

McLEAN FAVORS BUSINESS EFFICIENCY IN GOVERNMENT

In an address delivered before the Rotary Club of Elizabeth City, N. C., on Friday, February 15th, Hon. A. W. McLean said in part:

North Carolina today is in the same relative position, from an economic standpoint, as a great business industry, which has made very large outlays in the expansion of its plant facilities, besides constructing a system of transportation at great cost, to enable the plant to be operated upon a sound economic basis.

To understand the problems involved one must visualize the tremendous investment which the State now has in buildings and equipment for its various administration departments, its educational institutions, its hospitals and other similar units for serving the poor and afflicted, its department for the levying and collection of taxes, its Highway department, the activities of its great agricultural departments, its penal institutions, its fiscal department and the various other commissions and departments which constitute the plant facilities of the State government. It is a great business machine with probably a greater number of varied and complex problems to handle than most of the greatest business concerns in the United States. It is needless to remind you that the problem of supervising this great organization is becoming more difficult and complex all the time.

New Methods Necessary.

The old days of simple and rather slipshod methods is government have gone and should never return. The business of the State has expanded more than a hundred-fold. Old facilities have been expanded and new facilities have been provided to meet the ever-increasing demand of democratic government for a larger measure of service to the people.

Unless government meets the requirements put upon it by these changing conditions it fails in the purpose for which it was established. The main responsibilities imposed upon those who are responsible for government is, first, to govern honestly, second, to govern wisely and third, to govern efficiently. I think it can be truthfully said that in all the history of government there has been less of dishonesty among the government officials of North Carolina, from the time the State was established down to the present day, than could be found anywhere in the world.

Generally speaking, government has been conducted wisely and with a reasonable degree of efficiency in North Carolina, taking into consideration the fact that our system was created when the needs were so entirely different from what they are today.

Every well-informed man realizes now, however, that with the changed conditions and the increase in the number and complexity of the functions of government, that greater effort must be put forth and new methods must be devised to provide for the efficiency in government which is manifestly necessary to take care of the future demand.

With the utilization of steam, electricity, the telephone, the wireless and other similar inventions, a new industrial era has been created, and whether we wish it or not, many new and vastly complex obligations have been imposed upon the State.

To meet these obligations, government must show a constantly increasing degree of business efficiency. This is the real test that must be met, and unless we meet it successfully, we will have to admit, sooner or later, that democratic government has failed to meet the increasing demands of advancing civilization.

Business Methods in Government Service.

There seems to have been for a long time a very universal impression, that sound business methods cannot, and indeed should not, be applied to government.

I deny that there is any real basis for any such impression. On the contrary, there is no reason whatever why we should not apply the same principles and practices, which have produced efficiency in private business, to the functioning of government. There have been some rather

isolated, but none the less conspicuous examples, where business economy and business methods have been applied to government with complete success.

The great secret of business success in private affairs is to produce maximum service at a minimum cost. This same economic principle must be applied if we are to have real efficiency in government.

Few men hold positions of leadership in government seem to have clearly in mind the need for thinking of government in these terms. If you will study, as I have tried to do, the reasons which lie back of the success attained by some of the greatest business concerns of the country, you will find that the chief basis of such success is efficient service. The managers are proficient; they study every item of cost for the purpose of ascertaining where any reasonable saving can be effected.

Many of the larger concerns have a supervisory and consultative organization constantly studying the best methods of efficiency, including cost accounting. They realize, as every intelligent business man must realize, that business efficiency, after all, is relative, and that it can be created and kept up, not as a fixed science but as a result of constant effort.

Someone recently asked one of Henry Ford's managers what was the real basis of Ford's success, and the following reply was forthcoming:

"He deliberately dedicates his scientific knowledge of mechanics and the art of managing men and things to his satisfaction of human needs and to the enrichment of the life of the average man or woman."

In principle, I submit that this is a very excellent program to be applied to government service.

Summarizing briefly some of the essentials of efficiency in government Mr. McLean mentioned the following: (a) Correct and adequate knowledge of the powers and functions of government in general, with particular regard for that department or branch of government in which the service is being rendered by the official and his subordinates.

The foundation stone necessary to a proper knowledge of private business, is a profit and loss account, and that part of the bookkeeping which is usually referred to as cost-accounting. This enables the observant business man to ascertain whether or not he is making progress in the matter of good management, and particularly whether or not he is producing the service at a reasonable cost.

In my opinion the greatest need of government service today is a modern system of accounting—of keeping records in such a way as that not only the methods of doing business but the cost thereof can be reflected intelligently in periodical statements, to be made to the public at regular intervals. This system should be so set up that the public can always understand what their government is costing them, the various sources of income and the manner in which the money is spent. The information should be published by the responsible officers at frequent intervals. There is nothing more important in public affairs than the fierce light of publicity. (b) The balancing of the budget in every department of the government, whether it be the State or some political sub-division, is of prime importance. This will show whether or not current operating expenses are exceeding current operating incomes.

The present State law creating a Budget Commission has been of great service, and much good has been accomplished by the activities of the Commission. I am strongly in favor of a budget system, because it means intelligent state-wide study and efficient handling of the fiscal affairs of the State.

I believe, however, that the present budget commission act should be amended so as to give it enlarged and more effective supervision over the fiscal affairs of the State. The Governor who is under the present act ex-officio chairman of the Commission, should be given greater powers to act when the full commission is not in session. Simple machinery could be provided whereby

the Governor with the assistance of the secretary, now provided for in the act, should have the right, under the direction of the Commission, to constantly supervise the methods of accounting and other fiscal operations of the various departments of the State government, for the information and benefit of the Executive and Legislative branches. (c) Every item of expense of government, whether State or local, should be scrutinized and subjected to the test of public welfare, and necessity, and if it cannot stand such test it should be eliminated just as quickly as a prudent business man would eliminate it in the handling of his private business. (d) There should be such efficient service as that waste and extravagance should be eliminated. Every effort should be made to eliminate duplication of effort and outlay. I have no doubt but that a large sum could be saved annually, if this duplication, now so prevalent everywhere, in our National, State and local governments, could be absolutely eliminated, or at least reduced to a minimum. (e) We have been very diligent in the past in finding out every possible source of revenue and in seeing that it is collected. We should exercise the same, and even greater diligence, in an effort to see that every dollar expended for government service has contributed a dollar's worth of service to the public welfare.

Cost of Government.

One of the most serious problems of the present day is the constantly increasing cost of government. Thoughtful citizens will reflect and then ask the reason for the increase. They will no doubt find that much of the increase is inevitable because of the increase in population and wealth and the necessity for enlarged activities on the part of the government, particularly on account of the expenditures necessary to provide for the expansion of the educational system and our benevolent institutions, demanded by the people themselves.

I believe the time has come to make a careful survey and provide ourselves with an inventory of what we have, what has been accomplished, and what is the cost. We should, then, resolutely go about the task of discarding the useless and impracticable, retaining that which is good, but reducing the cost to the lowest point, compatible with sound business judgment and the public good.

One of the great needs of the present day is to have our business men take a more active part in seeing that sound business principles and methods are applied to the business of government. After all, good government is founded upon the same economic principle as good business, that is, maximum service at minimum cost.

We should learn that public business is the most important of all

business. We can suspend our private business affairs for weeks or months, with no serious injury except perhaps small pecuniary loss, but if the business of government is suspended for any period of time our private affairs would be of little moment, because confusion, chaos and serious damage would probably result to a large number of people.

We have business and civic organizations, such as the Rotary Clubs—and other organizations—to the promotion of business efficiency. Many of these organizations retain large staffs of experts to study and recommend the best methods to be applied to private business activities. They promote the great principles of co-operation and concert of action, to bring together groups of business men to solve business problems on the basis of experience and scientific knowledge.

The universities and technical schools are constantly engaged in research work in order to discover the best methods of management of private enterprises.

These agencies, unfortunately, are giving very little of their time and effort in discovering the best methods for the management of the affairs of government—the greatest business of all, because it touches the life of every citizen. If I can leave any thought with you today, I should like to feel that in what I have said I have awakened in you the desire to take a keener interest in the promotion of good government, which, after all, means that government which is conducted honestly, wisely and most economically.

North Skeenah Items.

Mr. E. L. Dehart had to leave his job at East La Porte, on account of sickness at home.
Misses Nellie and Marie Cabe, of Riverside, were visiting their aunt, Mrs. J. C. Sanders, last Thursday and Friday.
Mr. John Farmer and two sons, Johnnie and Charlie, left for Commerce, Ga., last Thursday.
Mr. Jake Stockton and sister, Nina, left last Thursday for Toocoo, Ga., to visit their sister, Mrs. Ruby Bell.
Mrs. Pearl Southards, of Teresita, was visiting her parents, Mr. and Mrs. J. C. Sanders, last Saturday and Sunday.
Misses Clara and Mae Shope were the guests of Miss Hester Sanders last Sunday afternoon.
Mr. Lawrence Hasting was in this section last week.
Mr. Jim Cabe, of Riverside, was visiting his sister, Mrs. J. C. Sanders, last Sunday.
Messrs. George Kimzey and Frank Shope were visiting at Mr. J. C. Sanders' last Sunday evening.
Mr. Freeman Hasting was visiting on Allison Creek last Sunday.
Messrs. Ted Blaine and C. L. Hughes, of Cartoogechaye, passed through this section Saturday.
"PAPA'S DARLING."

RECU-MA
for the
STOMACH
LIVER, KIDNEYS & BLOOD
for sale by
F. T. SMITH



95%
SAVED

Out of every 100 chicks hatched, 50% ordinarily die. It is the experience of poultry raisers who use Purina Chick Startena that they raise 95%. It is the most perfect baby chick ration obtainable and is sold on a positive guarantee of double development or money back.



MACON COUNTY FARMERS' FEDERATION, Inc.

WALNUT LOGS.

If you have Walnut Logs to offer and will advise me what quantity you have and if such offerings in the County are enough to make a car or more than a car of logs, I would like to begin buying them about March 1st next.

If we can get the quantity, will pay the following prices, viz:

No. 2 Logs will run according to length and sizes from \$15 to \$25 per thousand feet.

No. 1 Logs will run from \$30 to \$75 per thousand feet log measure, according to sizes and lengths.

We will be glad to have your advice as to what you will sell us and will give you a Specification Card showing sizes, specifications and prices in it.

WM. L. McCOY.