

regarding some of the larger problems with which co-ordination is confronted.

It is not within the scope of a paper on the guiding influences of co-ordination to discuss economics. We all know that men, money, material and machines, together with merchandising methods and markets, are the elements of industrial civilization, and that in human problems, the factors are inter-related in the most complex manner. In whatever degree we recognize that in economics and industry the law of supply and demand controls and adapts these elements, nevertheless we are warranted in seeking a more scientific regulation to prevent the wastage that accompanies the working out in time of any such general principle.

Grouped about us we view the involved perplexities of advancing civilization. Having much the same basis as those confronting the tribes of ancient Israel, all insistently now demand increasing, unremitting and intelligent attention in order that the frequency and length of gaps in the cycles of prosperity may be lessened.

Theoretically, the reconciliation of the details of the federal government in accordance with a master plan, plastic to executive judgment, and with a definite end, should be a simpler matter than that of guiding widely dispersed industries competitively producing for profit.

But politics in all governments is a highly competitive activity. Legislative expediency to meet particular and unrelated situations quite often ultimately makes for confusion and, in a message addressed to Congress on January 17, 1912, President Taft remarked regarding the efficiency and economy of American public business, that a vast organization of concern to every taxpayer, costing billions annually and including a personnel of more than half a million, "has never been studied in detail as one piece of administrative mechanism. Never have the foundations been laid for a thorough consideration of the relations of all of its parts. No comprehensive effort has been made to list its multifarious activities or to group them in such a way as to present a clear picture of what the government is doing. Never has a complete description been given of the agencies through which these activities are performed. At no time has the attempt been made to study all of these activities and agencies best fitted for its performance, to the avoidance of duplication of plant and work, to the integration of all administrative agencies of the government, so far as may be practicable, into a unified organization for the most effective and economical dispatch of public business."

The outbreak of the long struggle beginning in 1914 supplied a bottomless receptacle for almost anything America could produce. Once we had entered the arena, everywhere became manifest the importance of better guiding, if not checking, the hitherto unrestrained competitive tendencies of American enterprise. An enumeration is unnecessary of the many associations, boards, councils and committees, set up for the adjustment of badly tangled industrial lines.

The War finished, government turned the regulation of private industry back to those directly concerned therein, but when such was done, a great industrial authority recommended that: "Such practices of co-operation and co-ordination in industry as have been found to be clearly of public benefit should be stimulated and encouraged by a government agency, which at the same time would be clothed with the power and charged with the responsibility of standing watch against and preventing abuses."²

A direct and immediate result of war experiences, which had amply confirmed the views previously expressed by a former federal executive and clearly demonstrated the value of co-ordinative effort, was the creation by statute of a Bureau of the Budget, for the purpose of adjusting the remittances of the taxpayer with the insistent demands of independently proud branches of federal business.

Strongly backed by the President, General Dawes, with characteristic energy, proceeded to substitute co-operative common sense for vanity and pride in independent action. He sought to put business ideas into a political organization in which co-ordination occupied a high stool in a very dark corner, in order—as he wrote—"that the largest business in the world will not, as heretofore, continue to be the worst conducted."³

As an addition to the legally constituted bureau, intended to co-ordinate the financial needs of various executive branches with the financial condition of the federal treasury, an office was established for the co-ordination of interdepartmental routine.

The liquidation of the huge surplus of war accumulations was a colossal business venture then immediately confronting the government, but the creation of a very extensive organization with which to carry on was not found to be necessary. Administration

²Baruch, B. M., *American Industry in the War*, Washington, Government Printing Office, 1921, pp. 98-100.

³Dawes, C. G., *The First Year of the Budget of the United States*, New York, Harper & Brothers, 1923.

and not organization was wanting. The putting to work along constructive lines of a small but effective administrative unit, while overcoming bureaucratic resistance, became the immediate task for General Smither, our first, Chief Co-ordinator.

Liquidation proceeded satisfactorily and on November 8, 1921, an executive order enlarged and more clearly defined the duties of the Chief Co-ordinator, who was given responsibility of exercising general supervision in all interdepartmental business activities. To this end that official was authorized to call on bureau chiefs and employes for information and they were required to attend conferences at his request. The order specifies that a decision of the Chief Co-ordinator, transmitted to the heads of establishments concerned, shall be final, except that an appeal may be made to the Director of the Bureau of the Budget, and if not sustained, then to the President himself. A time limit for such appeals is set.

Congress, non-responsive if not openly skeptical regarding the advisability of adding to the very complicated machinery of governmental organizations, has enacted but one piece of legislation touching on co-ordination. This, contained in the Army Appropriation Bill approved in February, 1925, reads as follows: "Hereafter no commissioned officers of the Army, Navy, or Marine Corps shall be deprived of his right to pay and allowances while serving on such duty as the President may direct in the co-ordination of the business of the government, as now being conducted by him under the general supervision of the Director of the Bureau of the Budget; provided, that the number of officers detailed to this duty shall not at any time exceed twenty-six."

The Co-ordinating Service, with more than a decade of experience, endeavors to promote economical federal management that eliminates overlapping and makes useful to any executive department or independent establishment information and resources available and idle in other departments. As inimical to the efficient functioning of organization as the old "water-tight-compartment" type of bureaucracy, would be the exercise of an excess of zeal without responsibility for action, harassing legalized organization with well-meant but ill-advised suggestions for improvements in procedure. Therefore, aiming simply to discover situations needing collaboration, and to facilitate action wherever co-ordinated effort may promote efficiency and economy, both responsibility and credit for actions taken are left and entirely belong to the departments

and establishments that are concerned with them.

The Service in Washington comprises the Chief Co-ordinator, his assistants, and the various boards operating under his direction. Under him in the field are nine area co-ordinators and, scattered about the continental United States, Alaska, Hawaii and Porto Rico, wherever several federal activities function, are about 300 federal business associations made up of some 13,000 individuals already engaged in governmental business.

The role of Chief Co-ordinator is simply that described by Oliver Sheldon in the *Harvard Business Review* in an article entitled "Policy and Policy Making": "To hold the reins without restraining the vigor; to guide the way without pulling at the reins; to urge forward without the whistling of the whip; to determine the halting place without applying the brakes—is indeed the task beyond all others. Co-ordination encounters the greatest obstacles and difficulties, yet calls the most imperatively for performance."

Coincidental with the enlarged mission assigned the Co-ordinating Service came the establishment of the various federal boards, through which a considerable part of co-ordinating routine is conducted.

Details of the organization and duties of these co-ordinating agencies are set forth in the Congressional Directory and will not here be attempted except in a very general way.

The organization of the Federal Purchasing Board is fairly typical. This board is composed of one representative from each department or establishment having authority to purchase supplies, together with a representative of the Federal Specifications Board, who acts as liaison contact between these two activities. The Chief Co-ordinator is ex-officio chairman of it as of other boards, but the executive chairmanship is delegated to an official in the Chief Co-ordinator's office. The board's investigational work is performed largely by committees and when a committee report is adopted in its final form and approved by the Chief Co-ordinator it is promulgated as a guide to all departments and establishments. The board endeavors to discover cases where it may be practical and economical to have two or more departments pool their requirements, in order that the one department best fitted for the purpose may purchase for all. This board has also brought about a gradual extension of the uses by others of the inspection service of one department, thus eliminating travel and overhead expenses and giving a flexibility to the service of inspection.