holds regular meetings for consultation on matters of special importance and of common interest, and in these meetings there is discussed the larger problems of administration and legislative policy.

### **Centralized Organization in Foreign Countries.**

Nearly all civilized countries of the world have arranged their executive affairs similar to the national government system used in this country. Also, practically all of the states in foreign countries have centralized their public administrations in a limited number of departments with each department under a single official. The foreign countries referred to are: Argentine Republic, Belgium (before the present European war), Brazil, Chile, France, Germany, Great Britain, Holland, Italy, Portugal, Russia, Spain, and Switzerland. Among the states of foreign countries where centralization is in use are: the self-governing colonies of Great Britain—such as Canada, the Canadian Provinces, the Australian States, and the colonies of South Africa; also the various states of the German Empire, such as Bavaria, Prussia, Saxony and South Africa.

### **Centralization and Efficiency Influencing Everything Everywhere.**

Reviewing my many references to centralization and efficiency, the trend all over the world seems to be toward a betterment of things. The spirit of reform seems to have influenced everything everywhere. It has touched religion, morals, and ethics, to the extent of accomplishing to a degree the universal brotherhood of man; its encroachment upon sanitation, dietetics, and upon the practice of medicine and surgery has greatly reduced mortality, and has worked wonders in improving our ways of living and the foods we eat, and in the eliminating of diseases;

while it is hardly possible to believe the result achieved by its inroads upon wrong systems and practices in business, in law, in politics, and in governmental affairs. Although much has been accomplished, there is still room for improvement for even the most progressive states, but the less progressive states (like Mississippi) should surely get busy.

#### **Efficiency and Economy Commissions and Investigations.**

A real investigation should be conducted in Mississippi along purely constructive lines, with the view of economies and improvements through the application of system, efficiency, centralization and standardization. As a matter of fact, the greater efficiency in some states and in national governments has first been started by similar investigations. Efficiency and economy commissions have pursued investigations in many states during the past two or three years, and in some states permanent efficiency departments have been established.

Although economy and efficiency commissions were engaged in state investigations many times in the history of this country, a more definite effort in this direction has been undertaken within the last three or four years. Commissions of this specific character have been appointed as follows: in Massachusetts and New Jersey in 1912; in Illinois, Iowa, Minnesota, New York and Pennsylvania in 1913, besides semi-official investigations, in this same year, in California and some other states; and in Alabama, California, Colorado, Idaho, and Nebraska in 1915.

As a result, Massachusetts has provided for a permanent, salaried commission, entitled the "Massachusetts Commission on Economy and Efficiency," and which commission is to give advice in regard to "public expenditures and the centralization of state administration." Without an exception all the efficiency investigations conducted as above outlined, made recommendations similar to the ones I am offering for your more detailed investigation.

*"There is no joy in life equal to the joy of  
putting salt on the tail of an idea."*

## “Corporation Managementship”

“As the name signifies, by corporation managementship is meant the emulation, in design, of the supervision given by big modern parent corporations to their separate subsidiary corporations. In this application, it implies the running of all the State institutions and departments as though they were subsidiary corporations under one management.”

## CONCRETE EFFICIENCY AND CENTRALIZATION SUGGESTIONS BY 1913 ACCOUNTANTS.

Besides the foregoing efficiency suggestions, the accountants engaged in Mississippi's investigation in 1913 also touched, either briefly, or in detail, upon almost every criticisable thing in the State government. All their criticisms and suggestions are worthy of your consideration, but it is impossible for me to even list them all in a report such as I am now writing. However, as some special thoughts are of special importance, and, as the Joint Legislative Investigating Committee did not present them to the Legislature at the last session, I will now offer them for reading.

### **Railroad Switches Save Cartage Expenses.**

"Considerable money is wasted on cartage and could be corrected by having railroad switches at all institutions where it is practicable. Through the Superintendent of the Institute for the Deaf and Dumb, we have learned from the railroad company that they would build a switch at that institution for about \$200.00. The total cost of installing the switch would be about \$400.00, but the railroad company agreed to stand one half. With this small investment, that institution would save, in unloading coal, etc., from \$100.00 to \$200.00 a year. Similarly, proportionately the same, or even greater savings, might be effected by building other switches at other institutions. One is badly needed at the East Mississippi Insane Hospital."

### **Artesian Wells.**

Wherever advisable artesian wells should be used in preference to the State paying municipalities large water rents.

"The State is paying \$750.00 a year for the city water used at the Institute for the Deaf and Dumb. We made some inquiries about the up-keep of deep wells in Mississippi and found that it approximates \$300.00 a year. Therefore, if there was a well at that institution, the State would be saved \$450.00 each year. The installation is estimated to be \$5,000.00, and it would pay for itself in eleven years, or less, if the installation were obtained cheaper."

### **Electrical Plants.**

Instead of paying large electric light bills, the State would save money by installing electrical plants wherever the amount saved were worth while. In one large institution spending \$100.00 a month for electric lights, an electrical plant was planned when its buildings were first erected, and the original wiring and switches were arranged for the purpose, but the Legislature never made the appropriation and the work has never been completed.

### **Bakeries.**

For a large institution to buy bread and rolls from outside bakeries is an expense which could be considerably lessened by its having a bakery of its own. The regular kitchen facilities of large institutions will not permit of them to bake their own bread.

"Included in the original drawings, and represented in an uncompleted section of the building of the Deaf and Dumb Institute, is a space and general plan for a bakery. Obviously, the sooner this is completed, the sooner will the State and this institution receive the benefits accruing therefrom."

### **Uncompleted Buildings.**

At some of the institutions, whole buildings, or wings, or portions of buildings, through lack of money, have never been completed. Some of these institutions are pushed for room, and, at the same time, the State is losing interest on the money that is invested in the parts of the buildings, which are not completed, and, which, therefore, are not being used. Interest, on investments not in use, is a real loss and would be figured in the profits and losses of any big business that experienced it.

### **State Loans.**

"In reference to artesian wells, railroad switches, bakeries, electrical plants and needed new buildings, we understand the Legislature has often been deterred from making appropriations for special purposes on account of lack of funds. It is generally conceded that the present taxation systems, and present appropriation methods, of most states are unscientific. If your taxation system and your appropriation methods were made efficient, money shortages would not occur, and this problem of supplying needed buildings, etc., would not be known. However, most states borrow money, either from banks, or through bond issues, and why should Mississippi hesitate to get sufficient money, through loans, for expenditures that are investments and that return the investments in actual dollars and cents?

"Referring to the artesian well suggested for the Institute for the Deaf and Dumb, the State could borrow the \$5,000.00 needed at six per cent., or \$300.00 interest per year. The upkeep, \$300.00, plus the interest, \$300.00, makes \$600.00, that would be spent per year; but, deducting this amount from the \$750.00 now paid the city for water, there would be \$150.00 each year to be applied to reduce the principal. Small denomination bonds maturing yearly would do finely. The bonds might be for \$150.00 each, the actual saving on the well. When the bonds were finally redeemed, the saving on water rent would be \$450.00 every year. The same scheme would work for either large or small State investments."

### **Borrowing Money for Centralization Suggestions.**

"Also, money might be borrowed to establish any of the centralization suggestions made in our report. We feel certain the investment would pay for itself many times over, and we hope to see some of them, if not all, put into effect."

### **Cash Discounts.**

No doubt, every member of the Legislature is aware that immense sums of money may be saved yearly by taking cash discounts. Nearly all business concerns that sell their goods in other than small retail

quantities offer a discount for cash. Generally the discount will be given if the bill is paid within ten days, and sometimes the terms are for thirty days. All large businesses and the executive departments of most states religiously pay their bills in time to be given the cash discount. However, this chance for economy is grossly abused in Mississippi. Some institutions and departments almost ignore cash discounts altogether. Others who are willing are frequently deterred from doing so by the rigidity of special laws (differing from laws for other institutions) requiring them to await the payment of bills to be authorized by the board of trustees at its one monthly meeting; and, also, at the beginning of an appropriation period, by having to wait often until the middle or end of March before the Legislature gives them their appropriations; in the meantime, these institutions have been entirely without funds. However, I will quote from two of the reports of 1913:

“On account of having limited appropriations that are just enough, by economizing, to last out the appropriation periods, institutions are restricted to *pro rata* monthly drawings on the State Treasury, and are often unable to discount their bills. Also, on account of it being unlawful to spend money other than in the year for which it is appropriated, and because at the beginning of each appropriation period, the Legislature does not place money in the Treasury for the institutions and several months elapse before they can get money. At the last session of the Legislature, some of the institutions could not pay any bills from December 31 until March 20. During that waiting time, the institutions, that wished to, could not take cash discounts. This is an important item of money saving and is taken advantage of by all business concerns. If the State appropriations for institutions can not be acted upon during the first few days of a legislative session, the Legislature should either borrow, or regularly appropriate for each institution, a special fund for the cash discounting of bills.”

In another report by the same accountants, I found the following with reference to cash discounts:

“The possibility of large savings in this direction is very great. Here, again, we do not make extended comment, because, as our suggested plan of buying under a central board of trustees, or under a central purchasing bureau, will change present conditions, if it is adopted, the new purchasing arrangement will automatically take care of cash discounts.”

### **Depreciation Reserve.**

Machinery, furniture, and buildings, etc., eventually wear out and have to be replaced. Under normal conditions, the Legislature has grave trouble in making the estimated revenues take care of the appropriations needed for the current operation of its institutions and departments. When emergencies arrive in the form of extensive replacements of machinery, furniture, or buildings, the State finances are indeed crippled during that particular appropriation period. Either all the institutions and departments of the State must suffer that year through a general reduction of their regular appropriations, or the State



taxes must be raised to meet the unprepared-for replacements. In either contingency, an injustice is done. If the regular appropriations are reduced, an injustice is accorded the State institutions and departments. If the State taxes are increased, the burden falls upon the general public, and insofar as it directly or indirectly affects the poorer classes, it is inexcusable.

A modern business would not arrange its affairs so unscientifically. It would not wait until the year new machinery had to be purchased, before it provided for that contingency, and, in that year, be compelled either to reduce its profits perhaps \$25,000.00 for that year, or convert its profits into losses if the profits were less than \$25,000.00, or to increase its expenses \$25,000.00 more that one year. As the wearing out of the machinery took place not only in the year it had to be replaced, but during the whole life of the old machinery, the cost of the new machinery would have been justly divided and its proper amount charged against each year's profit and loss.

Suppose a manufacturing establishment commenced business with \$25,000.00 worth of machinery, and it were estimated that this machinery would last twenty-five years. By setting aside \$1,000.00 a year for twenty-five years, when the old machinery actually had to be replaced, the money would be available for its purchase. This method is known as depreciation, and the company is said to be setting aside a depreciation reserve. Under this plan, each year's profit and loss would be made to stand its proper proportion of the wearing out of the machinery, and no unfair advantage would be taken of the profits of the business for the last year. Suppose this business is a stock company or a partnership. After it had been in business five years, some of the original stock holders or partners sold their share of the business to others. Suppose these new investors in the business held their interests until the company is twenty-four years old and then sold their shares to another set of investors. In its next year, the 25th, the company, as previously supposed, had to buy new machinery, costing \$25,000.00. If the company were not using the depreciation system, it would not have set aside \$25,000.00 for the machinery. The newest investors would have to stand for their proportion of the whole \$25,000.00, while both sets of investors, who had sold out their interests in the business, would have received full benefit from the wear and tear on the machinery but would have escaped from paying for it.

The principle involved here is no different when applied to State property. Tax payers are compelled to help pay for the replacement of buildings and machinery, when often many of them were not even living during part or most of the time that the wearing out was taking place. By imitating the business world in laying aside a depreciation reserve each year, the State would simply be giving her citizens their rightful dues. The depreciation reserve for the whole State should be carefully computed by specialists, and that amount should be set aside by the Legislature at each of its appropriation sessions. This reserve would, of course, be invested in some gilt-edged security (perhaps U. S. Government bonds) and allowed to earn interest.

*S*upervision everywhere

*U*niformity wherever practicable

*C*entralization as far as possible

*C*o-operation by everyone

*E*fficiency in all things

*S*tandardizing methods and  
records

*S*ystematizing every institution  
and department

*Above are the beginnings for actual  
"Success" in the executive affairs  
of Mississippi*

*Of course, some employees are not only conscientious, capable and progressive, but they have planned and put into operation numbers of good ideas and methods which would be helpful to other institutions and departments. Naturally, these helpful ideas and methods belong to the State. An Efficiency Department would clerically collect them for the benefit of all.*

### State Insurance.

Just as with the depreciation reserve, the State of Mississippi carries no insurance. In case of a big fire, she has absolutely no financial protection. Can you imagine a big business permitting itself to be so far behind the times? The proofs and logic of the correctness of the principles of fire insurance, as applied to personal property and to the business world, are so generally known and believed I will not attempt to present them here.

However, in what are the affairs of the State different that the principles of fire insurance should not be applicable? Oh, yes, I know that it is claimed that the infrequency of State property being destroyed by fire lessens the necessity for having insurance, especially when it is considered that the cost of replacing any given set of destroyed State buildings would not be such a burden, when it is distributed among all the tax payers. Besides, it is argued that the cost of insurance for the numerous properties of the State would be prohibitant.

Suppose our \$10,000,000.00 capitol building and several institutions collectively valued at \$2,000,000.00 were burned in a single year; don't you think tax payers would be burdened by having to pay in taxes about four times as much as usual? Carefully read again my preceding section entitled "Depreciation Reserve," and see if that principle applied to insurance would not be better for the State than its present policy of not having for its citizens a money protection against fire. In other words, the State should have specialists compute, from the fire insurance tables of big insurance companies, the amount the State should lay aside each year as an insurance fund. Like the depreciation reserve, the fire insurance fund should be carefully invested where it would earn interest.

### Specialists as Boards of Trustees.

Although I favor the State using the central board of trustees plan previously suggested, should that plan not be adopted, the following recommendation should be interesting:

"In order to secure the most efficient boards of trustees possible for State institutions, we believe that each member should have a special fitness for the supervision of each department of that particular institution. For example, if the law required, in the appointment of trustees for insane hospitals, that of five trustees, two should be skilled physicians, one a lawyer, one an up-to-date farmer or dairyman, and one a man of mechanical training, you would be assured of capable medical and dietetic supervision, thorough farm and dairy overseeing, and an efficient control of the mechanical department; while the lawyer would protect the institution from making defective contracts and assist in the interpretation of the law."

Another arrangement for the appointment of five members of a board of trustees would be to have only one physician on the board, one lawyer, one farmer or dairyman, one business man, and one bookkeeper or public accountant.

### **Inadequate Advice on Legislation.**

Legislative operations in Illinois have been until recently similar to Mississippi's legislative methods. The Illinois Efficiency and Economy Commission in 1914 severely criticised their own legislative system, and as their criticisms aptly fit conditions here, I am quoting them:

"With the existing lack of efficient executive organization, both the Governor and the General Assembly fail to receive proper information and advice as to needed legislation. The constitution provides that the Governor shall recommend to the General Assembly such measures as he shall deem expedient. But no machinery has been provided by which the recommendations and proposals for legislation from the numerous list of officers, boards and commissions can be carefully weighed and sifted by officials charged with responsibility over a large field of administration. Conflicting measures are often proposed by different State authorities; and many proposals are presented from outside sources both on subjects within and without the jurisdiction of existing executive officials. As a result, there is no harmonious legislative policy even formulated; and the measures enacted not only lack coherence, but at times acts are passed at the same session which contain directly contradictory provisions. There is clear need for an executive organization which will make possible a well defined administration program of legislation.

"With a well organized executive system, recommendations from the several departments should also be of much assistance to the general assembly in matters of legislation. Such recommendations should cover a large part of the important legislation needed; and coming from officers responsible for its execution will be more carefully prepared, both as to substance and form and with reference to previous legislation, than proposals from other sources. By this means there should be brought about greater harmony between the executive and the legislative branches of the State government."

### **New Mississippi Law Edition Needed.**

Almost identical criticisms and recommendations were made by our investigative public accountants in 1913. In addition, though, they made other important recommendations upon the same topic.

On account of the voluminousness of our State Laws in which there is considerable confusion through various laws dealing with a given subject being passed at long intervals, the first recommendation was to employ experts to go over all past laws of this State and arrange all related laws in a new State law edition, which should be carefully systematized, indexed, and cross-indexed. This recommendation came first in importance, because of its being a foundation or starting point upon which to improve future legislation. If such a State law edition were compiled, the work in the Attorney General's office would immeasurably be lessened, as would the work of the other State's attorneys, and, also, of every practicing attorney-at-law in the State. Also, this new State law edition would point out as nothing else could the existing laws that conflict, and it would provide an easy means for corrections that would make Mississippi laws ideal in comparison with laws of other states.

**Conflicting and Indefinite Laws in Mississippi.**

Many conflicting laws were pointed out, but, as I can not here give them in detail, I will call your attention simply to the law headings upon which some of our 1913 investigators wrote:

- "Laws on Advertising for Bids."
- "Laws on Auditing Accounts and Work of Board of Trustees."
- "Laws on Boarding at Semi-Charitable Institutions."
- "Laws on Buying Restrictions."
- "Laws on Clothing at Semi-Charitable Institutions."
- "Laws on Education."
- "Laws on Support Appropriations."
- "Letter of the Law Concerning Inventories."
- "Why a Different Law for Some Institutions?"
- "General Law for All State Institutions."
- "General Law for All Boards of Trustees."
- "Definiteness of Laws Crying Need."

Under these above various headings, the dire need for improvement in Mississippi's past and future laws was clearly shown. Our laws for boards of trustees, laws on buying, advertising for bids and drawing money from the State Treasury vary at almost every institution in the State. At some institutions buying is restricted to a rigid supervision by the board of trustees, and supplies, for each succeeding month, must be approximated on the 15th of the preceding month, with the strict instruction never to buy more than one month's supply of anything. At other institutions, no special supervision by the board of trustees is designated, supplies do not have to be approximated on a carefully specified date, and privilege is accorded them of taking advantage of cheaper prices by buying more than one month's supplies. These same details are still different at other institutions. Some institutions are emphatically ordered by law to buy nothing without advertising for bids. At other institutions, our past law makers did not think this was necessary. Where much supervision is demanded by the board of trustees, one meeting of the board each month is not sufficient unless the law regulating that supervision is changed.

Even greater inconsistencies were shown under their heading, "Definiteness of Laws Crying Need." In many instances, the combined efforts of the boards of trustees, the superintendent, various capable attorneys, and our Attorney General were unable to decide definitely what certain laws really intended. The reason for this is that many laws which past Legislatures have enacted were written by persons who not only were not conversant with legal language, but who had also but a very limited education and were deficient in their knowledge of English. No one will require much persuasion to be convinced that such distressing methods should be remedied. I will not attempt to discuss the modern contention that our present legislative bodies themselves are unscientific, and that the members of Legislatures, instead of being promiscuously elected regardless of special fitness for law-making, should be highly efficient salaried specialists, devoting all their time exclusively to the work. Nevertheless, laws should never be passed

until they have been edited by persons thoroughly familiar with legal language and proficient in the use of correct, easily-understood English. By legal language is not meant the intricate phraseology and the superfluous use of large words found in some legal documents. Every law should be so plainly and definitely worded that the average laymen could easily be sure of its meaning.

### **Legislation Specialist Suggested.**

It has, therefore, been suggested that some salaried legislation specialist be employed to prepare legislation and to edit all bills presented by others to the Legislature. His editing of the bills presented by others would not mean that he should interfere with the personal plans of those individuals. He should be pledged to secrecy, and, in a sense, would be every legislator's confidential secretary and advisor. He might be given final authority over diction, and over the introduction of conflicting or duplicated measures. There would be plenty of work for him to do between legislative sessions. He could be attached only to the Legislature, or he might be a part of the Governor's office, or be connected with a State Efficiency Department. He should keep in touch with each and every department of the State; and he should prepare for the Governor such legislation as the Governor should recommend to the Legislature. Into his hands might be given the preparation of a Budget, if one of the better plans for budget preparation is not adopted.

This legislation specialist should be compelled to read all new laws and reports of every other state in this country, and, perhaps, of foreign countries. In every other way, he should keep abreast of the times and keep Mississippi posted on all kinds of legislation. He should gather facts on such subjects as the relations of the executive to the legislature, specialized legislature, woman suffrage, the initiative and referendum, municipal and county home rule, judicial organization, proportional representation, and methods of taxation.

Of course, it would be a physical impossibility for one man, no matter how clever, to accomplish all that has been outlined for a legislation specialist. However, he should accomplish as much as he could, and, if his work proved the advisability of making it more extensive, assistants could be given him.

A final suggestion with reference to legislation is the advisability of having all data for proposed legislation (excepting appropriation bills and emergency acts) prepared one Legislative session ahead, in order that printed copies can be sent to all legislators, and thus enable them to have plenty of time in which to get fully acquainted with the subjects to be acted upon.

### **General Appropriation Law.**

At the beginning of an appropriation period, institutions often suffer from the need of money through having to wait two or three months before the Legislature, either votes on appropriation for certain institutions, or arranges for sufficient money to get into the State Treasury upon which institutions may draw. Institutions can not pay wages to their employees sometimes for three months at the beginning of an appro-

priation period. In the past, banks permitted institutions to overdraw their wage accounts, but the rigidity of the new banking law will not permit that and it is a waste of money to pay interest on bank loans.

Through the impossibility of an institution under present methods to exactly estimate its needs, and through unanticipated calls for money arising (such as small fires, extensive repairs to buildings, or to heating plants, or to lighting systems, and epidemics of diseases among inmates or patients, or an unusual number of patients going to hospitals, etc.), and through money shortages due to the Legislature having appropriated too little for a given institution, institutions sometimes suffer from the need of money near the close of an appropriation period.

As before stated, it is now generally conceded among our most progressive states that the kind of appropriation system used by Mississippi and most other states, is unscientific, but, even if the present appropriation system were continued for fifty years, there is no excuse for not providing a means of avoiding the institutional money shortages at the beginning and ending of appropriation periods. Of course, should the State adopt centralization, and appoint an efficiency expert or department, and have a comprehensive Budget prepared, this difficulty would almost be eliminated.

However, a probable better solution at present would be the making of a general appropriation law placing money in the State Treasury that institutions, with the approval of the Governor, could use at the beginning of an appropriation period until their regular appropriations could be had; or, that the institutions could use in case of emergency, with the approval of the Governor, near the close of an appropriation period. This general appropriation law would not conflict in any way with the regular appropriating of the Legislature, for the special appropriation would be considered as a payment on account. By this means, institutions could pay all their bills promptly, even at the beginning of appropriation periods, and they would thus be enabled to take advantage of savings through cash discounts, etc.

### **Fiscal, Calendar, and Appropriation Years.**

So much has this subject been discussed in the past, I hesitate to again speak of it. However, as the trouble has not been cured, it really still is an issue, and, as a change in either the State's fiscal years or its appropriation years would have an influence upon the general appropriation law just recommended, I quote the following:

"At present, the fiscal year of your State Treasurer is from October 1st to October 1st, while the fiscal year of institutions is from June 30th to June 30th, and the fiscal year covered by appropriations is from January 1st to January 1st. To secure the best results it is essential that these three differing fiscal years be made the same."

Many solutions have from time to time been offered. These consist of suggestions to make the fiscal year at various periods, but none of the solutions really solve the problem. As calendars, almanacs, banks and many business concerns, with which the State institutions deal, use only the calendar year, it would be ideal for State fiscal and appropriation years to be calendar years. However, it is thought that this is not practical because of the impossibility of the institutions having



their biennial reports compiled and printed in time for the convening of the Legislature on the first Tuesday after the first Monday in January. It might be practical, though, if the institutions were permitted to make their biennial reports up to a period corresponding with the ending of the present fiscal year (that is, either June 30th or October 1st), or up to any date in the fall or summer preceding the January when the Legislature meets. A brief single page statement of gross expenditures, per each appropriation, for the unreported months, and the final appropriation balances, or overdrafts, could easily be sent the Legislature within ten days after it convenes, as is now required. The form and size of this single page statement should be prescribed by the Legislature, or the Legislature could actually have enough printed for every institution and department in the State. In size, the statement should be small enough for each legislator to be able to paste it on the inside of the back cover of the biennial report of each institution and department.

Or, if the constitutional law for appropriation methods is changed, the appropriation year could then be made the same as either the June 30th or October 1st fiscal year.

### **Appropriations Should Include Legislative Year.**

However, whether or not either the fiscal year or the appropriation year or both are changed, another suggestion seems logical. To make appropriations always extend one year later than at present.

For instance, in this 1916 Legislative session, appropriations could be made for three years (1916, 1917, and 1918), instead of for two years. In the 1918 session, after examining biennial reports, if it were found that for a given institution too much had probably been appropriated for 1918, the Legislature could instruct that institution not to spend the over appropriated amount but to see that the overage was turned back into the State Treasury. If it were found that for another institution too little had probably been appropriated for 1918, the Legislature could make it an extra appropriation. In the 1918 session, general appropriations would be made for two years (1919 and 1920), and, in 1920, appropriations could again be made for two years, and so on.

If this plan is used, institutions would not, as they now do, suffer through waiting for appropriations. Also, it would be easy then to make fiscal, calendar and appropriation years identical by the use of the single page statement outlined above.

### **Supervision of Corporations in Mississippi.**

When discussing the need for centralization in Mississippi, I pointed out the fact that although nine State officials have some special supervision over corporations there is no general supervision by some one authority. The nine officials are: the Governor, Secretary of State, Attorney General, Auditor of Public Accounts, State Revenue Agent, Railroad Commissioners, Insurance Commissioner, State Bank Examiners, and Commissioner of Agriculture and Commerce.

With the exception of foreign charters, Mississippi's plan for granting charters is probably all right. Foreign corporations wishing to do business in Mississippi are simply required to pay a fee of \$15.00 for

filing their charters with the Secretary of State. Unlike home corporations, foreign corporations do not pay a much larger filing fee based upon the amount of capital stock. A home corporation having a capital stock of \$1,000,000.00 would have to pay \$250.00 to have its charter filed in Mississippi. In other details, our present plan of granting charters will suffice. Our plan in reference to general charters is for approval by the Attorney General and Governor, and for the Secretary of State to record them. Charters are also recorded in the counties in which the companies are domiciled. The Insurance Commissioner has a part in the approval of charters for insurance companies, the State Bank Examiners for banks, and the Railroad Commissioners for railroads.

After charters have been granted, the supervision of *general* corporations in Mississippi is a farce. Other types of corporations are supervised. The Insurance Commissioner looks after insurance companies, the Bank Examiners supervise banking institutions, and the Railroad Commissioners keep in touch with the affairs of railroads. The same kind of supervision given by the last three named State departments should be given to general corporations. If centralization and efficiency were applied to the executive organization of Mississippi, the control of all kinds of corporations is one of the details that would be made efficient; but, with the present series of distinct and independent departments, there is no provision for uniformity of methods and co-operation, for instance, in the control and supervision of corporations.

Of course, specialized supervision over some main classes of corporations is rightly under the direction of certain specialized State departments, such as insurance and banking, but, as all kinds of corporations should be supervised to a considerable extent along the same general lines, efficiency demands that the final control of all kinds of corporations be concentrated in one authority. As it is now, some important classes of business corporations are under the supervision of elective State officers and the enforcement of laws is distinctly removed from the control of the Governor. Thus, the Governor has a certain control over some corporations and practically none over others. In his control of some, as far as that control goes, he has no State department (like the insurance or banking departments) where he can get reliable information regarding a given corporation.

If the Governor had in his power the appointment, with the advice and consent of the Senate, of an official to look after all kinds of corporations, the Governor would then have an effective means of looking after the corporations doing business in the State, and the public could rightly hold the Governor responsible for their conduct. This corporation official should be under the direction of the Governor, and the functions of any other State department dealing with corporations should be under the direction of the new corporation official. Corporations would be required to send him annual or semi-annual financial reports, which reports (unless a State Tax Commissioner is created) would be the basis for taxation. These reports would be the means of knowing the intangible assets of corporations.

### Supervision of Corporations Elsewhere.

Many states now have departments of public utilities. Illinois is about to centralize her corporation supervision in a Department of Trade and Commerce. "In most states in this country, there is a recent tendency to consolidate the regulation of all public utilities under one authority. In Virginia and North Carolina the public control of corporation of all kinds have been more thoroughly concentrated in the hands of a single corporation commission."

"The British Government has vested the control over nearly all classes of business corporations and companies under a single department entitled the Board of Trade."

### Charter Records.

Charters are recorded by the Secretary of State and by each county where each company is domiciled. My record of charters is made up simply by typewriting in books a copy of each charter in the order in which it is approved by the Attorney General and by the Governor. County clerks transcribe their copying of charters by hand.

Ever since the department of Secretary of State was created, this above same method has been pursued. As a result of the charters being recorded in large books simply in the order in which they are approved, the finding of given charter records is tedious, and to locate a given one sometimes requires hours, sometimes days, and even weeks. I have but one assistant in my office, else I would have corrected this deficiency long ago.

As my office is the only place in the State where all the charters for all counties have been recorded, these records are in continuous use and should be carefully indexed. There should be an alphabetical, a geographical, a chronological, and a vocational index. Once these indexes are compiled, it would be easy for my office to keep it up-to-date. However, as there are over 200,000 charter records in my office, it would be necessary to have special indexers to do the work. It is estimated the cost would be \$3,000.00, but the completed indexes would be worth many times that amount to the State. Probably the charter records of no other State are as unsystematic as are ours.

In the first place, though, our charter laws should be changed. Many charters are long, and transcribing them in books is tedious and a waste of time and money, both for the office of the Secretary of State and for county clerks. When incorporators draw up their charters, they should be compelled by law to do it in type-writing (most charters are even now written in typewriting), and by using carbon paper make two copies besides the original. One carbon copy would simply be filed by the Secretary of State, and the other carbon copy would simply be filed by the county clerk. The original copy would, of course, go back to the incorporators after its approval. Our present printed charter form is crude and should be made up-to-date. I have drawn up a new charter form, such as should be used in triplicates, and it can be used whenever the Legislature will authorize me to do so.

*Making the State up-to-date is both practicable and a duty, but it is not an easy task and it can be accomplished only by thoroughly competent and unbiased men.*

*If every person in the State conducted his private business as inefficiently as does the State itself, what in the world would become of Mississippi?*

*An Efficiency Department*  
*and a Civil Service*  
*Department*

*would insure conscientiousness, punctuality, competency and special fitness of State employes for their work; also, they would eliminate:*

*Duplications of Positions*  
*Duplications of Employees*  
*Duplications of Expenses*  
*Duplications of Records*  
*Duplications of Movements*  
*and of Work.*

### Civil Service.

"Civil service legislation on a comprehensive scale had its beginning in the United States Civil Service Act of 1883, which was closely followed by the New York Act of the same year, and by the Massachusetts statute of 1884. Fifteen years later, or in 1899, New York revised and re-enacted her civil service code; in 1905 the two middle western states of Illinois and Wisconsin adopted civil service laws; in 1907 Colorado established the merit system for appointments in the penal and charitable institutions; New Jersey enacted a civil service law in 1908; Illinois in 1911 extended the scope of its law to the whole state service and now wishes also to apply the merit system; and Colorado took similar action by initiative and referendum during 1912; while in 1913 Connecticut, California and Ohio enacted civil service statutes.

"Four of the state civil service laws apply also to cities and counties and other local divisions of the State, while the merit system has been established in various counties and cities throughout the United States by special law and charter provisions. At the present time, therefore, not far from 600,000, or about two-thirds of the total number of public employees in the United States (national, state, and local) are withdrawn from the spoils system and appointed upon a merit basis. Two of the states have assured the permanency of their civil service laws by providing for their establishment in the state constitution—namely, New York and Ohio; while Colorado accomplished the same purpose by providing through initiative and referendum for a continuous appropriation which can neither be ignored or decreased by the legislature.

"All of the state civil service laws are more or less similar in their general provisions, and follow the essential principles of the United States Acts and rules."

The mere fact that two-thirds of all public employees in the United States are thriving better under civil service should unanswerably attest to its superiority over the less modern system derisively called the "spoils system." Recalling to your minds my previous references to the unfitness of some employees for some positions, and to the special fitness required for nearly all kinds of work, probably no further argument is necessary to convince you that Mississippi has lost quite enough through this piece of inefficiency, and, that the quicker Mississippi takes up Civil Service, the quicker she is conserving her dollars and cents.

Nearly everyone nearly everywhere now knows that the principle of civil service is right. It is a mutual proposition and helps the employee equally as much as it does his employer. Its tremendous moral influence in developing integrity of purpose, and other worthy qualities of mind or character, is noticeable wherever civil service is in force. Differences of opinion nowadays are not as to whether or not there should be civil service, but only as to the particular kind of civil service, and as to which state employees or officers should be exempted. Some persons contend that all elective employees should be exempted from passing civil service examinations; others believe that only certain of the elective employees should be exempted; other persons think that a few others besides elective officers should be excused; while the conviction of some students of civil service is that no state employee should be given exemption.

These contentions, however, are mainly differences of opinion. Fundamentally, it makes no difference whether a given position is filled by an election or by an appointment. In considering whether civil service should be applied to the person aspiring to a given position, one would ask one's self if the position really required having an examination, and not is the person to be elected or is he to be appointed.

This reminds me of the newest belief that no state employee other than the governor should be elective, and, theoretically, this new belief is correct, though, perhaps, too ideal for us now. To many of the minor elective offices, civil service, no doubt, should be immediately applied. In having elective officers under civil service laws, it has been suggested that all candidates for a given office take the civil service examination and that the averages of each be printed on ballots at the primaries.

Regardless of differences of opinion about elective employees being placed under civil service laws, there is no good reason why Mississippi should not immediately plan civil service laws at least for all, or part, of the State employees who are not being elected to their respective positions; and there are many forcible reasons why Mississippi should immediately arrange for civil service of some kind. Before enacting civil service laws, it might be wise to have some one study the laws now in force in other states in this country, and in our National Government, and in foreign countries, and then select the plan best suited to Mississippi.

### **National Tax Association.**

In a foregoing section, considerable criticism was made of the flaws in the State's taxation system and recommendations were made: toward general State tax supervision by a Tax Commission; toward uniformity of assessments in all counties through the general supervision of the Tax Commission; towards efficiency by seeing that county assessors are experienced and proficient in their work; toward progressiveness by adopting latest scientific plan of equalizing assessments; and towards thorough co-operation between all county assessors and the Tax Commission, by having semi-annual or yearly meetings in which there would be lectures, debates and a general discussion of the specific tax problems arising in given counties. In this section, I wish to speak of the accomplishments of the National Tax Association.

As I previously showed, many states and municipalities have perfected their taxation methods. In a very considerable measure, the progression toward efficiency in taxation has been effected either directly or indirectly by the National Tax Association. The members of this association are distributed all over the United States. They comprise all kinds of tax experts, state tax commissioners, members of state equalization boards, college professors who teach taxation, county assessors, municipal tax officials and laymen who are interested in taxation topics. At their annual meetings, which are arranged in various sections of the country in order to finally touch the localities in which all members live, the latest tax improvements are ably presented, and those who attend are sure of learning everything that is worth while about taxation. All the lectures, all papers read and all discussions or debates are fully reported in one large volume each year. The membership fee is \$5.00

per year and includes a subscription to the yearly book. The book is easily worth the full membership fee.

Although the persons in other states whose work touches taxation either attend the annual meetings of the National Tax Association or subscribe to the association's yearly book, I personally have not met taxation workers in Mississippi who even know of the existence of the association and its publications. Perhaps no functions in state governments are more important than those dealing with state taxes, which is the chief source of the State's revenues. Besides, no other State function undergoes so many changes in its development in efficiency. Hence, it is of great importance for Mississippians to avail themselves of the benefits to be obtained from the National Tax Association.

A good investment for the State would be for the Legislature to recommend that county assessors and other employees in tax affairs should subscribe to the association's annual publication, or the Legislature should purchase sufficient copies to distribute to all tax employees. For the Legislature to send one or two capable persons (for instance, members of the suggested State Tax Commission or of the Efficiency Department recommended) to the annual meetings would return in good results far more than the small cost of the trips.

### **Saving through More Efficient Treatment of Patients.**

In reporting their investigation in 1913 of the East Mississippi Insane Hospital at Meridian, the accountants employed reported under the above heading as follows:

"We naturally hesitate to say much about this, but general facts have come to our attention which impel us to at least mention it. Superintendent Buchanan in arranging a trip of inspection of other insane hospitals, by a former Legislative Committee and others, to determine necessary improvements here and at the Jackson institution, was told, after a few asylums had been visited, that it was not worth while to complete the trip as laid out, as Mississippi could not afford to spend the money to do as much for the inmates of its hospitals as was done at some other places, and the committee returned to Mississippi without inspecting some of the most up-to-date institutions."

### **Every Cured Patient Means a Big Money Saving to the State.**

"While it is true that the State of Mississippi has no money to waste, it has been proved that the saving possible to a state is enormous in securing the very best training for the inmates of its institutions. That applies also to making useful citizens by educating deaf or blind children and by reforming or training criminals. The average life of inmates within asylums is from twelve to twenty years, and everyone who can be brought to a state of warranting his discharge means a saving of from \$2,000.00 to \$5,000.00. The saving resulting from the cure of an additional two or three patients a year would certainly pay for an efficient system of industrial training, and, in addition to the enterprise being self-supporting, it would bestow untold joy on those who benefited through classes or trainings in re-education and industrial work. Also, the State would gain by every useful citizen thus returned to it. The economic value to a State of each useful citizen is said to be \$5,000.00.



“Regarding the benefits of this system, which is no longer an experiment but a demonstrated fact, we take the liberty of quoting an article written by Superintendent Robinson, of the Nevada, Missouri, Insane Hospital, which is by far the best presentation of the subject we have ever seen:

“The insane patient must be re-educated and re-developed. We develop and train the child by stimulating his perceptions with that which will interest him. In this manner we get his attention, and by a variety of means all the faculties of the undeveloped mind are developed. I do not mean to say that all the insane can, by education, be re-developed to the pre-insane state, but I do say that many of them can be developed beyond this state, many others to this state, and with a few exceptions, they can all be developed out of the state of hopelessness into which the treatment accorded them in many institutions plunges them.

“We have no right to keep the door of opportunity at which so many of them are knocking, closed against them. Every insane hospital should keep constantly employed one or more kindergarten and other patient teachers. They should also have a teacher to train the nurses in ways of entertaining, amusing and occupying patients. A manual training department with competent teachers is essential to the proper treatment of the insane.

“In the kindergarten department the patients who have suffered the greatest amount of mental reduction have the perceptions stimulated, their attention attracted to matters outside themselves, memory and ideation developed, and every faculty of the mind, which has been greatly reduced and perverted by disease, is re-developed. Amusement and entertainment is also very essential. This department should be looked after by some one specially qualified, and the nurses should be instructed in methods of getting the patients interested in games, and the means provided so that all manner of games can be played.

“The manual training and industrial department offer the greatest opportunity for re-development and industrial re-education of the mentally reduced patient. No money should be spared by the State in the development of these departments in the State Hospitals. Insanity is dependent upon physical conditions, change in structure or perverted function of the brain. Work improves the physical condition. The patients eat better, sleep longer hours, and more soundly. Circulation of all parts of the body is improved. More food material is carried to the brain cells to be used for their re-construction, and poisons which act deleteriously on the nerve cells and interfere with their function and nutrition are removed more rapidly. Patients breathe more deeply; more oxygen is taken into the blood, to oxidize and destroy the poisonous products of metabolism and disease, and for the oxidizing of food products for the production of nerve and other forms of energy.

“The patients in these departments should be trained in a systematic and scientific manner, and the results will not be disappointing. I have seen changes in apparently hopeless cases, bordering on the miraculous. I have seen patients leave the hospital after a course of industrial training with bright, intelligent countenance, and quick, elastic step, better equipped to fight the battles of life than they ever were before, after they had sat on the wards for years with dull, heavy,

unresponsive countenance, when it seemed that death alone could effect a change in their condition.

“Every patient who is physically able to work and take a course of manual training should be given the opportunity by the State. Money thus spent will bring back to the State a high rate of interest on the investment. It has been demonstrated that factories in State Hospitals can be made to pay a profit in money, and they will pay many fold in manhood and womanhood restored. At this Hospital we employ many men patients on the farm, in the garden, dairy, kitchen, mechanical department, about the grounds, and in building and keeping in repair the roads about the farm. We employ some of our women patients in the housekeeping department, sewing room and laundry, but these departments give employment to a very small per cent of those who should work.

“There has been much said about the abolition of the mechanical restraint in our hospitals. There are just two ways by which we can abolish the mechanical restraint. The State must furnish enough money to employ an adequate number of nurses to care for disturbed patients without using mechanical restraints, or employment must be provided so that the surplus energy of the patients can be diverted into useful channels. At this hospital we have a so-called male and female violent ward. The female violent ward is the most troublesome and noisy ward in the hospital. There is a never-ending series of fights and confusion. Someone is almost always in restraint. This was formerly true of the male violent ward, but it is now the most quiet ward in the hospital. There is rarely any confusion or trouble on this ward, and never a patient in restraint. Work has transformed this ward. The patients on our male violent ward do our butchering, build roads, clear ground of timber, do our concrete work, work in the mechanical department, and some of our most efficient and useful workmen are found on this ward. If we had employment for the patients on our female violent ward it would shortly be transformed, as has been the male violent ward.

“The relatives of some of the patients object to them working and inform us that they did not send their relatives to the hospital to work, but sent them here to be treated. When informed that the work is a very important part of the treatment, they usually approve of it.

“As a means of entertaining our patients we have been using for more than a year a moving picture machine. We can give weekly entertainments with this to five or six hundred of our patients, at a very small cost. This has done so much to break the monotony of hospital life for the patients, and I believe has played no small part in helping to restore quite a few.’

“The saving to be derived from a proper occupational system, as outlined by Dr. Robinson, appeals to us as being the largest, most comprehensive and important of any which could be obtained or recommended.”

### **Efficiency Subjects.**

Although I have already written considerable about efficiency, and although it would not be practicable for me to discuss even briefly all of the efficiency suggestions contained in the 1913 investigation, I wish

simply to enumerate a few more of the special efficiency subjects upon which valuable and extensive advice were offered. However, the subjects themselves, are almost self-explanatory. They are:

- "Merit System for Patients and Prisoners."
- "Amusements as Rewards to Patients for their Work."
- "Present Waste of Patients' Abilities."
- "Patient Labor Useful and Assists Recovery."
- "Good Ideas Could be Clerically Collected."
- "State Question Box."
- "Annual Exchange of Visits by Institutional Officers."
- "Ideas Uncollected Equivalent to Discarded Assets."
- "Position and Department Instruction Booklets."
- "Good Methods at One Institution Should Benefit All."
- "Co-operation Among Institutions."
- "State Labor Bureau for Institutions Would be Profitable."

### **State Examination Boards and Professional Reciprocity.**

Probably the examination by our State boards for physicians, lawyers and druggists is as it should be, but our State laws should provide for reciprocity with other States. Both justice and common politeness demand that we do at least as much as other states, in providing that professional men licensed in other states should be permitted to practice here without another examination, and that professional men here should be examined so that other states will accept our licensing.

Nearly every state in the Union, except Mississippi, provides for the examination and licensing of Certified Public Accountants. The work of modern public accountants is equally as intricate and important as that of other professions. It has long been included in the professions, and its preparation through universities requires the usual four years of study.

As Mississippi has no Certified Public Accounting Laws, the public accounting work in the State has become overrun with improperly trained persons, who have only a small clerical or bookkeeping knowledge, and no real education and experience in modern accounting, modern auditing, civil law, civics, political economy, money and credits, markets and prices, insurance, real estate, banking, commerce, advertising, manufacturing, railroading, merchandising, cost accounting, municipal accounting, governmental accounting, efficiency and systematizing.

Each of these just enumerated subjects is extensive and in other states the examinations of Certified Public Accountants is quite rigid. States can not well make laws preventing the unlicensed accountants from practicing under the title of public accountants, but, by compelling them to pass examinations under a State board before they can use the title of Certified Public Accountant, the public is protected by having the privilege of employing only certified accountants, if it prefers.

In addition to general Certified Public Accounting Laws, a law should also be made forbidding State departments and institutions from employing other than Certified Public Accountants. When this law is passed, it should not be made operative commencing with its passage, but, at least, one year's grace should be granted. Otherwise, an injus-

tice would be meted to public accountants who had regular contracts for certain State work, and, also, an injustice might be done accountants who had had years of real experience, but who had little knowledge of the theories as taught in college. In a year's time, these last public accountants would be able to equip themselves for taking the examination.

In providing for Certified Public Accounting Laws and for the examining board, it is highly important to start right. Not having any Certified Public Accounting Laws, there are not, of course, any Mississippi Certified Public Accountants. Too much emphasis could not be expended upon the necessity for having thoroughly capable men on the examining board; and, to insure this being brought about, the only just way is to engage an experienced examination board from some other state to conduct the first examination, and, from the accountants passing that, or later examinations, Mississippi's regular board could be chosen. The laws and the examination board should be arranged entirely upon a professional and strictly business basis. The close connection between public accountants and various State departments makes it very necessary to keep politics out of the examination board.

#### **Laws to Prevent Increase of Defectives.**

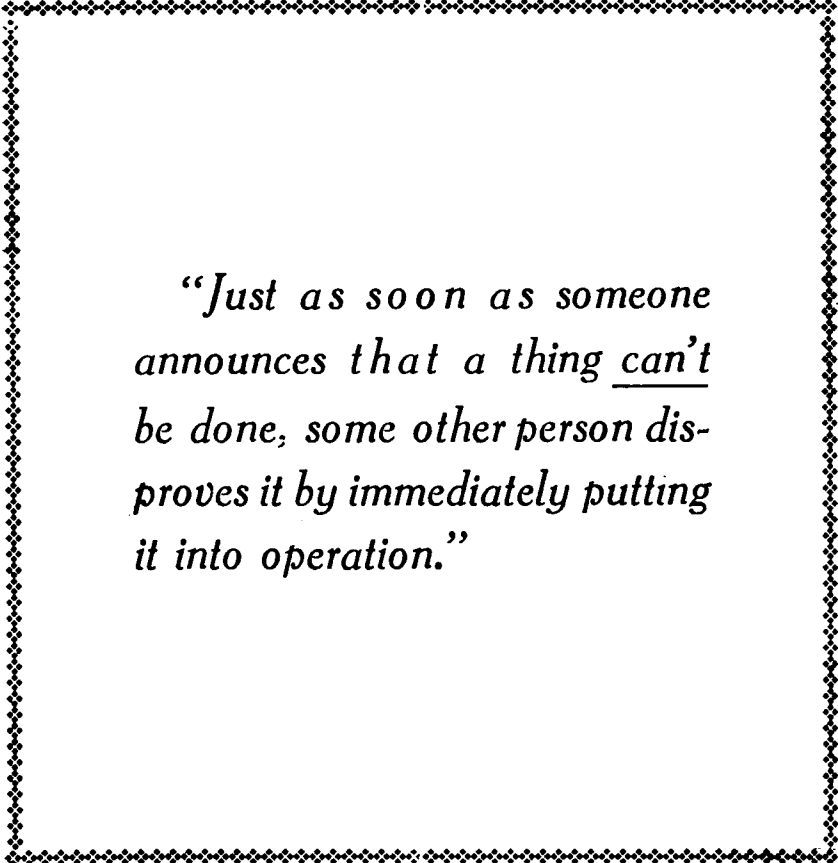
On account of not only insanity, and some kinds of diseases, but likewise deafness and blindness being hereditary and possible of being passed on to offsprings, the question often arises as to what can be done to stop deficient and defectives from being brought into the world. It is really a serious problem.

The State now has more mental deficient and more defectives than its institutions can take care of. Our jails hold many persons who rightly should be inmates in the insane hospitals, but, because of full capacity, or too small appropriations, our hospitals can not take them in. There are as many deaf children not being educated in our State Deaf Institution, as there are children in that Institution. The appropriation at that institution is not sufficient to permit an increase in attendance. However, the institution does not turn away any applicants; all who apply are admitted. But there are deaf children in many families that do not realize either that the deaf can be educated into useful citizens or that the State does so, as it should, without cost. If the Institute for the Deaf and Dumb had a larger appropriation, it could actually go out and search for the deaf children who are ignorantly being withheld from becoming useful in the world.

Insane persons discharged from insane hospitals, and the slightly insane who have never been under surveillance, frequently marry. Deaf and blind persons usually marry. All these marriages, usually, or, at least, frequently, result in more mental deficient and more deaf persons and more blind persons being brought into the world. In some way this should be stopped. Some persons believe the State should prevent such marriages. This, though, is impracticable in many instances, while sentiment would probably prevent the passage of such laws, except insofar as the laws applied only to extremely insane persons. Again,

deficients and defectives are usually nervous persons with exaggerated animal instincts, and it would be wrong physically, mentally, and sentimentally, to forbid their marrying.

Other solutions have been recommended in the past, but the consensus of opinion, among real students of this subject, now is that vasectomy is the final answer. Vasectomy is an operation on males, and it is defined in medical terms as an "excision of the vas deferens." Medical dictionaries explain "vas deferens" as being the "excretory ducts of the testis." Vasectomy is a very simple operation which needs no general anaesthetic. It applies only to males, and, although it destroys forever the ability to produce offsprings, the operation does not change the physical sexual functions. It seems sensible then that the Legislature, after proper medical verifications, should enact laws compelling all male defectives and male deficients (at least prior to marriage) to undergo vasectomy; the law should also include normal males who marry either deficients or defectives. Perhaps the law should include consumptives and some other diseases.



*“Just as soon as someone announces that a thing can’t be done, some other person disproves it by immediately putting it into operation.”*

## CO-OPERATION

“Co-operation includes standardization and efficiency, and in fact, all other requisites such as systematization and centralization, because, of course, co - operation means co-operating in everything co-operatable.”

*Elbert Hubbard said:*

*“To Escape Criticism  
Do Nothing  
Say Nothing  
Be Nothing”*

*Although his statement in a sense may always be negatively true, a far more worthy truth may be paraphrased into the following positive fact; which fact is obviously applicable to Mississippi's State government.*

*To Escape Just Criticism  
Do Something  
Say Something  
Be Something*

## CONCLUSIONS.

In summarizing a report so extended as the one I am now offering for your careful consideration, it is not possible to review every criticism nor every recommendation embodied herein. However, the impossibility of again calling your attention to each criticism and each recommendation should not lessen the importance of any particular one. Believing every suggestion contains something helpful for our State, I earnestly ask you to seriously investigate each, lest some needful improvements and economies be allowed to pass unattended to. I believe if we leave undone any one detail that would mean either an improvement upon present methods and conditions, or a money saving to the State of Mississippi, we are falling far short of our duty, and I have no doubt that every member of the Legislature believes the same. The difficulty is to get our minds together on what is for the best.

In this connection, it is helpful for us all to remember that simply because a new suggestion is radically different from the plan now in operation that is not a proof that the new suggestion is foolish, or theoretical, or impractical, or too ideal. Neither is every new suggestion necessarily practicable. Radical differences have nothing to do with fundamental principles, though practicability does. In weighing a given suggestion, first it must be determined if it is practicable. After proving that it is really practicable, the next test would be to discover whether, if put into practice, it would be either an improvement in method, or a money saving. These tests can only be made by learning the experience of others who have tried out the new suggestions, and by weighing the subjects with unbiased minds. Should any or all new suggestions be proved as claimed, they unquestionably should be adopted at the earliest possible moment.

Regarding the real subject for this subdivision of my message, the conclusions to be drawn from what has preceded are that, although Mississippi's executive affairs are way behind the times and her finances in a tangled condition, the executive details of every department of the State government could be made as up-to-date as any in the whole country, and, that the State finances could be made second to none in prosperity or in the manner of execution. The chief remedy lies in the adoption of modern methods: that is, to follow the efficiency of the most progressive states and governments of the world; to apply centralization to every place where it will practically fit; to adopt standardization by bringing about uniformity wherever possible; to install up-to-date systems everywhere; to establish complete co-operation between everything and every person connected with State work; and in all details where it is advisable, to imitate the proved plans pursued by the business world.

Some of the concrete examples of the application of efficiency, centralization, and standardization are: a general re-organization of the executive departments of the State, with the thought of keeping all like things under one separate authority, and the arranging of all the separate authorities under a single authority (the Governor), whom the State could then hold responsible for the proper conduct of its



affairs; a central board of trustees for all charitable and educational institutions, or for both charitable and educational institutions, or for all institutions in the State; the centralizing of all purchases of supplies for all institutions and departments, the centralized buying being placed either in the hands of the Central Board of Trustees, or a State Buyer, or a Purchasing Department, or an experienced salaried buyer attached to the State Board of Public Contracts; or a State Buyer attached to an Efficiency Department, or to a State Comptroller, or to a State Business Manager's office, or to the Governor's office; to appoint a State Efficiency Expert, or an Efficiency Department; in the proposed general reorganization, to plan the position of State Comptroller or State Business Manager, unless the Efficiency Expert would answer for all purposes; to adopt Civil Service; and to correct the present deficient taxation by having a salaried supervising State Tax Commission to inaugurate uniformity and efficiency in each and all counties of the State, and, through Civil Service, perhaps, or simply through the supervision of the State Tax Commission, have assessments equalized and made scientific.

Either, just to prove, or disprove, the worth of these recommendations, or, as an actual step to putting some or all into operation, for the Legislature to pursue an extensive investigation, not as past investigations have been conducted, but purely along constructive lines. In addition to this general investigation, that a separate taxation investigation be immediately started, in accordance with the plan I previously outlined in the body of this message.

Halfway reforms, or partial corrections of errors, are usually worse than the former conditions, and, unless any one detail is arranged rightly, it had better be left untouched. For instance, it would be the height of folly to appoint a State Buyer to do the buying for every institution and department of the State, unless the man appointed were of the highest calibre and thoroughly competent to do the work. It would be equally foolish not to place on a Central Board of Trustees men of unquestioned ability, who are at least the equal in capabilities of the best business men in large prosperous business establishments (the State's business being much more extensive and much more important than that of these large business establishments).

It must be remembered, that, in buying the services of efficient men who are leaders, or who are highly experienced in a given field of work, the State must pay the current market price, just as it would in making other kinds of purchases. Men capable of earning in the business world \$3,000.00, \$4,000.00, \$5,000.00, or \$10,000.00 a year could not be enticed into working for the State for \$1,800.00, or \$2,000.00 a year. And this same principle applies also to the employment of a State Comptroller, or a State Business Manager, or Efficiency Expert, or members of a State Tax Commission, or a Civil Service Bureau. But, lastly, and most important of all, for the State to conduct another investigation with other than efficient specialists of the highest order would be too inexcusable for words.

Equally as important as ability is conscientiousness. If capable men selected for State work are not sincere, if they are inclined to allow

political influences to swerve them, and if these men are not willing and anxious to work absolutely conscientiously, the Legislature would be doing as great an injustice by permitting the men to be employed for the new efficiency plans as it would be by allowing the State to continue in its present condition of inefficiency.

Although some specialists have presented much higher figures, the lowest estimate made, by capable investigators of Mississippi conditions, is \$500,000.00 a year, as the amount the State could save by a correction of the taxation system, together with the applying of efficiency, centralization, and standardization to the other State departments and institutions.

No adverse criticism is intended against the just finished State Administration, but I do wish to state that although putting out bond issues to raise money for indebtedness is all right in cases of emergency, as a permanent cure for the State's financial embarrassment, it is fundamentally wrong. In the first place, it is unfair to foist on the next generation the redemption of bond issues for debts we incur simply because we are behind the times. Are we fair to the next generation to make them pay our debts, when we ourselves would not be in debt were we to make our taxation system modern and thus have sufficient revenues for everything we need?

Finally, I want to emphasize the fact that false economies are not really economies after all. Economy would not be accomplished by appointing a Central Board of Trustees to be active but part of the year, as it is generally agreed that central boards of trustees only work well when they devote their entire time to the work. It would not be a real economy for centralized buying, or a central board of trustees, or any other type of centralization, to force any reduction of State expenditures which would interfere with the efficiency of any given institution or department. Nor would it be either economy or efficiency for some centralized State authority to force on institutions a change of food standards, which would hurt the health of insane patients, or reduce the number of cures of insanity, or make charity medical hospitals give sick persons improper foods, or try to make intelligent deaf children eat unpalatable foods through an endeavor to force the prevailing food standards at an insane hospital on an institution for the education of the deaf. Real efficiency and real centralization, as would be conducted by absolutely capable and broad-minded men, would desire to increase State expenditures, if such were found necessary, rather than have uppermost in mind a cutting of expenditures regardless of the result.

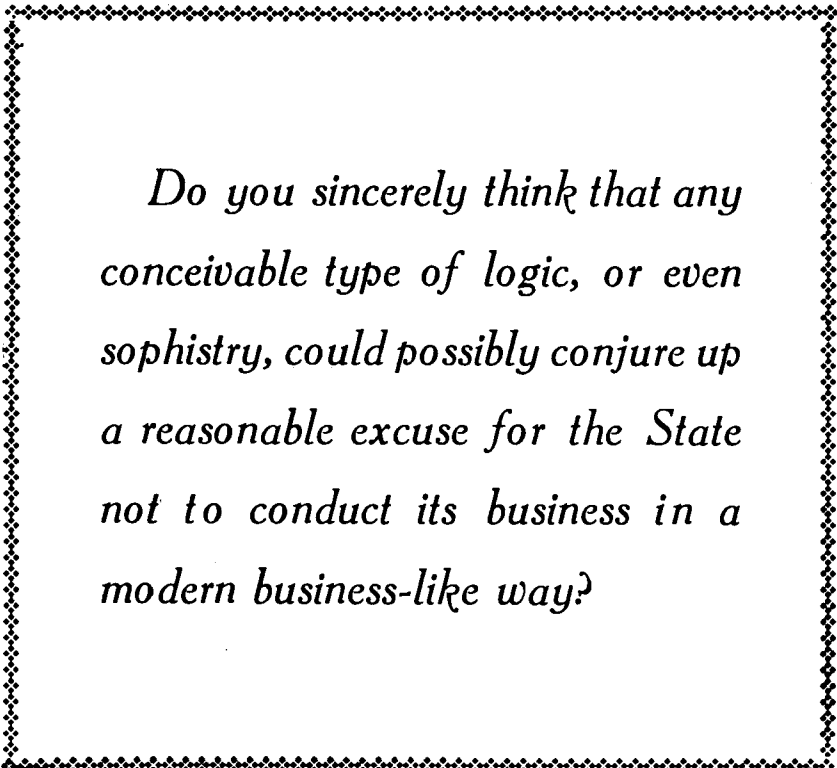
Knowing the benefits other states have derived from applying many of the recommendations I am making herein, and having the best interest of Mississippi at heart, it is my earnest prayer that this Legislative body may formulate from my recommendations some legislation that will do more for Mississippi than any previous Legislatures have accomplished.

Candidly, though, every time I seriously think of the contrast between Mississippi's deficiencies and the efficiency found in many

other states and in the business world, my pride is touched. As a loyal Mississippian, I am sometimes half inclined to resort to untruthfulness when replying to some of the letters I receive from Efficiency and Economy Commissions of other states inquiring about certain details of our governmental affairs. I am impelled, therefore, almost to overstep the bounds of propriety in importuning every member of the present Legislature to give this special report a special consideration; and, I earnestly exhort the Legislature, if at all possible, to apply efficiency, centralization, standardization and systemitization to the State in a sufficient measure to accomplish real economies and to make Mississippi's State Government second to none in the Union.



Secretary of State.



*Do you sincerely think that any conceivable type of logic, or even sophistry, could possibly conjure up a reasonable excuse for the State not to conduct its business in a modern business-like way?*

“Halfway Reforms, or partial corrections of errors, are usually worse than the former conditions, and, unless any one detail is arranged rightly, it had better be left untouched. For instance, it would be the height of folly to appoint a State Buyer to do the buying for every institution and department of the State, unless the man appointed was of the highest calibre and thoroughly competent to do the work.”

*Guess work may be the only method in games of chance and perhaps excusable for private individuals, but when applied to State supervision and Legislative work it is hazardous, expensive and a disregard for one's duty.*

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*Probably the same original thinking that created an Auditing Department which doesn't audit also was used in planning a State without supervision, without efficiency and without business-like economy.*



“Simply because a new suggestion is radically different from the plan now in operation that is not a proof that the new suggestion is foolish, or theoretical, or impracticable, or too ideal. Neither is every new suggestion necessarily practicable. Radical differences have nothing to do with fundamental principles, though practicability does.”

EFFICIENCY

SYSTEM

ECONOMY

Standardization

Centralization

“The paths of all four lead to Economy.”

Mississippi First?

No, Sir!

Efficiency First.

But then, of course, make  
Mississippi first in Efficiency.

Her governmental affairs could  
and should be second to none.