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FIRST ANNUAL REPORT

OF THE

SECRETARY OF COMMERCE AND LABOR

1903



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FIRST ANNUAL REPORT
OF THE
SECRETARY OF COMMERCE AND LABOR.

DEPARTMENT OF COMMERCE AND LABOR,
OFFICE OF THE SECRETARY,
Washington, December 1, 1903.

To the PRESIDENT:

I have the honor to submit herewith, for transmission to Congress, in accordance with the provisions of the organic act, the first annual report of the Secretary of Commerce and Labor.

The act creating the Department of Commerce and Labor was approved February 14, 1903. Two days later the head of the Department was nominated by the President and confirmed by the Senate. Through your courtesy, the Department was established in the executive offices of the White House, where the first steps toward organization were taken. On March 17 temporary quarters were obtained for the personal staff of the Secretary at No. 719 Thirteenth street NW. On June 16 the present office at No. 513 Fourteenth street NW. was formally opened. Prior to July 1, 1903, the Secretary and his immediate assistants were employed principally in preparations for assembling without interruption to public business the various bureaus of other Departments and independent branches of the Government service to be transferred on that date to the new Department. During this time the Secretary conferred informally with the heads of the various bureaus and offices to be transferred concerning necessary or desirable changes in methods of administration.

As early as June 1 it became apparent that several branches of the Secretary's Office for which careful plans had been laid could not be organized, owing to the lack of a sufficient appropriation. Such organization has been accordingly held in abeyance, except in so far as the requirements could be met after July 1 by details from the transferred bureaus.

On July 1, 1903, the following offices, bureaus, divisions, and

branches of the public service became parts of the Department of Commerce and Labor:

The Light-House Board.
 The Light-House Establishment.
 The Steamboat-Inspection Service.
 The Bureau of Navigation.
 The United States Shipping Commissioners.
 The National Bureau of Standards.
 The Coast and Geodetic Survey.
 The Commissioner-General of Immigration.
 The Commissioners of Immigration.
 The Bureau of Immigration.
 The Immigration Service at Large.
 The Bureau of Statistics.
 The Census Office.
 The Department of Labor.
 The Fish Commission.
 The Office of Commissioner of Fish and Fisheries.
 The Bureau of Foreign Commerce.
 The Alaskan Fur-Seal and Salmon Fisheries.

The Department organization already effected in part was:

The Secretary's office.
 Chief clerk's office.
 Disbursing and appointment clerk's office.
 Solicitor's office (through detail of acting solicitor from the Department of Justice).
 Bureau of Corporations.

The personnel of the Department on that date comprised 10,125 employees, of which number 1,289 were on duty in Washington and 8,836 in the country at large. The appropriations to be expended under the direction of the Department amounted to \$9,796,847.

The act making appropriations for the Department contained the following provision:

That the Secretary of the Treasury is hereby authorized and directed, as soon as may be practicable and before the first day of July, nineteen hundred and three, to transfer to the Department of Commerce and Labor all chiefs of division, assistant chiefs of division, clerks, messengers, assistant messengers, watchmen, charwomen, and laborers now employed in the divisions of his office who are wholly engaged upon the work relating to the business of the bureaus and offices of the Treasury Department transferred or to be transferred to the Department of Commerce and Labor under the act of February fourteenth, nineteen hundred and three; and in proportion to the number of persons in the divisions of his office whose time and labor are partially devoted to the work of said bureaus and offices he shall transfer approximately an equivalent number of clerks and other employees to said Department of Commerce and Labor, and the appropriations made for the compensation of all persons transferred hereunder shall be credited to and disbursed by the Department of Commerce and Labor.

Under this provision there were transferred 3 clerks, 2 watchmen, 2 assistant messengers, 1 cabinetmaker, 3 laborers, and 7 charwomen. The smallness of the initial appropriations rendered it impracticable,

in the time between the creation of the Department and the next session of Congress, to do more than secure the systematic arrangement and coordination of the bureaus and branches brought together. It precluded, except in the most general way, the prosecution of new lines of investigation or the development of new plans of administration. As a Department dealing with commercial and industrial interests it has recognized that the cooperation of such interests is essential to the fulfillment of its purpose, and from the outset such cooperation has been invited. The work of organization has progressed as rapidly as was consistent with thoroughness and with the limitations above outlined. In no perfunctory spirit I acknowledge the faithful, unwavering assistance given to me by the members of my immediate staff in the preliminary work of organization, and I include as deserving this just recognition in an especial degree James R. Garfield, Commissioner of Corporations, Frank H. Hitchcock, chief clerk of the Department, and William L. Soleau, disbursing and appointment clerk. They have been in the Department from its beginning and have had an active and potential part in its organization.

Many of the staff have worked daily far beyond the usual office hours. No one devoted to the interests of a private business could have rendered more loyal service than have they in these early days of the Department's life. They know how much the head of the Department owes to them for their cooperation. He can only express in this simple way his public recognition of the value of their services and of the splendid example they have set of a high ideal of duty

PRESENT ORGANIZATION OF THE DEPARTMENT.

The present organization may be indicated as follows:

SECRETARY OF COMMERCE AND LABOR.

The Secretary of Commerce and Labor is charged with the work of promoting the commerce of the United States, and its mining, manufacturing, shipping, fishery, transportation, and labor interests. His duties also comprise the investigation of the organization and management of corporations (excepting railroads) engaged in interstate commerce; the gathering and publication of information regarding labor interests and labor controversies in this and other countries; the administration of the Light-House Service, and the aid and protection to shipping thereby; the taking of the census, and the collection and publication of statistical information connected therewith; the making of coast and geodetic surveys; the collecting of statistics relating to foreign and domestic commerce; the inspection of steamboats, and the enforcement of laws relating thereto for the protection of life and property; the supervision of the fisheries as administered by the Federal Government; the supervision and control of the Alaskan fur-seal, salmon, and other fisheries; the jurisdiction over merchant vessels, their registry, licensing, measurement, entry, clearance, transfers, movement of their cargoes and passengers, and laws relating thereto, and to seamen of the United States; the supervision of the immigration of aliens, and the enforcement of the laws relating thereto, and to the exclusion of Chinese; the custody, construction, maintenance, and application of standards of weights and measurements; and the gathering and supplying of information regarding industries

and markets for the fostering of manufacturing. He has power to call upon other Departments for statistical data obtained by them.

For the proper accomplishment of any or all of the aforesaid work, it is by law provided that all duties performed, and all the powers and authority possessed or exercised, at the date of the creation of said Department, by the head of any Executive Department in and over any bureau, office, officer, board, branch, or division of the public service transferred to said Department, or any business arising therefrom or pertaining thereto, or in relation to the duties and authority conferred by law upon such bureau, office, officer, board, branch, or division of the public service, whether of appellate or advisory character or otherwise, are vested in and exercised by the Secretary of Commerce and Labor.

It is his further duty to make such special investigations and furnish such information to the President or Congress as may be required by them on the foregoing subject-matters and to make annual reports to Congress upon the work of said Department.

CHIEF CLERK.

The chief clerk, under the immediate direction of the Secretary, has the general supervision of the clerks and employees of the Department; the superintendency of all buildings occupied by the Department in Washington, D. C.; the direction of the watchmen, engineers, mechanics, firemen, laborers, and other employees connected with the care and protection of the Department buildings; the care of the horses, wagons, and carriages employed; the expenditure of the appropriations for contingent expenses, rents, and printing and binding; the receipt, distribution, and transmission of the mail; the custody of the records and files and library of the Secretary's office; the answering of calls from Congress and elsewhere for copies of papers and records; the duty of passing upon all appointment papers affecting the personnel of the Department; the enforcement of the general regulations of the Department, and the charge of all business of the Secretary's office unassigned.

DISBURSING AND APPOINTMENT CLERK.

The disbursing and appointment clerk is charged with the custody and payment of funds disbursed under the appropriations of the Department and with the preparation of all papers in the matter of appointments.

BUREAU OF CORPORATIONS.

The Bureau of Corporations is authorized, under the direction of the Secretary of Commerce and Labor, to investigate the organization, conduct, and management of the business of any corporation, joint stock company, or corporate combination engaged in interstate or foreign commerce, except common carriers subject to the interstate-commerce act; to gather such information and data as will enable the President to make recommendation to Congress for legislation for the regulation of interstate and foreign commerce; to report the data so collected to the President from time to time as he may require, and to make public such part of said information as the President may direct.

It is also the duty of the Bureau of Corporations, under the direction of the Secretary of Commerce and Labor, to gather, compile, publish, and supply useful information concerning corporations engaged in interstate or foreign commerce, including corporations engaged in insurance.

BUREAU OF LABOR.

The Bureau of Labor is charged with the duty of acquiring and diffusing among the people of the United States useful information on subjects connected with labor in the most general and comprehensive sense of that word, and especially upon its

relations to capital, the hours of labor, the earnings of laboring men and women, and the means of promoting their material, social, intellectual, and moral prosperity.

It is especially charged to investigate the causes of and facts relating to all controversies and disputes between employers and employees as they may occur, and which may happen to interfere with the welfare of the people of the several States.

It is also authorized, by act of March 2, 1895, to publish a bulletin on the condition of labor in this and other countries, condensations of State and foreign labor reports, facts as to conditions of employment, and such other facts as may be deemed of value to the industrial interests of the United States. This bulletin is issued every other month.

By section 76 of an act to provide a government for the Territory of Hawaii, approved April 30, 1900, it is made the duty of the Bureau to collect and present in annual reports statistical details relating to all departments of labor in the Territory of Hawaii, especially those statistics which relate to the commercial, industrial, social, educational, and sanitary condition of the laboring classes.

LIGHT-HOUSE BOARD.

The Light-House Board has charge, under the superintendence of the Secretary of Commerce and Labor, of all administrative duties relating to the construction and maintenance of light-houses, light-vessels, light-house depots, beacons, fog-signals, buoys, and their appendages, and has charge of all records and property appertaining to the Light-House Establishment.

BUREAU OF THE CENSUS.

The Bureau of the Census is charged with the duty of taking the periodical censuses of the United States and of collecting such special statistics as are required by Congress, including the collection in 1905 of the statistics of manufacturing establishments conducted under the factory system, and the collection annually of statistics of births and deaths in registration areas, statistics of the cotton production of the country as returned by the ginner, and (by transfer from the Bureau of Labor) statistics of cities of 30,000 or more inhabitants.

Under the proclamation of the President dated September 30, 1902, the Bureau is charged with the compilation and tabulation of the returns of the Philippine census, taken as of March 2, 1903, under the direction of the Philippine Commission.

COAST AND GEODETIC SURVEY.

The Coast and Geodetic Survey is charged with the survey of the coasts of the United States and coasts under the jurisdiction thereof and the publication of charts covering said coasts. This includes base measure, triangulation, topography, and hydrography along said coasts; the survey of rivers to the head of tide-water or ship navigation; deep-sea soundings, temperature, and current observations along said coasts and throughout the Gulf and Japan streams; magnetic observations and researches, and the publication of maps showing the variations of terrestrial magnetism; gravity research; determination of heights; the determination of geographic positions by astronomic observations for latitude, longitude, and azimuth, and by triangulation, to furnish reference points for State surveys.

The results obtained are published in annual reports, with professional papers and discussions of results as appendices; charts upon various scales, including sailing charts, general charts of the coast, and harbor charts; tide tables issued annually, in advance; Coast Pilots, with sailing directions covering the navigable waters; Notices to Mariners, issued monthly and containing current information necessary for safe navigation; catalogues of charts and publications, and such other special publications as may be required to carry out the organic law governing the Survey.

BUREAU OF STATISTICS.

The Bureau of Statistics collects and publishes the statistics of our foreign commerce, embracing tables showing the imports and exports, respectively, by countries and customs districts; the transit trade inward and outward by countries and by customs districts; imported commodities warehoused, withdrawn from, and remaining in warehouse; the imports of merchandise entered for consumption, showing quantity, value, rates of duty, and amounts of duty collected on each article or class of articles; the inward and outward movement of tonnage in our foreign trade and the countries whence entered and for which cleared, distinguishing the nationalities of the foreign vessels.

The Bureau also collects and publishes information in regard to the leading commercial movements in our internal commerce, among which are the commerce of the Great Lakes; the commercial movements at interior centers, at Atlantic, Gulf, and Pacific seaports; shipments of coal and coke; ocean freight rates, etc.

The Bureau also publishes daily and monthly the reports received from United States consuls and special reports on various subjects supplied by consuls on special request; also, annually, the declared exports from foreign countries to the United States furnished by consuls, and the annual report laid before Congress, entitled "Commercial Relations of the United States." Prior to July 1, 1903, these reports were published by the Bureau of Foreign Commerce of the Department of State. This duty was transferred to the Bureau of Statistics of the Department of Commerce and Labor by the act of February 14, 1903, creating that Department.

STEAMBOAT-INSPECTION SERVICE.

The Steamboat-Inspection Service is charged with the duty of inspecting steam vessels, the licensing of the officers of vessels, and the administration of the laws relating to such vessels and their officers for the protection of life and property.

The Supervising Inspector-General and the supervising inspectors constitute a board that meets annually at Washington, and establishes regulations for carrying out the provisions of the steamboat-inspection laws.

BUREAU OF FISHERIES.

The work of the Bureau of Fisheries comprises (1) the propagation of useful food fishes, including lobsters, oysters, and other shellfish, and their distribution to suitable waters; (2) the inquiry into the causes of decrease of food fishes in the lakes, rivers, and coast waters of the United States, the study of the waters of the coast and interior in the interest of fish culture, and the investigation of the fishing grounds of the Atlantic, Gulf, and Pacific coasts, with the view of determining their food resources and the development of the commercial fisheries; (3) the collection and compilation of the statistics of the fisheries and the study of their methods and relations.

BUREAU OF NAVIGATION.

The Bureau of Navigation is charged with general superintendence of the commercial marine and merchant seamen of the United States, except so far as supervision is lodged with other officers of the Government. It is specially charged with the decision of all questions relating to the issue of registers, enrollments, and licenses of vessels and the filing of those documents, with the supervision of laws relating to the admeasurement, letters, and numbers of vessels, and with the final decision of questions concerning the collection and refund of tonnage taxes. It is empowered to change the names of vessels, prepares annually a list of vessels of the United States, and reports annually to the Secretary of Commerce and Labor the operations of the laws relative to navigation.

BUREAU OF IMMIGRATION.

The Bureau of Immigration is charged with the administration of the laws relating to immigration and of the Chinese exclusion laws. It supervises all expenditures under the appropriations for "Expenses of regulating immigration" and the "Enforcement of the Chinese exclusion act." It causes alleged violations of the immigration, Chinese exclusion, and alien contract-labor laws to be investigated, and when prosecution is deemed advisable submits evidence for that purpose to the proper United States district attorney.

BUREAU OF STANDARDS.

The functions of the Bureau of Standards are as follows: The custody of the standards; the comparison of the standards used in scientific investigations, engineering, manufacturing, commerce, and educational institutions with the standards adopted or recognized by the Government; the construction, when necessary, of standards, their multiples and subdivisions; the testing and calibration of standard measuring apparatus; the solution of problems which arise in connection with standards; the determination of physical constants and properties of materials, when such data are of great importance to scientific or manufacturing interests and are not to be obtained of sufficient accuracy elsewhere. The Bureau is authorized to exercise its functions for the Government of the United States, for any State or municipal government within the United States, or for any scientific society, educational institution, firm, corporation, or individual within the United States engaged in manufacturing or other pursuits requiring the use of standards or standard measuring instruments. For all comparisons, calibrations, tests, or investigations, except those performed for the Government of the United States or State governments, a reasonable fee will be charged.

STATEMENT OF EXPENDITURES.

An itemized statement of the expenditures from the contingent fund of the Department of Commerce and Labor is transmitted to Congress in the usual form. The following summary statement shows the appropriations made for the support of the Department from February 18, 1903 to June 30, 1904, and the amount disbursed from each appropriation from February 18, 1903 to June 30, 1903, the end of the fiscal year:

Appropriations.	Amounts appropriated.	Disbursements to June 30, 1903.	Balance carried to credit of fiscal year 1904.
Salaries, Department of Commerce and Labor, 1903 and 1904.....	\$100,000.00	\$14,438.73	\$85,561.27
Salaries and expenses, special agents, Department of Commerce and Labor, 1903 and 1904.....	60,000.00	1,518.32	58,481.68
Rent, Department of Commerce and Labor, 1903 and 1904.....	16,000.00	2,582.82	13,417.18
Contingent expenses, Department of Commerce and Labor, 1903 and 1904.....	50,000.00	6,140.07	43,859.93
Total.....	226,000.00	24,979.94	201,020.06

The disbursements for the period from July 1, 1903 to September 30, 1903, inclusive, after the appropriations for all bureaus and offices had become available, amounted to \$584,951.08, and were made from 43 different items of appropriation. These disbursements are a fair

index to the increase in the business of the new Department after July 1, 1903, on account of the bureaus transferred from the Treasury and other Departments of the Government.

ESTIMATES.

The estimates for the Department represent actual needs. They were submitted after the fullest consideration and as a result of repeated conferences with those qualified to furnish information regarding the various matters to which reference is made.

It is fair to assume that Congress, in establishing the Department, contemplated not only the grouping together of certain bureaus then existing and the organization of the new bureaus and offices provided for, but also their proper consolidation and readjustment, to the end that the entire Department, when fully organized, should by expansion into the new field it was created to occupy accomplish all the purposes named in the organic act. Merely to appropriate a sufficient sum for the administration of the several bureaus transferred on July 1, and for a skeleton organization of the new bureaus, would fall far short of meeting those purposes. If the Department is to realize in any considerable degree the expectations of the framers of the legislation creating it and of the great interests it is expected to cooperate with and advance, it must have adequate appropriations. The act establishing the Department was passed late in the last regular session of Congress, and it was impossible to give full consideration to its needs. I most earnestly recommend that the Department be now equipped to do properly and effectively its important work.

A DEPARTMENT BUILDING.

Under date of February 23, 1903, I addressed a communication to the Secretary of the Treasury for transmission to Congress, submitting an estimate for an appropriation for the construction of a building for the Department. I respectfully invite attention again to that communication and reproduce it herewith:

DEPARTMENT OF COMMERCE AND LABOR,
Washington, February 23, 1903.

SIR: I have the honor to request that the following estimate for the construction of a suitable building for the Department of Commerce and Labor be transmitted to Congress:

At the beginning of the coming fiscal year the Department of Commerce and Labor will consist of twelve organizations, transferred to it from other branches of the public service, two new bureaus, and the office proper of the Secretary—in all, fifteen organized offices. These offices will be housed, under present arrangements, in ten or more different buildings. The Census Office is on B street, between First and Second streets NW.; the Coast and Geodetic Survey is on New Jersey avenue, near B street SE.; the Bureau of Foreign Commerce is in the State, War, and Navy building. Between these limits of about a mile and a half east and west, and about one-

third of a mile north and south, are distributed the remaining organizations of the Department.

The Light-House Board and the Bureau of Navigation are at 719-721 Thirteenth street NW.; the National Bureau of Standards on New Jersey avenue, near B street SE.; the Immigration Bureau, the Steamboat-Inspection Service, and the Alaska Seal and Salmon Fisheries in the Treasury Building; the Commission of Fish and Fisheries at Sixth and B streets SW.; the Department of Labor at Fifteenth street and New York avenue NW.; and the Bureau of Statistics at 1333 F street NW. Quarters for the office of the Secretary of Commerce and Labor and for the new Bureaus of Manufactures and Corporations have not yet been chosen. The delay, inconvenience, and expense in the transaction of daily business by so scattered an organization will be evident at once both to Congress and to the commercial and industrial interests of the country.

The annual rent during the current fiscal year for only four of these organizations (Department of Labor, Census Office, Bureau of Statistics, and Light-House Board) amounts to \$44,544. Rented quarters are now provided, or soon must be provided, for nine of the remaining organizations in the Department of Commerce and Labor.

On July 1, the Department of Commerce and Labor will employ in the city of Washington about 1,300 men and women. The precise number can not be stated until the new bureaus have been organized.

The present needs of the new Department have been briefly mentioned in order to show the importance of early action by Congress to supply them. In any project for the building which Congress may approve it is earnestly recommended that provision be made for the future growth of the Department, which will accompany the development of the commerce and industry of the United States.

The site to be secured should not only suffice for the structure required to house under one roof the branches of the public service to be assembled in July under the Secretary of Commerce and Labor, but should be ample for extensions of the edifice from time to time, in harmony with original plans, and with requirements of the increasing artistic sense of the people. The building for the Department of Commerce and Labor at the national capital, it is suggested, should be so planned in advance as to be not inferior in convenience or beauty to the structures which commercial and financial institutions in the great centers of American trade are erecting for the transaction of their daily business. It should be designed on a scale large enough to provide for the reasonable growth for some years to come of the various branches of the public service comprising at the outset the Department, and to supply quarters for such other branches of the service as by creation or transfer may hereafter be brought under its jurisdiction.

It should have at least one hall suitable for conferences or Congresses, international or national, which, by invitation of the Government of the United States, have met in this country in the past, and doubtless hereafter will assemble frequently at Washington. To secure light and ventilation, inner courts open to the sky are necessary. The edifice should be fireproof.

Such a department building is needed to meet the requirements of progressive business methods. It is needed to give adequate expression to the country's advance in the art of architecture. It is a proper part of any general project to render more beautiful the national capital. It is in the line, furthermore, of true economy

The Treasury building cost \$7,250,540, but is already inadequate for the needs of that Department, which this year, according to the estimates, will spend \$18,894 in rents for outside offices. The State, War and Navy building cost \$10,071,916, but the Departments it houses will this year spend \$25,260 for rented offices, and more offices must be secured for the coming fiscal year. The Patent Office cost \$3,652,705, but this year the Interior Department will be required to spend \$80,680 for rented buildings (including \$26,680 for the Census Office, transferred to the Department of

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Commerce and Labor). The new Post-Office cost \$3,305,490, but from the beginning was inadequate for the Post-Office Department, which this year will spend \$36,406 for rented offices.

Probably none of the Department buildings mentioned could be enlarged without a departure from original plans so radical as to destroy its symmetry and thus to forbid such enlargement. Had the growth of the business of the country and of these Departments been foreseen, doubtless at the outset larger sites and different plans would have been provided. On the other hand, in the case of the Capitol, built and extended for \$17,071,849, increased accommodations in consonance with original plans at a cost of about \$6,000,000 are now proposed. In the case of the Library of Congress, recently completed at a cost of \$6,920,081, such extensions are also possible.

I earnestly recommend, therefore, that Congress provide for the construction of a building for the Department of Commerce and Labor to cost, exclusive of the site, the sum of \$7,000,000.

Very respectfully,

GEO. B. CORTELYOU,
Secretary.

The SECRETARY OF THE TREASURY.

Interest here attaches to the following statement of rentals of the Department of Commerce and Labor for the fiscal year 1904:

Appropriated March 3, 1903:

Rents, Department of Commerce and Labor, 1903 and 1904.....	\$16,000.00
Expended to June 30, 1903.....	2,582.82

Balance available July 1, 1903..... \$13,417.18

Transferred July 1, 1903, from the Treasury Department, and from other sources:

From the Treasury Department, for bureaus transferred.....	11,640.00
For No. 235 New Jersey avenue SE., for use of the Bureau of Standards.....	840.00
For the building occupied by the Bureau of Labor.....	6,750.00
For the building occupied by the Bureau of the Census.....	26,600.00

Total appropriations available July 1, 1903..... 59,247.18

The rentals chargeable against the above appropriation for the fiscal year ending June 30, 1904, are as follows:

Location of building.	For what purpose used.	Annual rental.
Willard Building, 513-515 Fourteenth street NW...	Main building of Department.....	\$11,880.00
Emery Building, northwest corner First and B streets NW.	Bureau of the Census.....	26,600.00
National Safe Deposit Building, corner New York avenue and Fifteenth street (in part).	Bureau of Labor.....	6,750.00
Builders' Exchange Building, 719-721 Thirteenth street NW. (in part).	Light-House Board, Steamboat-Inspection Service, Bureau of Navigation.	7,600.00
Adams Building, 1333-1335 F street NW. (in part).	Bureau of Statistics.....	4,539.84
235 New Jersey avenue NW.....	Bureau of Standards (Laboratory)...	840.00
Total rentals for the fiscal year ending June 30, 1904.....		58,169.84

For the fiscal year beginning July 1, 1904, the estimate for rents for the entire Department is \$75,000, the increase being due to an estimate of \$10,000 made by the Director of the Census. A small emergency estimate is also submitted for additional funds to be available should further accommodations be required.

LEGAL ASSISTANCE.

The estimates provide for a solicitor and several assistants. Many contracts, some of them involving large sums of money, are entered into by the Department in the daily course of business. That the interests of the Government may be carefully guarded, these contracts should be scrutinized in every instance by competent law officials. Aside from the matter of contracts, legal ability of the highest order is constantly needed in the interpretation and execution of the numerous laws that affect the operations of the Department. As a measure of economy, and frequently also as a matter of justice, it is important that these laws and the various regulations pursuant thereto should be construed in such manner as to leave no doubt of their proper execution.

To meet the present requirements of the Department in the way of legal assistance an officer of the Department of Justice has been detailed to act as solicitor, but this arrangement is merely temporary. A definite appropriation is strongly recommended in order that the Department may be able to employ its own solicitor and provide the needed assistants. Cases frequently arise involving questions of law that require immediate decision, and it is desirable in such instances to have efficient legal assistance within easy reach. The delay that necessarily accompanies the reference of legal questions to law officers outside of the Department and not subject to its authority often impedes the transaction of public business. The advantages that would accrue to the Department from the creation of a solicitor's office under its immediate control are manifest, and it is hoped that the necessary appropriation will be granted.

SPECIAL INVESTIGATIONS.

Provision is made in the estimates for an appropriation to be expended under the immediate direction of the Secretary for the investigation of trade conditions at home and abroad, with the object of promoting the domestic and foreign commerce of the United States, and for other purposes. Important instruments in the promotion of trade are the agents dispatched from time to time by foreign governments to study commercial opportunities in other countries. Military and naval experts are sent abroad by our Government to report on conditions that are of interest to their respective Departments. In the daily competition of international trade there is even greater need of intelligent

outposts abroad. Special agents are also required in the Department itself to inspect the branches of its services in different localities and to secure uniform, businesslike, and economical methods. The need of such agents in other departments has been met by appropriations, and there is of course a similar need in this Department.

PLANS OF ORGANIZATION.

The determination of those responsible for the organization and administration of the Department to lay its foundations on broad lines and to build thoroughly and conservatively for the future has been very generally understood. In but few instances has there been any criticism of this course, and then only from those unfamiliar with the magnitude of the task of organizing a new department or unmindful of the necessity of making liberal provision for its growth and usefulness. It would have been a dereliction of duty, even in the face of a pronounced demand for immediate action in certain directions, to sacrifice the essentials of sound organization to a desire to make an early showing or to achieve immediate results from ill-considered and ill-timed investigations. The care that has been exercised in the details of organization and the conservatism that has marked the Department's course during the brief period of its existence have been amply justified. It is well to repeat that the act creating the Department received the approval of the President on February 14, 1903; that the first Secretary of the Department was appointed two days later; that until July 1 only elementary details of organization could be considered; that on July 1, by the transfer of bureaus, the Department became the fourth largest of the several executive establishments, and that from that date to the date of this report but five months have elapsed.

PERSONNEL.

Organization under initial appropriations and the estimates for the future have been based on the belief that better work can be obtained from a relatively small clerical force, composed of competent employees paid salaries commensurate with the work done, than from a larger force overpaid in the earlier years of service and underpaid after capacity for intelligent work has been shown. Every competent observer of administrative methods at Washington will, I think, agree that there are many instances where the pay is much higher than in corresponding private employment, the force at times is larger than can be used advantageously, and not infrequently increased compensation comes to be regarded as a necessary incident to service rather than as a just measure of the worth of service. High-grade clerks command good salaries in private business, and the Government can not, and, in fact, does not, retain such in its employ except by paying

equally good salaries. To the Department of Commerce and Labor in its relations to the business community this principle applies with peculiar force.

The civil service regulations have been observed in every detail from the establishment of the Department. Appointments have been made, and will be made, strictly upon merit, whether under the civil service requirements or in cases exempt from such requirements. Upon no other basis can such a Department be conducted so as to meet satisfactorily the demands that will be made upon it.

Among other measures required to realize this high standard the Departmental files must be conclusive, and the papers in all cases must disclose the conditions that warranted the action taken. As far as practicable I desire to do away with confidential files. They are often the resort of the blackguard and the blackmailer. Only such files should be held confidential as the law requires or public considerations demand. Every official document in the Department, whether it relate to appointments, contracts, or other subjects, should be accessible to authorized inspection and should afford a full and satisfactory answer to every proper inquiry.

TRANSFER OF BUREAUS.

The Department has been created for certain general purposes, stated in the organic act. To enable it to carry out some of these purposes bureaus of other Departments and offices existing independently were transferred to it at the beginning of the current fiscal year. Further rearrangement of bureaus and offices among the several Departments should in due season be made if these purposes are to be attained in the simplest and most direct fashion. The Department of Commerce and Labor does not seek growth by the absorption of duties now assigned elsewhere. If, in the opinion of the President, however, or of Congress, as the law may provide, the transfer of bureaus and offices to this Department seems to promise a more efficient administration of public affairs, such transfers will be welcomed. On the other hand, if experience plainly shows that certain duties now allotted to this Department can be better performed under a different control the transfer of such duties will be promptly recommended. The names of the great departments of government indicate clearly the division of Federal machinery that has been regarded as best adapted to efficient administration. The creation of a new executive establishment, charged with the administration of laws that fix the relations of the Federal Government with the business and industrial affairs of the country, should involve the ultimate transfer to it of various duties, which, in the absence of such an establishment, have been performed under the direction of officers chosen primarily for purposes altogether different.

When the transferred bureaus were brought together under this Department, many questions arose which required not only a definition of their relations to their new conditions, but in a number of cases a determination of jurisdiction as between the Department of Commerce and Labor and the Departments from which the transfers were made. To remove uncertainty, opinions were obtained from the Attorney-General for the guidance of all concerned. These opinions form a valuable body of authority, and have enabled the organization of the Department to proceed on lines that make for efficient and business-like administration.

Under the Department's plan of organization every opportunity will be afforded for the development in the largest degree of its various bureaus, and the chiefs will be given the greatest latitude and authority consistent with proper supervision by the Secretary. The bureaus will be expected, however, to keep in view the interests of the Department as a whole, and to work together loyally and harmoniously for the general good. In the many affairs concerning more than one office, in the matter of disbursements, appointments, and other features involving the general policy of the Department, the immediate responsibility for action will rest with the head of the Department.

At the very beginning of the work of organization embarrassment was occasioned by the inappropriate names of some of the bureaus and by an illogical assignment of duties. As rapidly as it has been thought advisable to make changes in these regards they have been made. While there has been decided progress in these directions, much still remains to be done, dependent upon such rearrangement of work as experience may show to be wise. At present an anomalous situation exists in regard to the designation of the Bureau of the Census, the Bureau of Statistics, and the new Bureau of Manufactures. In both the Bureau of the Census and the Bureau of Statistics considerable work is now performed on some of the lines indicated for the Bureau of Manufactures. The name Bureau of Statistics does not properly describe the functions of that Bureau. The ultimate purpose is to have the various subdivisions of the Department so designated and such assignments made to them as will give public notice of their duties and bring about greater uniformity and efficiency.

CONCENTRATION OF MARINE BUREAUS.

The Light-House Establishment, Bureau of Navigation, Steamboat-Inspection Service, Coast and Geodetic Survey, Bureau of Fisheries, and Alaskan Fisheries Service have already been transferred specifically to the Department. Various duties relating to marine affairs, as the regulation of anchorages, regattas, boarding of vessels, and the enforcement of the St. Marys River rules, have also been assigned to the Department. The debates in Congress disclose the purpose to

give the Department general jurisdiction over all matters relating to merchant shipping. While each of the marine services now in existence has its specific duties, there are various points at which the work of one touches or affects another. In such matters, the best results can be obtained only by joint action or by the exercise of an immediate and constant supervision over all. Two plans have been considered, the first to establish a marine board composed of the heads of all the bureaus concerned in marine affairs, the second to designate one officer of higher rank than a bureau chief as the supervisory authority, under the Secretary.

While committees and boards are useful in legislative and deliberative affairs, competent students of government are agreed that in the administration and execution of laws the most satisfactory results can be obtained by fixed responsibility in one competent head. This will be the principle adopted wherever possible in the administration of the branches of the Department. There is a natural division between marine affairs and land affairs. The appointment of an assistant secretary of the Department will permit a concentration of control over marine affairs in a bureau of marine affairs, from which satisfactory results are anticipated.

PURCHASE OF SUPPLIES.

The purchase of supplies for the Department and its various services has been carefully studied. A more businesslike method of buying is being introduced, and it is believed that a substantial saving in this direction can be accomplished. The plan of contracting for supplies in sufficient quantities to meet the requirements of the entire Department will be followed wherever practicable, in order to obtain more favorable prices than can be had where the bureaus purchase separately. In order to carry out the plans with regard to purchasing, the various contingent funds of the bureaus, except so far as they provide for supplies that are purely technical—such as scientific instruments and apparatus—should be consolidated into a single fund to be controlled by the Secretary's Office. The creation of a general contingent fund in accordance with this plan will enable the Department to purchase supplies in a more systematic and economical manner and under a uniform method of accounting.

ACCOUNTING.

Steps have been taken to systematize the methods of accounting employed in the several bureaus in order to bring them into harmony with each other and to reduce as far as possible the large amount of work that is involved in the adjustment of the accounts, to prevent delay in the settlement of accounts, and to avoid merely perfunctory signatures.

The manner of accounting for the expenditure of the various appropriations provided for the Department and its various services is being carefully studied with the object of still further safeguarding the disbursement of public funds.

TELEGRAPH AND TELEPHONE SERVICE.

The Department has been equipped with an efficient telegraph and telephone service. As this service is in operation by night as well as by day, time and expense are saved in dispatching the business that has to be conducted by wire. The existence of a night service distributes work in such manner that it can be conducted with greater accuracy and with the least possible delay. The telephone equipment is also fully justified, for at the average department rates the pay of one messenger is about equal to the rental of 28 telephones.

There will be increasing demands upon this service. Agents in the field, whether engaged in investigations at home or abroad, will have frequent occasion to use these facilities, and it would hardly seem necessary to urge the importance of a thoroughly trained and efficient force of this kind for duty both day and night in a branch of the Government devoted to commerce and industry.

While existing laws do not permit the introduction of certain modern appliances, the Department has from its organization made use of such as were available. The best tools are the cheapest. The Department's equipment of mechanical appliances must be at least equal in quality to the equipment of the best private business establishment, if Government work is to be done as promptly and economically as private work.

LIBRARY.

There are about 90,000 volumes in the various bureau libraries. The collections are devoted wholly to the special needs of the bureaus, and are, for the most part, technical or scientific. The Light-House Establishment has, in addition to its office library, a circulating library of about 50,000 volumes, composed of standard and current literature. This collection is kept in circulation among the light-houses, thus affording to the light-house keepers opportunities for study and recreation they could not otherwise have, owing to their isolation.

It is intended to coordinate all library work and centralize it under a departmental librarian as far as may be consistent with the special needs of the different bureaus. Each bureau will have a thoroughly equipped working library, systematically classified. From the central departmental library full information can be obtained about all bureau collections and in regard to special subjects relating to the work of the Department.

The Department is cooperating with the Library of Congress, and will use, as far as possible, its resources.

This method of organization will promote economy, reduce to a minimum duplication of material, and make immediately available to every branch of the Department the material at its command.

DEPARTMENT SEAL.

An appropriate seal has been adopted and regulations promulgated to secure a uniform and consistent use of it throughout the Department. Each bureau has been provided with a seal similar in design to the great seal of the Department, and the use of various seals of dissimilar patterns has been discontinued.

STATISTICAL WORK.

One of the most important branches of the Department's work is that of statistics. By the organic act this new Executive establishment is made the statistical department of the Government. On May 15, 1903, a commission on statistical work was appointed for the purposes outlined in the following letter:

DEPARTMENT OF COMMERCE AND LABOR,
OFFICE OF THE SECRETARY,
Washington, May 15, 1903.

MY DEAR SIR: Section 4 of the act to establish the Department of Commerce and Labor provides that "the Secretary of Commerce and Labor shall have control of the work of gathering and distributing statistical information naturally relating to the subjects confided to his Department; and the Secretary of Commerce and Labor is hereby given the power and authority to rearrange the statistical work of the bureaus and offices confided to said Department, and to consolidate any of the statistical bureaus and offices transferred to said Department; and said Secretary shall also have authority to call upon other departments of the Government for statistical data and results obtained by them; and said Secretary of Commerce and Labor may collate, arrange, and publish such statistical information so obtained in such manner as to him may seem wise.

I have acquainted the heads of the Departments and of the several bureaus and offices concerned with my desire to appoint a commission to assist me in carrying out these provisions of law and other features of the organic act in any way relating to them, and have received their assent to the appointment of the commission in advance of the actual transfer of some of the bureaus and offices. I have therefore appointed the following commission:

Mr. Carroll D. Wright, Commissioner of Labor, chairman.

Mr. S. N. D. North, Census Office, vice-chairman.

Mr. James R. Garfield, Commissioner of Corporations.

Mr. O. H. Tittmann, Superintendent Coast and Geodetic Survey.

Mr. George M. Bowers, Commissioner of Fish and Fisheries.

Mr. F. P. Sargent, Commissioner-General of Immigration.

Mr. O. P. Austin, Chief of the Bureau of Statistics.

Mr. Frank H. Hitchcock, chief clerk, Department of Commerce and Labor, secretary.

It will be the duty of this commission to investigate and report, for the consideration of the Secretary, what rearrangement, by transfer or otherwise, in the work

now assigned by law to any of these bureaus and offices will result in an improvement of the service; what field work, if any, now being conducted by any bureaus or offices, can be consolidated or dispensed with; what reports, if any, now published, can be consolidated or dispensed with, with a view to the elimination or any duplication now existing in the work of these bureaus; to define clearly the field and functions of each bureau or office in such manner that no one shall encroach at any point upon any other; and generally to make such recommendations as may commend themselves to the commission for the orderly and scientific readjustment of the work of the several bureaus and offices of the Department of Commerce and Labor.

The report of the commission may be made from time to time, upon separate branches of the investigation, if desired; but its final report should be submitted at the earliest practicable date.

It would greatly facilitate the proper organization of the Department if the commission were to meet at an early date, as it might then be possible to accomplish substantial results before July 1.

Very truly yours,

GEO. B. CORTELYOU,
Secretary.

The Commission has made a careful study of the various lines of statistical work carried on by the several bureaus, and has recommended certain changes in the way of readjustment and consolidation that it is believed will increase the efficiency of this work.

The Department aims to furnish the business world with more prompt, more complete, and more reliable statistical reports upon the various subjects of commercial and industrial interest. Special efforts are being made to extend its facilities for supplying foreign trade information, and more active assistance will be required from the consular service. The relation of this service to the new Department is one of its pressing problems, which in the immediate future must be the subject of administrative as well as legislative consideration. Essentially commercial officers, they should play a vital part in the extension of our foreign trade. By careful supervision, and timely and helpful suggestions, reports of a more practical nature, and of greater usefulness to our exporters, than many of those hitherto furnished can be obtained.

COOPERATION WITH THE DEPARTMENT OF AGRICULTURE.

In planning measures for the development of American commerce it is the purpose of the Department to devote itself impartially to the various interests concerned in that development. All possible means will be employed for the extension of our export trade in products of the farm as well as in manufactured articles. Wherever possible the cooperation of the Department of Agriculture will be sought, in order that these two branches of the Government service may work together for the benefit of the American farmer. It is highly important that the active measures taken by the Agricultural Department to increase the productivity of our farms should be supplemented in every possible way by efforts to provide a profitable market for their produce.

DIVISION OF FOREIGN TARIFFS.

In addition to the measures that have been taken for the reorganization and improvement of existing branches of the statistical service, it is proposed to establish an office for the collection and distribution of foreign-tariff information, this being one of the directions in which the Department's work can apparently be extended with great advantage. The estimates propose an appropriation of \$9,220 for a division of foreign tariffs.

Nations are inclined to regulate their commercial intercourse by means of a double system of tariffs, permitting preferences through commercial treaties. The current agitation in Great Britain for a departure from traditional policy in order to increase commerce between the members of the British Empire may have marked effects upon American trade and incidentally upon American labor.

The industrial and economic facts which accompany such movements must be closely, intelligently, and unremittingly watched. A few competent employees, acting directly under the head of the Department, will suffice for this purpose. From the small expenditure proposed excellent results may be obtained. There is at present no Government office in the United States engaged systematically in the work of collecting information regarding foreign tariffs and making that information available to our exporters. The Department has received frequent inquiries for such information and has been impressed with the importance of providing an agency to supply it.

PUBLICATIONS.

An effort is being made to secure a prompter issue of the Department's publications without impairing their accuracy. The value of Government documents depends essentially on their presentation of current conditions, rather than the reproduction of facts and figures with which an energetic country is already acquainted. Bulletins containing the rulings, regulations, and notices of the Department, and also statistical and other information of immediate interest to the public, will be issued with the least possible delay.

Among the more comprehensive publications now in course of preparation, and soon to be issued, is a history of the Department, including a compilation of the laws with the administration of which, directly or indirectly, it is charged. The Bureau of Corporations is also preparing several publications that will undoubtedly be serviceable to Congress and to those concerned in the special work of the Bureau.

CHARACTER OF REPORTS.

The Department was not established to control the energies of the people. By furnishing them with needed information it can help intelligence and self-reliance to put forth efforts in trade with the best

results. This will be one of its chief aims. Conditions exactly as they are found will be shown in a true and impartial light. Statements of facts and statistics issued by this Department will be nonpartisan, not only in the usual political sense of the word, but in the broader sense of freedom from the bias of preconceived theories or of predilections toward or against individuals, associations, or organizations. By carrying out this policy the various branches of the Department acting as a single organization can render far greater services to labor and to capital than could be had from independent offices specifically devoted to particular interests. The facts of modern industrial and commercial life are too intricate and interdependent to be fairly stated even by the impartial specialist if regarded from a single point of view.

While the responsible officers of the Department would fall short of their duty if they failed to state their conclusions in exact accordance with information obtained, and to make fearlessly the recommendations demanded, the information itself must be so fully and fairly set forth as to carry conviction of the accuracy of such conclusions, or to permit ready demonstration of error, if such has been made.

A commission has been appointed within the Department to revise statistical methods. Lack of coordination and harmony has hitherto led to confusion, duplication, omission, and other errors in results, and to extravagance in administration. Improved methods will be introduced as rapidly as practicable.

PRINTING OF BLANKS AND FORMS.

The printing of the vast number of blanks and forms required is another problem to which careful thought has been given. Under the present conditions the cost of such printing is believed to be unnecessarily high. This expense can be reduced and at the same time the business of the Department facilitated by a judicious consolidation and elimination of many blanks. An improved method of handling blanks and of distributing them to the numerous officials of the Department stationed throughout the country is being introduced with the object of securing a speedier and more accurate service. The distributing agencies of the several bureaus are being consolidated into a single organization, with great advantage to the work.

BUREAUS OF THE DEPARTMENT.

The bureaus and offices transferred from other Departments on July 1 have, as a rule, made their annual reports for the past fiscal year to the heads of the Departments with which they were formerly connected. Recommendations for the current fiscal year, however, have been made by several of these bureaus and offices in reports to this Department. Such study as I have been able to give to these reports

and to the general methods of the transferred bureaus convinces me that legislation will be desirable in a number of instances; but it is usually wise to await the experience gained in the execution of existing law before recommending additional legislation. If practicable, specific recommendations on these matters will be made during the coming session of Congress. I respectfully invite attention to the reports of the several bureaus printed separately.

BUREAU OF MANUFACTURES.

The organization of the Bureau of Manufactures has been necessarily postponed in the absence of adequate appropriations. No time has been lost, however, as the work of this Bureau in some respects will resemble certain phases of the present duties of the Bureau of the Census and the Bureau of Statistics. Some readjustment of work will be required to secure the best results from these branches of the service, and the plans for redistribution of duties have not yet been fully formulated. These plans, however, will be ready as soon as Congress shall have provided the funds with which to organize a new bureau. Under present conditions any work assigned to it could be carried on only by the detail of clerks from other branches of the Department, and no clerks are available for that purpose.

BUREAU OF CORPORATIONS.

It is the duty of the Bureau of Corporations to gather information on the subject of interstate and foreign commerce, to investigate the organization, conduct, and management of corporations and joint stock companies engaged in such commerce (other than common carriers subject to the jurisdiction of the Interstate Commerce Commission), to report the results of such investigations to the President through the Secretary of Commerce and Labor, and to compile and publish useful information concerning corporations engaged in interstate and foreign commerce, including insurance companies.

As an aid to investigation, the Commissioner of Corporations is given like powers to those granted the Interstate Commerce Commission.

Since the organization of the Bureau on February 26, 1903, exhaustive studies have been undertaken in the following fields:

1. A systematic study of the law creating the Bureau.
2. The general subject of interstate commerce and the powers of the Federal Government in relation thereto.
3. The decisions of the Federal courts relating to corporations engaged in interstate commerce which are subject to the jurisdiction of the Bureau.
4. The jurisdiction and powers of the Interstate Commerce Commission.
5. The decisions of the Federal courts in relation to trade conspiracies, monopolies, and combinations in restraint of trade.

6. The corporation laws of the various States and Territories, particularly those relating to the annual reports and the returns for taxation purposes required from such corporations.
7. The methods of taxing corporations in each State and the decisions relating to the taxation of interstate commerce.
8. The effect of industrial combinations upon the prices of the commodities sold by such combinations, the effect of tariff duties upon the prices of commodities subject to such duties, and the reasons for the difference, if any exists, between the domestic and foreign prices of commodities manufactured by the protected industrial combinations of this country.
9. The powers of the Federal Government in relation to insurance companies.

From a preliminary study, it became apparent that the public records of States and Territories, the reports of special committees appointed under State or Federal authority, the files of certain Government offices, and various commercial and industrial publications contained a fund of valuable information on the subjects to be investigated. This information is being brought together, analyzed, and properly indexed, in order that the facts already known may be utilized in planning more specific inquiries.

Results thus far obtained show that much fuller information has been given in the past than is generally supposed. The knowledge already acquired from various sources regarding particular corporations will be of decided value in determining what further information should be required. By a proper utilization of the facts at hand unnecessary inquiries can be avoided.

The field of work that lies open to the Bureau is almost unlimited in extent, and it is believed that if proper means are made available results of far-reaching consequence can be accomplished. Since the 1st of July the Bureau's operations have been extended so rapidly that the special appropriation provided is now practically exhausted. In order that the investigations already begun may be effectively completed and the information gained be utilized to the best possible advantage, a liberal addition to the present appropriation should be granted.

Appropriations for the Bureau should carry with them ample authority for the employment of special attorneys and special examiners possessing the qualifications necessary to meet particular exigencies in the work. For this reason it is strongly urged that future appropriations, in so far as they relate to special attorneys and special examiners, be made in the form of a lump sum, with such limitations only as are essential to good administration.

The creation of the Bureau was viewed by some with alarm, or at least with suspicion. It was feared that the powers granted might be hastily or inadvisedly used to the injury of legitimate enterprise. No such purpose actuated the framers of the law; no such purpose will control its administration.

Many corporations have been granted important privileges by the public, and some of these corporations, through consolidation of capital, have acquired extensive influence in the industrial affairs of the country. Such privileges, if used improperly, not only retard the progress of industry, but frequently breed corruption in politics. The legislation creating the Bureau of Corporations was the expression of a popular belief that further safeguards should be provided for the regulation of business enterprises to which special privileges have been granted by the people. Publicity will disclose unfair dealing, dishonesty, and corruption; but if properly enforced it will not disclose to trade competitors the fruits of individual thrift and initiative, nor permit in any other manner the invasion of private rights.

BUREAU OF LABOR.

THE RELATIONS OF LABOR AND CAPITAL.

The Department is empowered to acquire and diffuse among the people of the United States useful information on subjects connected with labor, in the most general and comprehensive sense of the word, especially regarding its relation to capital, such as the hours of labor and the earnings of laboring men and women; the means in general of promoting their material, social, intellectual, and moral condition; the elements of cost, or approximate cost, of products; the comparative cost of living, and the kind of living; the articles controlled by trusts or other combinations of capital, business operations, or labor, and the effect such trusts or other combinations have on production and prices; the causes of and facts relating to all controversies and disputes between employers and employees.

Capitalists and wage receivers are to be treated on an equality, for in these matters relating to labor and capital and to their respective representatives the Department must stand in the position of an educational office, collecting and publishing such information as will enable each party to understand more fully the prevailing conditions.

The Department has no executive functions relative to the settlement of labor disputes. It can not interfere on behalf of either employer or employee in controversies arising between them.

Whatever enables either party to secure necessary information falls within the authority of law. That authority does warrant the Department in publishing any information drawn from conditions in this or in other countries which will be helpful in bringing about fuller knowledge and better understanding. Employer and employee are dependent upon each other, and the recognition of the welfare of both, and of the means of assisting in securing that welfare, will be assiduously cultivated. All possible measures of an educational nature will be employed to induce the representatives of labor and capital to

conduct their affairs on a basis which shall not interfere with the general welfare of those not engaged in the disputes. This general policy must commend itself to the wisdom of employer and employee alike, as it is in the interests of both.

A large part of the office force, as well as of the field force of the Bureau of Labor, has been engaged during the past year in the collection of data for the eighteenth annual report of the Bureau (the report for 1903) and in its preparation. This report presents the results of an extended investigation into the cost of living of workingmen's families and the retail prices of staple articles of food used by such families. That part of the report which relates to retail prices is the first extended investigation of the kind that has been made in this country. The previous price studies, covering a period of years, have dealt solely with wholesale prices, which of course do not represent accurately the cost to the small consumer.

The second annual report on the course of wholesale prices was made in the Bureau's bulletin for March, 1903. While it is considered advisable to continue this index of wholesale prices, the data relative to retail prices contained in the eighteenth annual report should be used in preference to wholesale prices in any study of the cost of living of workingmen's families.

In addition to the preparation of the eighteenth annual report and other work done by the Bureau, its bulletin has been issued regularly every other month. Each number of the bulletin contains, in addition to one or more special articles, timely data relative to agreements between employers and employees, digests of recent reports of State bureaus of labor statistics, digests of recent foreign statistical publications, court decisions affecting labor, and laws of various States relating to labor. As the result of investigations in progress or completed, forthcoming bulletins will contain the following special articles:

Labor Unions and British Industry.

Labor Conditions in Australia.

Labor Conditions in the Philippine Islands.

The Revival of Handicrafts in the United States.

Trade Union Movement among the Coal Mine Workers of the United States.

Other investigations are being carried on by the Bureau, and the results will appear either in the bulletins or in special reports. Among the latter may be mentioned a report on restriction of output by employers and employees in the United States, Great Britain, and the continent of Europe; a report on the labor of children in the principal industrial States of the Union; a report on coal-mine labor in Europe; and also a compilation of the labor laws of the United States, which revises and brings down to date the second special report of the Bureau, published in 1896. Reports have already been issued upon the condition of the laboring classes of the Territory of Hawaii.

Active work on the preparation of the nineteenth annual report of the Bureau and the collection of data therefor was begun some months ago, and rapid progress is being made. This report, which should be available—in summary form, at least—in the spring of 1904, will comprise the largest and most representative collection of data relative to wages ever undertaken. The period covered will be the years from 1890 to 1903, inclusive, and it is expected that every important manufacturing industry and every large industrial center in the United States will be adequately represented.

One of the first official acts of the Secretary of Commerce and Labor on the day the Bureau of Labor was transferred to this Department was to direct the employment of a special agent to make an investigation in England as to the effect of trade unionism on British industries. The agent's report, which is to appear in an early issue of the Bulletin, will commend itself to the attention of those interested in this subject.

In view of the attention which the subject of trade unionism commands, and the efforts made by employers and employees to improve their relations, to prevent strikes and other industrial disturbances, and to provide a ready and certain method by which disagreements can be adjusted, it is believed that this report, explaining the methods adopted in Great Britain and the lessons they teach, will prove a valuable contribution to the literature of sociology and may offer some suggestions which can be profitably adopted in our own industrial system.

The Bureau of Labor has rendered effective service in its special field. The Department will utilize to the fullest extent the experience that has been gained in this important Bureau, and will seek to make more and more available the information it can obtain and to secure larger results from its work. Not only is there at present a bureau doing work pertaining exclusively to labor, but it is proposed to make every other bureau in the Department do its share, so far as its organization will permit, to "foster, promote, and develop * * * the labor interests, * * * of the United States." The Department's statistics on labor, as well as its statistics on other subjects, will be gathered fairly, given out fairly, and as far as possible will be made to represent accurately conditions found to exist. Whatever rearrangement may be found necessary in any of the duties now assigned to the Bureau, the great interests of labor and of industry in their broadest sense will be subserved.

The new Department should not be expected to do impossible things. If it can be helpful to any considerable extent in improving existing relations as between employer and employee; if its publications can furnish facts from which there may come fuller understanding; if, having gained the confidence of the people, it can, from time to time,

point the way to better feeling and broader views as between contending interests, it will accomplish one of the most beneficent results of its organization.

LIGHT-HOUSE BOARD.

The establishment of a light-house system properly received the attention of the founders of the Republic. Letters signed by Washington, Jefferson, Hamilton, Gallatin, and others, testify their interest in the subject. Among the first appropriations made were those for aids to navigation. While it was recognized that commerce meant prosperity to the country, it was equally recognized that the light-house meant safety to commerce. As light-houses and other aids to navigation have been multiplied, the premiums on marine insurance have been diminished.

When the present Light-House Board was organized in 1852, Congress adopted a policy which, when carried fully into effect, will equip the coasts of the United States so thoroughly with lights that no vessel off our shores will be out of sight of a light, or out of hearing of a fog signal. Harbor lights and fog signals show the sailor the way in and out of port. The whistling buoys, the lighted buoys, the ice buoys, the can, nun, and spar buoys do in a small way what the light-houses accomplish for larger areas. The various instrumentalities have been brought to such a degree of efficiency that navigation is from year to year made easier and commerce safer.

Demands are being made by commerce and navigation for light-houses and other aids to navigation in the waters surrounding our insular possessions. The Porto Rican light-house service has been taken over and is now being administered by the Light-House Establishment. The Hawaiian Islands are urging that their light-house service be administered by the Federal Government. The Philippines are requesting similar assistance; and Guam and the Midway Islands also present claims for a proper light-house service. What has been done to make Alaskan commerce safer and easier they wish to have repeated for them. They insist that such lights and aids to navigation as they already possess shall be brought up to our standard, and to do this thoroughly and economically they claim properly that their light-house service should be administered by the Light-House Establishment. This matter is commended to the serious attention of Congress.

The Department invites attention to the need of meeting the estimates for the maintenance of the Light-House Establishment with full appropriations. The amounts asked are urgently required. Any diminution of them will retard the operations of the establishment to just that extent. The increase in the number of aids to navigation since the last appropriations occasions the increase in the requirements of the

establishment. The estimates have been carefully framed and are based on an aggregate of items. Hence the reduction of the estimates will require the abandonment of items to the extent of the reduction.

Especial attention is invited to the several estimates for the cost of building light-house tenders. These vessels are the eyes and hands of the establishment. By and with them the quarterly inspections are made, the personnel of the establishment is kept up to its standard, the 1,550 light keepers are paid quarterly, supplies of oil, fuel, and other necessaries are delivered at the light stations, and repairs of old stations and the construction of new ones are made. The lack of sufficient light-house tenders has made it necessary to do certain work by contract which otherwise would have been done by employees of the Department with greater promptitude and at less expense. Attention is invited to the estimate for a light-house tender to be used in Porto Rican waters, especially as it will be necessary to use her in connection with the aids to navigation in Guantanamo Bay, Cuba, where the naval coal station has just been established.

The Light-House Establishment is now limited by law to 16 districts. The Light-House Board in its annual report has set out the need for two more districts, one to embrace Alaskan waters and the other to embrace Porto Rican waters, as well as the aids to navigation now in Guantanamo Bay, Cuba, and to be hereafter established there. The aids to navigation in Alaskan waters are now looked after by the inspector and engineer of the Thirteenth Light-House District, who have their headquarters at Portland, Oreg., or about 1,800 miles away from some portions of their work. This great distance makes it very difficult, and in some instances impossible, to give that careful supervision to the work which the interests of commerce and navigation require. The establishment of a new district, with headquarters for the inspector and engineer near its center, will do much for the increased convenience and safety of the growing commerce in these waters. The aids to navigation in Porto Rican waters are now, and those in Guantanamo Bay will be, under the supervision of the inspector and engineer of the Third Light-House District, whose offices are on Staten Island, New York, some 1,500 miles away from this work. The establishment of a new district will enable the Board to place an inspector and engineer, say, at San Juan, P. R., where they would be within about 100 miles of their work in Porto Rican waters, and much nearer Guantanamo Bay than is now the case.

The Board, in its estimates for special works has repeated many estimates which it has submitted from year to year, in some instances for many years past. In every case the necessity for such work has been determined by careful examination after repeated demands therefor by commercial interests. The estimates have been carefully made by the light-house district officers and thoroughly verified by the Light-

House Board in its committees and by its executive officers. It remains for Congress to decide whether it will grant these demands of commerce, and to determine the order of their importance. This Department, however, invites particular attention to those special works which are required to light and make useful by night the channels cut by Congressional authority, or which are now nearly finished, and to those for which authorized contracts have been made, but to finish which additional appropriations are needed.

BUREAU OF THE CENSUS.

The Bureau of the Census, transferred to this Department from the Department of the Interior, had completed one year under its permanent organization on the date the transfer was effected. The operations of that year, as described in the report of the Director of the Census to the Secretary of the Interior, indicate gratifying progress with the special investigations assigned to the Census Office by Congress to be taken up upon the completion of the main reports of the Twelfth Census.

Since the transfer the Bureau has issued several additional publications, including the Statistical Atlas of the Twelfth Census and the Special Report on Employees and Wages in Manufacturing Industries. Other important reports are on the verge of completion. The Bureau has also entered actively upon the work of compiling the census of the Philippine Islands, in accordance with the order of the President.

At my request the Director has submitted a supplementary report, which presents in some detail the plans already made or now under consideration for the future work and usefulness of the permanent Census Bureau.

This report makes it evident that Congress acted wisely in placing the Census Bureau on a permanent basis. All the advantages anticipated from that action, including more thorough preparation for the Federal decennial censuses, their earlier compilation and publication, their greater comparability with each other, their greater accuracy and continuity are destined to be realized. But more than this, the establishment of a permanent office has opened up unexpected opportunities for beginning much-needed statistical reforms all along the line which are certain to result not only in the avoidance of duplication in Federal statistical work but also in bringing into closer harmony with Federal statistics a great body of statistical material collected in different States and municipalities.

Much of this material relates to subjects closely akin to those covered by the census reports, but it has heretofore been compiled on lines so diversified and so dissimilar to those of the census that it has been impossible to coordinate the results. Undoubtedly it will take many years fully to accomplish coordination and collaboration between the Federal census and the many State bureaus engaged in similar

statistical work; but the Director's report shows that substantial progress has already been made in several directions; and I can not resist the conviction that as this movement for the standardization of all classes of official statistics proceeds and develops, it will come to be recognized as marking one of the greatest and most practical reforms in official statistics.

Still another great advantage arising from the establishment of the permanent Census Bureau, and from its transfer to a department containing other bureaus engaged more or less in statistical work, has impressed itself upon my mind from the first. The Census Bureau is a purely statistical office, employing a body of experts whose main business it is to study statistics and statistical methods, with a view to their improvement and perfection. To this work they give their undivided attention, and it is reasonable to believe that a steady improvement in the character of official statistics will result from the concentration in such an office of as much of the statistical work of the Department, no matter what its immediate character, as can be centered there without interference with the administrative duties of the other bureaus.

In accordance with these views, and acting under the authority conferred by the organic act of the Department, I have already transferred from the Bureau of Labor to the Bureau of the Census the compilation of the annual statistics of cities of 30,000 population and over, provided for by the act of Congress approved July 1, 1898, and from the Bureau of Immigration the compilation of the statistics of immigration.

The first branch of work thus transferred was so similar in its character to work imposed upon the census by law, as to make it imperative both as a matter of economy and for the sake of uniformity, that one office should compile the two reports. My action in making the transfer was taken after a conference with and upon the joint recommendation of the Commissioner of Labor and the Director of the Census.

The purely scientific work of the Census Bureau is closely related at many points to the practical affairs of the nation. A striking illustration of this fact is found in the current investigation of the Bureau concerning the receipts and expenditures of cities. The schedule prepared for collecting data relating to this subject has become the pivot around which is now centering a well-organized movement for securing a uniform classification of municipal accounts and a more intelligent presentation of them. A conference for the critical study and perfection of the schedule of municipal receipts and expenditures, recently called by the Director of the Census, brought together a large gathering of the representatives of the offices charged with the administration of finances in our greater cities, and of others interested in the more general adoption of improved methods of municipal accounting.

The conference in many ways expressed its deep interest in the work of the Census Bureau, and bore earnest testimony to the practical value of that work in the field in which its members are most interested. These investigations of the Census Bureau promise to give great impetus to the extension of publicity in municipal affairs and, by sympathetic influence therewith, to promote and extend the movement for whatever may be determined to be a proper publicity of corporate management, with which this Department is so deeply concerned.

The transfer of the compilation of the immigration statistics to the Census Bureau has long been advocated by statisticians, and will bring immigration statistics into proper harmony with the population statistics of the Federal Census. It will enable the Department to present them with the fuller detail and analysis which have become imperative, in view of the rapid increase in immigration and its changing character. The transfer was made with the hearty approval of the Commissioner-General of Immigration, and the compilation of these statistics by the Bureau of the Census will begin on January 1 next.

I desire here to call attention to the recommendation made by the Commissioner-General of Immigration and the Director of the Census that provision at once be made by law for securing the proper statistics of foreign-born emigrants from this country. No satisfactory statistical statement of immigration and its permanent effect upon the population of the country can be compiled unless the statistics of immigration are accompanied by the corresponding statistics of foreign-born emigration.

It is my intention, from time to time, as opportunity presents itself, to transfer other important branches of statistical work to the Bureau of the Census. As an illustration of how widely useful such a recognized center of statistical work can become, and how it may be possible and desirable for all of the departments of the Government to utilize its services in their own statistical compilations, I may refer to the recent request of the Civil Service Commission, which I have approved, that the Bureau of the Census shall compile the statistics of the classified service of the United States, collected under the order of the President dated March 31, 1903.

Heretofore there has been no bureau of the Government to which such distinctive and exclusive functions could be assigned, and the quality and the value of our governmental statistics have suffered correspondingly in comparison with those of other nations. But with this conception of the true function and the proper development of a permanent Census Bureau it will necessarily become, in a comparatively short time and under proper direction and management, the great statistical laboratory of the United States Government, worthy to take rank with the best statistical offices maintained by European governments.

The success of this general plan for the development of a Federal laboratory of statistics depends upon its organization upon a strictly nonpartisan basis, such as will command universal confidence. So organized and carried on, the Bureau of the Census will very quickly come to be recognized as belonging strictly in the category of the scientific bureaus of the Government, and as one of the most useful and important of them.

COAST AND GEODETIC SURVEY.

The Coast and Geodetic Survey is charged with the duty of surveying the coasts under the jurisdiction of the United States for the purposes of commerce and defense. Its work has recently been greatly augmented by the extension of the operations to Porto Rico, the Hawaiian Islands, and the Philippine Islands. Much has already been accomplished in these fields without material increase in the facilities of the Bureau.

The greater draft of the vessels at the present day, the growth of the merchant marine, the enlargement of the Navy, and the requirements of the fleets in maneuvers off our coasts necessitate a thorough revision in many localities where the charts are based upon surveys of earlier days, when light draft and comparatively small vessels were in use. The demand for surveys from these causes is increasing.

The development of Alaska with its thousands of miles of but partially known waters taxes to the limit of its capacity the force available for such work. The fixing of the boundary between this Territory and British America will probably result in a demand for the service of many of the experts of this Bureau in the work of surveying and marking the boundary as defined by treaty, in accordance with the decision of the Alaskan Boundary Tribunal.

On the acquisition of the Philippine Islands and the extension of the work of the Survey to include them, by act of Congress, surveys were immediately begun, and a large amount of valuable work has been accomplished. The Philippine Commission has cordially cooperated with the Bureau. Many geographical positions have been determined, and surveys have been made of the principal harbors and anchorages. A rapid extension of the triangulation of the islands is urgently needed, not only for the purpose of hydrographic surveys and as a basis for the cadastral surveys now under contemplation by the Commission, but also as a basis for the scientific surveys necessary to develop the physical resources of the islands.

BUREAU OF STATISTICS.

The work of the Bureau of Statistics now embraces statistical inquiry regarding the commerce of the world. Beginning in 1866, its work was directed merely to the compilation of statements of the

foreign commerce of the United States. These statements showed our imports, with the countries from which they came, and our exports, with the countries to which distributed. In the earlier history of the Bureau its publications consisted of a brief monthly statement of imports and exports, classified by principal articles, and an annual volume entitled "Commerce and Navigation," that showed the countries from which the imports of the year were received and to which the exports of the year were sent, together with the nationality of the vessels in which they were transported. With the development of commerce the monthly statement was gradually enlarged, and at the present time shows in each issue not only the countries from which the principal imports are brought and to which the principal exports are sent, but also the total imports from and exports to each country of the world, month by month, and for the accumulated months of the current year, compared with the corresponding months of the two years immediately preceding.

The annual volume of Commerce and Navigation has been enlarged so as to show not only the detailed movements of the year, stated by articles and countries, but in a second volume the yearly imports and exports of every article passing to or from each country during a period of ten years.

Statistics regarding the internal commerce of the United States form at the present time an important feature of the Monthly Summary of Commerce and Finance. These statements show in detail the commerce of the Great Lakes, the concentration at interior points of the principal articles forming the internal commerce of the country, and the movement from these points toward the seaboard; also, as far as practicable, our coastwise commerce in some of the more important articles.

Trade with the noncontiguous territory of the United States is also treated of in the Monthly Summary and annual volume; the articles brought into the United States from each of the noncontiguous territories under its control, and the shipments from the United States to those territories, are shown in detail by articles, quantities, and values, as are also the imports and exports of these territories in their trade with foreign countries.

Special statements regarding commercial conditions in leading countries, as well as the world's production of the principal articles entering into national and international commerce, are also published from time to time in the Monthly Summary. Besides supplying much useful information to those engaged in commerce with foreign countries, these statements are of interest to educational institutions, and especially to students of economics.

Reports from the United States consuls in all parts of the world regarding commercial conditions in the countries where they are

stationed are also published daily and distributed by the Department to the press and to the commercial organizations of the country. This work, formerly conducted by the Bureau of Foreign Commerce of the State Department, was transferred to the Bureau of Statistics by the act creating the Department of Commerce and Labor. The daily reports are also published in a monthly volume for wider distribution. The annual volume, Commercial Relations, formerly published by the State Department, showing trade conditions in each country of the world as presented by the consuls in their annual reports, is now issued by the Bureau of Statistics.

By these various publications the Department presents to the public daily, monthly, and annual statements of the commerce of the United States and of foreign countries, bringing to the attention of those interested opportunities for trade extension in the various quarters of the world. That this work is appreciated is indicated by the growing demand for these publications and by the numerous and constantly increasing inquiries received regarding commercial matters.

The growing demand for information of this character has increased the work of the Bureau of Statistics to such an extent that its present force is entirely inadequate. A considerable increase in the working force of the Bureau has accordingly been recommended in the estimates for the next fiscal year.

STEAMBOAT-INSPECTION SERVICE.

The Steamboat-Inspection Service is charged with the duty of inspecting hulls, boilers, machinery, and appliances, and of examining into the qualifications of officers, engineers, and pilots of certain classes of vessels. On the satisfactory discharge of these duties depends in part the safety of life and property on the water, so far as the Government undertakes to promote it. They are best performed by the application of common sense to the details of the technical work performed by the local officers. They involve few broad questions or principles. At the same time, the service must be administered in accordance with acts of Congress and general regulations based thereon. The defects of our inspection system are inherent in the existing laws and methods, and are not the result of a negligent or inefficient performance of duties.

The Board of Supervising Inspectors held a special session during the summer, at which some changes in these general acts and regulations were considered. The proposed changes are now under examination by the Department. With other recommendations prompted by the defects of the present inspection system, the Department will incorporate such of these proposed changes as seem desirable in a bill to amend the laws now in force. This bill will be submitted to Congress for its consideration during the present regular session. As a rule the

increased security of life and property at sea is due more to the skill of shipbuilders, improvements devised by inventive genius, and the intelligence of navigators than to Government regulation. At the same time Government regulation can assist these forces by requiring all builders, owners, and officers to come up to the standards voluntarily fixed by the most careful and scrupulous. To this end the Department will ask for such powers as will enable it to adjust its general regulations, in order that they may be adaptable to the progress made in shipbuilding and navigation, and capable of meeting the growing needs of the merchant marine.

BUREAU OF FISHERIES.

The work of this Bureau in the interests of the commercial fisheries and the food-fish supply is proceeding on well-established lines and is achieving results of pronounced economic value. The early researches of the Bureau having shown that artificial propagation was the most feasible and effective form of aid which the Federal Government could render to maintain the fishery resources of the country, fish culture soon became and has remained the dominant feature of the Bureau's operations. Numerous other lines of work, however, for the immediate benefit of the fisheries are now regularly prosecuted; thus, new fishing grounds are explored, improved apparatus is brought to the notice of fishermen, the merits of unused or little-used water products are made known and ways of utilizing them are pointed out, the best methods of preparing and preserving the catch are shown, new markets are found, timely statistics of production and prices are gathered and published, instructions for all kinds of aquicultural operations are issued, the methods of foreign fishermen in every branch of the fishing industry are studied in the interests of our own people, and in scores of other ways individuals, corporations, communities, States, and entire sections are intelligently advised and aided.

In stocking public waters with food fishes the Bureau aims to make its operations commensurate with the magnitude of the fisheries and the vast area of the fishing grounds. It is necessary to deal, not with thousands or millions of young fish, but with hundreds of millions and even thousands of millions. When the results of the season's work at the individual hatcheries are combined, the aggregates are so large as to be almost beyond comprehension, far exceeding a billion food and game fishes during each of the past few years. From 80 to 90 per cent of these fishes would never have existed but for the Bureau's efforts, as they were hatched from eggs which had been taken from wild fish caught for market.

Species to which particular attention has been directed are the *shad*, the cod, the whitefish, the lake trout, the basses, the trouts, and the

salmons. The shad, the most valuable river fish of the eastern seaboard, has been extensively cultivated and has long been dependent on artificial propagation. The catch is increasing yearly, notwithstanding the existence of less favorable conditions than confront any other fish of the eastern rivers. The value of the increase in the annual catch of this fish, compared with the yield in the years before the Bureau began its work, is upward of a million dollars.

As a result of the cultivation of cod on the New England coast, a lucrative inshore fishery has been built up on grounds which were either depleted of cod or had not contained cod to any considerable extent for many generations. Long continued fish-cultural operations on the Great Lakes have prevented the depletion of those waters in the face of the most exhausting lake fisheries in the world, and the perpetuation of the whitefish, lake trout, and pike perch seems assured without further curtailment of the fisheries. The extent of the salmon fisheries of the Pacific States has required the most active fish-cultural measures to keep up the supply, and the beneficial influence of the work of the Government hatcheries, supplemented by that of the coast States, has been unmistakable. Many thousands of ponds, lakes, and streams of the interior have been stocked with basses, trouts, and other suitable fishes which contribute largely to the food supply.

The Government is not only maintaining and increasing the supply of food-fish in public waters, but is doing so in accordance with sound business principles. The annual appropriations for the maintenance of the Bureau of Fisheries have been profitable investments, yielding direct financial returns to the public; and these returns have constantly been augmented and for years have been many times in excess of the total expenses of the work.

A NATIONAL AQUARIUM.

The Department has under consideration the question of establishing, in connection with the Bureau of Fisheries, a national aquarium of such size and architectural excellence that it will be a credit to the nation. Public aquaria are recognized as important aids to education and are among the most attractive and useful exhibits that can be maintained at public expense. An appropriation for such an aquarium will in due course be recommended.

PRESERVATION OF ALASKAN SALMON FISHERIES.

The large capital invested in the Alaskan salmon fisheries and value of the annual product demand that prompt action be taken to insure the permanency of the industry. The present drain on the salmon resources is so great that serious depletion is inevitable unless adequate artificial propagation and rigid inspection are instituted. The physical and biological conditions in the salmon streams of Alaska are

so varied and so little understood that final regulations governing the fisheries should be based upon thorough investigation of the waters and fish in each particular section. Such an investigation has just been made.

COMMISSION TO INVESTIGATE ALASKAN SALMON FISHERIES.

On November 8, 1902, the President directed the United States Commissioner of Fisheries to appoint a commission to make a thorough investigation of the salmon fisheries of Alaska during the season of 1903, with a view to determining their condition and needs. This order directed the Commissioner of Fisheries to designate Dr. David Starr Jordan, president of Leland Stanford Junior University, as a member of the commission, and further provided that definite recommendations should be made touching all phases of the salmon industry.

The personnel of the commission was as follows:

- Dr. David Starr Jordan, executive head.
- Dr. Barton Warren Evermann, acting executive head in Doctor Jordan's absence.
- Lieut. Franklin Swift, U. S. Navy (retired).
- Mr. Alvin B. Alexander.
- Mr. J. Nelson Wisner.
- Mr. Cloudsley Rutter.

An extensive inquiry into all aspects of the salmon fisheries was made by the Commission, and a preliminary report, prepared by Doctors Jordan and Evermann, dealing especially with recommendations for the protection of the fisheries, by legislation and otherwise, has been submitted to me, and will receive the careful consideration it deserves. One of the most urgent recommendations of the Commission is for the immediate establishment of Government fish hatcheries, in order to maintain the supply without curtailing production. In accordance with its recommendation the estimates of the Department include four fish hatcheries in Alaska for the propagation of salmon.

The final report of the Commission, containing the special reports of the several members, with a more extended discussion of the natural history and other questions involved, is now in preparation, and will be submitted in due course.

DUTIES OF AGENTS AT ALASKAN SALMON FISHERIES.

Under the law for the enforcement of the regulations for the protection and preservation of the Alaskan salmon fisheries, it is the duty of the agent and his assistant to maintain a police surveillance over fishing and packing operations during the active season, in order to prevent illegal methods; to report to the courts for prosecution violations of the regulations, and to supply evidence for the conviction of

the offenders; to visit canneries, salteries, and fishing grounds each year in the discharge of these duties; to collect and collate statistical information regarding the details of the industry, and to make annual reports, and, if required, special reports, to the Secretary on the work performed.

RESULTS ACCOMPLISHED BY AGENTS.

The presence of the Department's agents at the Alaskan fisheries has been beneficial as a restraining influence on destructive methods of fishing. The barricading of streams in such manner as to keep salmon from the spawning grounds is now of infrequent occurrence. The closed season has been carefully enforced and measures taken to remove as far as possible the obstacles to natural propagation.

In addition to the restraint of lawlessness, valuable service has been rendered in the collection of facts upon which to base an improvement of conditions. Thus the need of artificial propagation has been disclosed, and the necessity of revising from time to time the regulations in force. As a further result of information obtained by the agents the tax on the industry was imposed.

SALMON PACK OF 1903.

The Department's agents at the Alaskan salmon fisheries report that the past season was a prosperous one for the fisheries. The number of canneries in operation was 58, and the number of salteries 18. From incomplete returns the season's catch is estimated at about 2,400,000 cases, as against 2,631,320 in 1902. The decrease was due to an intentional reduction in the pack of inferior grades and not to a smaller supply of fish. Compared with the results of other fisheries the Alaskan output was exceptionally large. It is estimated that the world's pack for the past season will amount to about 3,457,000 cases, or 860,000 cases less than in 1902. The run of salmon at the British Columbia and Puget Sound fisheries was unusually light.

Although the season's pack of Alaskan salmon showed a decrease in volume, its market value, owing to higher prices for the better grades, will exceed that of any year in the history of the industry. It is estimated that the receipts will aggregate about \$11,200,000, or a gain of nearly 30 per cent over those of the year before. The tax paid to the Government will be about \$96,000.

TRANSFER OF ALASKAN SALMON AGENTS TO THE BUREAU OF FISHERIES.

In accordance with the Department's policy of consolidating and unifying related services, the agents employed for the inspection of the Alaskan salmon fisheries and for the enforcement of regulations pertaining thereto will be transferred on July 1, 1904, to the Bureau of Fisheries. The estimates submitted by the Department with reference

to appropriations for the fiscal year beginning on that date make provision for this transfer.

ALASKAN FUR-SEAL SERVICE.

DUTIES OF AGENTS ON THE SEAL ISLANDS.

The agent and three assistants appointed for the protection of the seal fisheries of Alaska are charged by law with the management of the seal fisheries and the performance of such other duties as may be assigned to them by the Department.

Their principal duty on the seal islands is to supervise the taking of seals and to keep careful counts of such skins as are taken by the lessee of the sealing right. They ascertain the condition of seal life and the number of seals present on the rookeries each season by means of daily counts of cows and of periodical counts of bulls and pups.

They also represent the authority of the Government on the islands, which are by law made a Government reservation, regulating the municipal affairs of the native inhabitants and maintaining peace and order on the reservation. They are charged with the expenditure of the natives' earnings from the taking of seal and fox skins and of the appropriation made by Congress for the support of the native inhabitants. This expenditure is effected through the issuance by the agent to the heads of native families of orders drawn on the North American Commercial Company, which at present holds the sealing right.

RESULTS ACCOMPLISHED BY AGENTS.

The work of the agents at the seal fisheries has been of decided value to the Government. Prior to the arbitration of the Bering Sea question at Paris in 1893 comparatively little was known as to the numbers of seals at the rookeries or the conditions affecting them. Since that time, however, and especially during the last seven years, definite information has been annually secured regarding the conditions of seal life. The facts obtained will be of great value should the Bering Sea question be reopened.

Through the efforts of the agents there has been started on St. George Island a fox-raising industry that bids fair to increase the number of foxes to a point where the income derived will support the natives. During the intervals between the sealing seasons roads and other improvements have been made on the islands, so that the two villages there are now models of their kind in Alaska.

The fact that during the eight months of the year when no communication can be had with the outside world a single agent on each island is obliged to maintain order and enforce respect for the authority of the Government is sufficient to show the trying nature of their duties.

SEAL CATCH OF 1903.

As a result of the killing of fur seals on the Pribilof Islands during the season ended August, 1903, there were taken 19,292 sealskins for the quota of 1903, and 82 rejected skins shipped by order of the Department and charged to the quota of 1902.

Of the 19,292 skins so taken, 3,092 were from St. George and 16,200 from St. Paul. The 82 rejected skins came from the latter island.

The catch of 1903 was 3,094 less than that of 1902. This decrease was due to the fact that bachelor seals were not present in so large numbers as in the preceding year.

The counts made on St. Paul Island last summer show that from 1902 to 1903 the number of breeding bulls on that island decreased 17 per cent and the bachelor seals 14 per cent, while the herd of breeding cows increased 3 per cent. During the four years from 1900 to 1903, inclusive, the breeding bulls have decreased 42 per cent, while the breeding cows have increased 9 per cent. The number of breeding cows present on St. Paul Island in 1903 was 82,649, and the number of breeding bulls 1,979. On St. George 14,647 breeding cows were found, with practically no decrease from the preceding year.

The presence of sealing schooners within sight of the islands this summer, before the beginning of the pelagic season in Bering Sea, indicated a pursuit of the American herd of seals during the closed season. It was impossible to determine the nationality of the schooners. There is reason to believe, however, that foreigners are not the only offenders. American citizens are undoubtedly engaged in pelagic sealing under foreign flags. If the law prohibiting such sealing is to be made effective, citizens of the United States should not be permitted to use the flag of a foreign nation as a cloak for the violation of American statutes.

BUREAU OF NAVIGATION.

The Bureau of Navigation, which is charged with the general superintendence of the commercial marine and merchant seamen, except in certain particulars, was transferred to this Department at the close of the fiscal year. At that time the documented merchant shipping of the United States comprised 24,425 vessels, of 6,087,345 gross tons, not including 1,828 yachts, of 74,990 gross tons. This fleet is manned by approximately 170,000 men, including masters. The American steam fleet is propelled by machinery of about 4,000,000 indicated horsepower, requiring an annual coal consumption of over 10,000,000 tons.

The Commissioner of Navigation recommends various changes in the laws relating to pilotage, tonnage tax, boarding of vessels, seaworthiness, and similar matters. Although in tonnage the United

States ranks next to Great Britain, the entire growth of our shipping for the past ten years has been in the domestic trade reserved to American vessels.

AMERICAN SHIPPING IN FOREIGN TRADE.

For years the condition of our shipping in foreign trade has been a matter of concern to public-spirited Americans. It is virtually the only form of commercial and industrial activity in which the country has not recently shown creditable growth. As an industry it holds exceptional relations to Government. From the nature of things, it has been exposed in an unusual degree to foreign competition. These and other considerations make it a fitting subject for our highest statesmanship. Strong appeals in its behalf by our Presidents from the time of General Grant and earnest efforts more recently in Congress have so far brought meager results.

Congress has made it the duty of the Department of Commerce and Labor to foster, promote, and develop our shipping interests. Commerce and labor, however, are not the only interests concerned in the improvement of our merchant shipping. Recent legislation and administration have aimed to render more effective the militia of the States as an important factor in the national defense. In our past wars the men and ships of the merchant marine were the reserves that put our Navy on a war footing, and under like circumstances they must perform the same service. Government aid to the merchant marine, in its naval features, should conform closely to our general naval policy. The position among nations now occupied by the United States warrants the maintenance of an ocean mail service equal to that of the United Kingdom or of Germany, in order that like those countries we may possess the best possible facilities of communication in our dealings with distant quarters of the world. By the establishment of such service other nations have helped to build up their shipbuilding industries and to strengthen their position on the sea. Expenditures for ocean mails, however, concern most directly the Post-Office Department, and must be adjusted according to the means Congress has placed at its disposal.

Should Congress provide for a commission, to be composed of the heads of the departments most nearly concerned, who could report jointly upon the relations of the merchant marine to each of these branches of government, and recommend legislation for the development of our commercial shipping in a manner best calculated to serve all the public interests concerned, some of the grounds of the present differences and disputes would be removed. If the proposed commission should include also a proper representation from the two branches of Congress, so that the investigation could readily cover matters that

are pertinent from the legislative point of view, the chances for the adoption of a definite and enduring policy, to replace the uncertainty now existing, would be largely increased. I earnestly recommend that such action be taken.

PANAMA CANAL.

The work of constructing the Panama Canal will probably soon be undertaken. It will involve the transportation of considerable material and some passengers from the United States. Trade by way of the Isthmus between our Atlantic and Pacific coast ports is now confined to American vessels. American control over the strip of territory through which the canal is to be built is to be guaranteed. The situation suggests the inquiry whether the special trade between the United States and the Isthmus, involved in canal construction, shall be confined to American vessels.

CAPTURE OF PRIVATE PROPERTY AT SEA.

One of the great concerns of commerce is the reduction of the avoidable burdens and wastes of war.

Nine-tenths of the water-borne exports and imports of the United States are carried by vessels under foreign-flags. The security of our transportation facilities by sea thus rests to a great extent on the maintenance of peace between the maritime powers of Europe and Asia. The United States for many years has favored the incorporation into the permanent law of civilized nations of the principle of the exemption of all private property at sea, not contraband of war, from capture or destruction by belligerent powers. The success of recent efforts to promote the international arbitration of differences not involving national honor leads me to believe that this may be an opportune time for a resubmission to maritime nations of our traditional wishes on this subject.

We have very few merchant ships on the ocean subject to capture in a war to which the United States might be a party, while other nations have many. Although we might not be a party, a war involving any of the great foreign maritime powers would as certainly bring distress to our producing regions as would a prolonged interruption of railroad transportation. In his annual message of 1898 the late President McKinley requested authority to negotiate treaties upon this subject for the protection of private property at sea. It is a manifest duty of the Department of Commerce and Labor to invite attention to this subject.

TRADE WITH THE PHILIPPINES.

All interests concerned will be benefited by the removal of doubt as to our shipping policy for the Philippine trade after July 1, 1904.

Section 3 of the act approved March 8, 1902, contains the following proviso:

Provided, however, That until July first, nineteen hundred and four, the provisions of law restricting to vessels of the United States the transportation of passengers and merchandise directly or indirectly from one port of the United States to another port of the United States, shall not be applicable to foreign vessels engaging in trade between the Philippine Archipelago and the United States, or between ports in the Philippine Archipelago.

The vessels under American protection now employed in the inter-island trade of the Philippine Archipelago are not "vessels of the United States" in the statutory sense. Full or qualified registry must be bestowed upon them by Congress, if it is the purpose, after July 1, to restrict by specific act, as was done in the case of Alaska, Hawaii, and Porto Rico, trade among the islands as well as between them and the United States to vessels of the United States.

Last year less than 4 per cent of the merchandise transported between the United States and the Philippines was carried in American bottoms, and practically all the hemp from the islands was transported in foreign ships. Sufficient American tonnage will soon be available to conduct the trade between the Archipelago and the United States. While hitherto the application of the coasting trade laws has promptly followed our acquisition of new and even distant territory, the Philippine trade, on account of our treaty with Spain, our general policy in the East, and our relations to the people of the archipelago, present a different problem, involving matters other than a simple traditional principle.

VESSELS OF THE DEPARTMENT.

Much of the work of the Department is performed by sea and requires a considerable fleet of vessels. The needs in this respect of the Light-House Establishment, the Coast and Geodetic Survey, and the Bureau of Fisheries are set forth in the reports of those offices. Moreover, many of the duties hitherto performed by the vessels of the Revenue-Cutter Service have been transferred from the Treasury Department to the Department of Commerce and Labor. This situation has great disadvantages, which have been avoided, however, as far as was possible, by temporary arrangements and makeshifts, in the belief that the difficulty would be remedied by proper legislation when brought to the notice of Congress. Maritime interests can be further safeguarded by the enactment of legislation empowering the Department to remove derelicts from the paths of ocean steamers.

BUREAU OF IMMIGRATION.

Immigration is one of the Department's most important administrative problems. Of the numerous aliens coming annually to our shores

many possess the elements of good citizenship, but others, by reason of physical or moral defects, are strongly objectionable, and out of regard for our national well-being should be refused admission. Progress has already been made in the enactment of laws on this subject and in their enforcement, but much by way of detail remains to be accomplished. The subject is so broad and concerns so closely the people of the entire country that it should be approached in a reasonable and conservative spirit. Care should be taken not to draw hasty conclusions from unusual conditions or to advocate more radical legislation without full knowledge of the facts.

The able report of the Commissioner-General of Immigration treats exhaustively of the subject of immigration and makes recommendations that should receive careful consideration. The Bureau of Immigration was transferred to this Department on July 1. Five months only have elapsed since that date. Although much thought has been given to the various questions arising in connection with the work of the Bureau, the subject is of such vital consequence that I do not feel justified, without a fuller knowledge based upon longer experience, in making recommendations.

I take this occasion to refer to the recommendations of a commission appointed by the President on September 16, 1903, to investigate the condition of the immigration station at Ellis Island. This commission was composed of Arthur v. Briesen, chairman; Lee K. Frankel, secretary; Eugene A. Philbin, Thomas W. Hynes, and Ralph Trautman.

The results of the work of the commission should be serviceable to those charged with the administration of the immigration laws. The Department had already put into operation some of the measures covered by the recommendations of the commission; others will have its prompt attention; and still others to which those in charge of the administrative details may see objection will be afforded the fairest consideration.

NATURALIZATION.

The report of the Commissioner-General regarding the fraudulent use of naturalization papers demands serious attention. The extent to which such frauds are successfully practiced in order to evade the immigration laws shows clearly the need of legislation to safeguard more thoroughly the method of obtaining citizenship and to prevent the fraudulent use of certificates of naturalization.

BUREAU OF STANDARDS.

The Bureau of Standards is intrusted with the care and use of the national standards of measure, with the development of methods of

measurement, and with the dissemination of knowledge concerning these subjects, as applied in the arts, sciences, and industries.

The standards of length and mass are the fundamental standards of matter. From these and from the unit of time all other standards are derived, either directly or indirectly. The derived standards include those used in the measurement of volume, density, capacity, velocity, pressure, energy, electricity, temperatures, illumination, and the like. The production of copies, multiples, and subdivisions of the fundamental standards, the construction of the derived standards, and the comparison of the standards used in scientific work, manufacturing, and commerce, with the fundamental or derived standards of the Government, involve scientific work of a high order.

The indications of measuring instruments and meters of all kinds depend upon their agreement with original standards. The investigation and testing of all classes of measuring instruments form a large and important part of the work of the Bureau.

The work for which the Bureau was established includes research and testing in the domain of physics, extending into the field of chemistry on the one hand and of engineering on the other. The union of research and testing in one institution is most advantageous, enabling the Bureau to bring its work of standardization and testing to the highest possible degree of efficiency. In order to exercise its functions properly, the Bureau must be provided with suitable laboratories and equipment and with a sufficient corps of specialists in the various lines of scientific work involved.

Pending the completion of the two new laboratories for the Bureau, its work has been carried on in temporary quarters. The mechanical laboratory is now ready for occupancy, and a large part of its equipment is provided. The physical laboratory was begun in March and is well under way. It will be ready for occupancy early in the spring, and funds for its equipment should be provided during the coming year.

The Bureau is frequently called upon by Government offices and by scientists and manufacturers for information concerning standards, methods of construction and measurement, and physical constants, as well as for the comparison of private standards with those adopted by the Government.

Standards and measuring apparatus submitted for verification are critically examined for faulty construction. Manufacturers keenly appreciate unbiased criticism of their instruments, and have been quick to adopt improved designs to increase accuracy. Direct and permanent improvements in this large class of instruments have resulted. In furnishing the sealers of weights and measures throughout the country with accurately compared standards of length, mass, and capacity, and in designing a set of model weights for purposes of comparison, the Bureau has provided means by which the weights and

measures used in the entire wholesale and retail trade of the United States will be placed upon a basis of uniformity and precision hitherto lacking. Furthermore, manufacturers of all kinds of measuring apparatus have visited the Bureau to consult its specialists and inspect its standards and measuring instruments, as well as to study the conditions and methods of refined testing. The frequency of such visits is evidence of their value in improving the manufacture and use of standards in measuring instruments.

The investigations of the Bureau in the directions indicated are of permanent and far-reaching value to the scientist, manufacturer, and the general public.

WIRELESS TELEGRAPHY.

At the preliminary international conference held at Berlin in August last to consider the regulation by Government of wireless telegraphy, especially for the purpose of securing the greatest freedom in the development and use of various systems and of preventing the establishment of a monopoly in this important means of transmitting commercial intelligence, the Department was represented by Mr. John I. Waterbury, of New York. The War and Navy Departments were also represented. The report of the American delegation has been forwarded to the Secretary of State. The draft of the proposed international agreement is now under consideration.

PUBLIC IMPROVEMENTS AFFECTING COMMERCE.

The Department is in almost constant receipt of resolutions and other communications requesting its cooperation in public improvements, notably those of commercial importance, such as river and harbor improvements. I can not at present make recommendations in particular instances of this kind, for the duties required by the initial work of the Department have made it impossible to give these suggestions the mature deliberation on which recommendation should be based. All questions of this nature, however, including those relating to the ports of New York and Philadelphia, will be given immediate consideration by the proper bureaus, and will be decided as promptly as the Department finds itself ready for action.

FUTURE OF THE DEPARTMENT.

At the brief exercises held on July 1 in connection with the transfer of various bureaus to the Department, I referred to the following letter, written to the Marquis de Lafayette, in the year 1788, by Commodore John Paul Jones, expressing his views as to the new Federal Constitution:

Meeting General Hamilton at the house of Colonel Van Courtlandt about this time, I asked him what provision was going to be made for the Navy when Congress came

to enact laws for the structure of the executive branch as provided in the Constitution. The General told me it was practically agreed in Congress that when that time should arrive they would create four ministers; that of Foreign Affairs, that of Finance, that of War, and that of Justice. And he said it was agreed, for the present at least, to merge the concerns of the Navy in the Ministry of War.

To this I at once ventured protest. * * * The situation of our country is such that the growth of its Navy can not be long deferred; * * *

Our Navy must grow with our commerce, and it is upon the sea, rather than on the land, that we must in future meet the nations of the Old World on equal terms. * * *

The time must soon come when the logic of events will compel the country to create a separate Ministry of Marine. * * *

Had I the power I would create at least seven ministers in the primary organization of government under the Constitution. In addition to the four already agreed upon, I would ordain a Ministry of Marine, a Ministry of Home Affairs, and a General Post-Office; and, as commerce must be our great reliance, it would not be amiss to create also, as the eighth, a Ministry of Commerce.

I took occasion to say at that time:

The entire Cabinet of to-day is embraced in this statement, for agriculture was for a time under the Ministry of Home Affairs.

And, gentlemen, we have now not the eighth—under which are appropriately represented our great agricultural interests—but the ninth, the Ministry of Commerce, and coupled with it the Ministry of Labor. * * *

On February 16 the entire personnel, strictly speaking, consisted of one official, the Secretary. A few days later another official was added, in the person of the Commissioner of Corporations. To-day in the city of Washington, owing principally to the transfers now made, the personnel consists of 1,289 persons, and in the country at large of 8,836 persons, making a total of 10,125. This latter number will be very considerably increased at certain periods each year, notably in the Light-House Service.

In the initial days of the Department the expenditures were principally the salary accounts of two officials; to-day the expenditures for which appropriations have been made are \$9,796,847, which large sum will be later augmented by such additional appropriations as Congress may see fit to make to defray necessary and legitimate expenses for which there is at present no adequate provision. * * *

We have intrusted to our hands a great undertaking. * * * What we have planned we shall now try to advance and perfect in the larger field that to-day opens before us, and we shall confidently expect to have the loyal and devoted support of the chiefs of the various bureaus and of the entire personnel.

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To-day the new Department moves forward, and as it takes its place by the side of the other great executive establishments, it will catch the step and the swing of their onward movement in the nation's progress and prosperity.

No other Department has a wider field, if the just expectations of the framers of the legislation are realized. None will have closer relations with the people or greater opportunities for effective work. While we can not dedicate a new and imposing structure to the uses of this Department, we can at least, and I am sure we all do, dedicate ourselves to the work which Chief Executives have recommended and Congress in its wisdom has set apart to be done. In this spirit I have thought it altogether fitting and proper that we should have these brief exercises, and that in them we should emphasize the fact that if we are to have the highest success as a nation in our commercial and industrial relations, whether among ourselves or with

other peoples, we must keep ever to the front and dominant always those sturdy elements of character and the dependence upon Divine guidance which were so signally shown by the founders of the Republic and to which we can not too often revert in these busy and prosperous times which make memorable for us the opening years of the new century.

The Department deals with the great concerns of commercial and industrial life. To be of service to these interests it must have their hearty cooperation and support. It must be a Department of business. It must be progressive, but at the same time conservative. It must not deviate in its course from the pathway of justice, strict and impartial. It must be nonpartisan in the highest and broadest sense. It must recognize no distinction as between large and small interests, as between the affluent or powerful and the humblest citizen. If it attempts to occupy a field that properly belongs to private endeavor, it will inevitably fail to realize the high hopes of its present wellwishers. It must adhere rigidly to the lines marked out since the foundation of the Government for Federal agencies in executing the will of the people. If these general principles are made effective—if conservatism and impartiality, coupled with ever-increasing efficiency, mark its administration—I can not but believe that this new Department will become a mighty influence for good in our commercial and industrial affairs.

GEO. B. COETLYOU,
Secretary.

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