

ANNUAL REPORT

OF THE

SECRETARY OF COMMERCE AND LABOR

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2

CONTENTS.

	Page.
Introduction	5
Immigration and naturalization	7
Immigration	7
Distribution of immigrants	9
Enlarging and improving immigration stations	10
Exclusions and rejections	10
U. S. doctrine of expatriation	11
Contract labor	12
Chinese immigration	15
Insular and mainland immigration contrasted	19
Naturalization	21
Bureau of Corporations	22
Bureau of Labor	25
Investigation of woman and child labor	25
Mediation under the Erdman Act	26
Strike of telegraphers	27
Publications	28
Bureau of Statistics	30
Increase in imports and exports	30
Effect of increased prices on imports and exports	31
Activity of internal commerce	32
Trade with noncontiguous territories	33
Bureau of Manufactures	33
Investigations of markets for cotton goods and cotton-seed oil products	33
Cooperation between the Department and trade bodies	34
Information regarding foreign tariffs	35
Foreign trade opportunities	35
Bureau of the Census	36
Bureau of Navigation	38
Steamboat-Inspection Service	43
Light-House Board	45
Bureau of Fisheries	47
Propagation and distribution of food fishes	47
Biological inquiries	49
Alaska salmon fisheries	50
International relations	51
New building and public aquarium	51
Alaskan fur-seal service	52
Coast and Geodetic Survey	53
Bureau of Standards	55
Office of the Secretary	59
Appointment Division	59
Appropriations and disbursements	60
Division of Printing	65
Committee on statistical reorganization	67
Building for the Department	68
Conclusion	70

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DEPARTMENT OF COMMERCE AND LABOR,
OFFICE OF THE SECRETARY,
Washington, December 1, 1907.

To the PRESIDENT:

I have the honor to submit herewith for transmission to Congress, in accordance with the provisions of the organic act, the annual report of this Department.

I took charge of this Department about the middle of the fiscal year, namely, on December 17, 1906, succeeding the Hon. Victor H. Metcalf, who became Secretary of the Navy.

The Department was organized under the act approved February 14, 1903. The scope of its jurisdiction is set forth in the act:

It shall be the province and duty of said Department to foster, promote, and develop the foreign and domestic commerce, the mining, manufacturing, shipping, and fishery industries, the labor interests, and the transportation facilities of the United States; and to this end it shall be vested with jurisdiction and control of the departments, bureaus, offices, and branches of the public service hereinafter specified, and with such other powers and duties as may be prescribed by law.

The Department as at present constituted is composed of the following bureaus:

Bureau of Immigration and Naturalization.	Bureau of Navigation.
Bureau of Corporations.	Steamboat-Inspection Service.
Bureau of Labor.	Light-House Establishment.
Bureau of Statistics.	Bureau of Fisheries.
Bureau of Manufactures.	Coast and Geodetic Survey.
Bureau of the Census.	Bureau of Standards.

These bureaus will be considered under their respective titles.

This Department, which is the most recent in its creation, has been steadily growing and is rapidly coming into closer relations with the

commercial and labor interests of the country. It is primarily and largely connected with the internal economic interests of the country, in the consideration of which, however, it is necessary not to lose sight of the international relations upon which it has an important bearing.

Because the Department comprises so many different governmental activities, I have deemed it in the interest of good administration periodically to call together in conference the chiefs of the several bureaus for the purpose of considering questions which, although under the immediate jurisdiction of a specific bureau, are none the less connected with interests that are intrusted to other bureaus of the Department. The results of these conferences have been very beneficial in enlarging the views of the bureau chiefs and in directing their attention to other branches of the Department which have different, though related, interests. The exchange of views at these conferences has not only been helpful to the respective bureau chiefs, but of advantage in enabling me to become more conversant with the details of the work in the various bureaus. By this means also I have been able to apply to this branch of the Government service the business principles that are so helpful to good administration.

The tendency of Government administration, especially in a Department such as this, which has to do so largely with economic and sociological questions, is to develop more along scientific lines and not to keep sufficiently close in touch with the practical and commercial interests of the country. It has been my purpose to overcome this natural tendency, and I hope to bring the Department, especially its Bureau of Manufactures, in direct contact with the leading commercial bodies, such as the chambers of commerce and boards of trade, in the principal cities of the country. This will not only be beneficial in guiding the Department to exert its efforts in extending the commerce of the United States, but also helpful to the commercial interests of the country in imparting such information as comes to it through our consuls and through special agents sent abroad to investigate trade conditions in foreign lands.

Germany, through its department of commerce, which is under the ministry of the interior, and similar departments in the larger States of the Empire, comes in close touch with the commercial interests by furnishing information and advice to its merchants and manufacturers. This purpose is very much facilitated in Germany by reason of the fact that the chambers of commerce are semiofficial bodies whose functions and activities are strictly regulated by law. While I see no need, under our system, of endowing these organizations with semiofficial functions, there is every reason why a close relationship between this Department and such bodies should exist.

IMMIGRATION AND NATURALIZATION.

The act of June 29, 1906, changed the designation of the Bureau of Immigration to the "Bureau of Immigration and Naturalization," and placed under that Bureau all matters concerning the naturalization of aliens. The centralization in this Executive Department of the supervision over the process of naturalization renders it practicable to greatly diminish, if not entirely to eliminate, fraud by preventing illegal naturalization based on false testimony. It also enables the Government to more readily detect irregular and fraudulent naturalization and to cancel certificates of naturalization hitherto illegally obtained. These results are accomplished by means of investigations by the naturalization examiners.

IMMIGRATION.

The subject of immigration is naturally one that has advanced to a position of greater importance in this country than in any other country during modern times. Our growth from the beginning was due to the migration of peoples from the older nations of the world to this continent. During earlier ages migrations were due to different causes and were for different purposes than those which impelled the migration especially to our portion of the continent. Previous migrations were due principally to the spirit of conquest, and they were *en masse* and not individualistic. They were undertaken for the benefit of the state from which the migrants came, as in Roman times, and not for the benefit of the individual. The migrations were for conquest, for colonization, or for commerce—all undertaken under the patronage of the state from which the migrants came, and were sent or financed by the governments of such countries. This was true not only of Roman imperialistic expansion, but also of the Spanish conquests on this continent. A clear line of distinction must be drawn between this form of migration and that which is individualistic and properly termed immigration. Up to the close of the civil war all of our laws upon this subject were framed to encourage immigration. From that time on legislation was directed toward the elimination of undesirable immigration, principally criminals and paupers, who did not come to us of their own volition, but because their governments desired to be rid of them. Since the period above mentioned the laws that have been passed upon the subject, while in no way hostile to immigration as such, have proceeded upon the general policy of selection, thereby excluding more and more individuals coming under the general designation of "undesirable classes."

The act of February 20, 1907, has made some material changes, which are referred to in detail in the report of the Commissioner-General of Immigration.

The previous law and the administration thereof, probably due to oversight, made no provision for the exemption of diplomatic and consular officers and other officials duly accredited by their governments, together with their suites, coming to this country, from the requirements of that law. Some of these officials very properly objected and felt irritated because they were subjected, by the masters or commanding officers of steamers on which they arrived, to questions that aliens are required under the regulations to answer in order to complete the ships' manifests. Accordingly, on January 11 and February 4, 1907, I issued orders exempting the officials in question from such regulations. Such exemptions have since been incorporated in the new law (section 41).

The total number of aliens admitted during the year was 1,285,349, which exceeded that for the fiscal year 1906 by 184,614, and that for the fiscal year 1905 by 258,850, being increases of 17 and 25 per cent, respectively. During the year 13,064 aliens were rejected, an increase over the rejections for the fiscal year 1906 of 632. The total number seeking admission in 1907, therefore, was 1,298,413, an increase over the total number applying in 1906 of 185,246.

A notable feature of the immigration consists in the fact that of the aliens admitted, 1,100,771 ranged in age from 14 to 44 years, and 138,344 were less than 14 years of age, leaving only 46,234 who had reached or passed the age of 45. As to literacy, it is shown that 343,402, or 30 per cent of the total number of aliens admitted, were illiterate. Concerning the financial condition of the immigrants, 873,923 exhibited less than \$50 each—how much more they had it is impossible to state—while 107,502 showed amounts in excess of that sum; and the total amount of money which was exhibited by arriving aliens, and brought into the country, was \$25,599,893, an average of almost \$20 per person. There has been a considerable increase in the number of persons rejected because of insanity, contagious diseases, and convictions for crime. The hospitals of this country afforded relief during the year to 11,528 aliens, and warrants of deportation were executed in the cases of 995 on the ground of unlawful residence or because of having become public charges, and for other causes, a hearing having been granted in each case. The total number of aliens actually returned to the countries whence they came, therefore (13,064 plus 995), was 14,059, which, compared with the total number returned during the year 1906 (12,432 plus 676), 13,108, shows an increase of 951, or over 7 per cent.

In order to ascertain the net increase of our population from year to year by immigration it is necessary to deduct from the figures above given the number of aliens who have departed from the United States during the fiscal year, as well as the number deported and the number of naturalized citizens who permanently left

the country during the same period. It is estimated that about 310,000 aliens departed from the United States during the fiscal year, of which number probably 100,000 were of the nonimmigrant alien class, thus reducing the immigration for the year to about 1,075,000. From these figures is further to be deducted the number of naturalized citizens who during the year have permanently left the country, as well as the number who have been deported. We have no figures which will enable us with any degree of definiteness to ascertain the number of returning aliens. The new law, however, contains provisions for ascertaining these figures, so that for the next year we will have reliable data as to the number of outgoing aliens, but not as to the number of naturalized aliens who leave the country to live permanently abroad. The only data we have are the reports furnished the Bureau by the Trans-Atlantic Passenger Conference. From their compilation for the year ended June 30, 1907, we get the following figures of the passengers who left the port of New York, which may be of interest: First cabin, 95,681; second cabin, 97,532; steerage, 340,375; a total of 533,588. Of the 340,375 outgoing steerage passengers, how many permanently remain abroad and how many return to this country, and of course are again enumerated as arriving aliens, we are unable from present data to form an estimate.

DISTRIBUTION OF IMMIGRANTS.

The considerable increase of immigration for recent years is due to causes external as well as internal. The rapidity of communication and the cheapness of passenger traffic have made it much easier, especially for the laboring classes, to migrate, and the result is seen not only in our immigration, but to a much larger relative extent in the immigration into Canada and into other countries on this continent, particularly Brazil, Mexico, and Argentina. The external impelling causes are religious oppressions and economic pressure, and the internal causes are commercial prosperity and the opportunities and advantages that are afforded for better conditions in our free and democratic country. By examining the illuminating statistical tables in the Commissioner-General's report it will be seen that our immigration is an index of our prosperity.

The main objection to the greatly increased immigration during the past decade is because of the congestion and the consequent evils caused thereby in our larger Atlantic seaport cities. Congress, doubtless in recognition of this fact, made provision in the new act (section 40) for a Division of Information, which might more accurately be designated a "Division of Information and Distribution." I desire to direct special attention to that part of the report of the Commissioner-General of Immigration dealing with this subject. It is hoped that this division will materially aid in directing immigrants to those

sections of our country—the South, the Southwest, and the West—which have need for the right kind of immigration, especially in agricultural and manufacturing pursuits. If a proper distribution can be effected, it will relieve the congestion on our eastern seaboard that so large an immigration naturally produces and be of decided benefit to those sections of the country where there is a great shortage of labor. The appropriations made by the last Congress authorized the construction of stations for the accommodation of arriving aliens at New Orleans, Galveston, and Charleston, which, when completed, will have considerable effect in inducing steamship companies carrying aliens to land their passengers at these stations and aid generally in promoting distribution.

ENLARGING AND IMPROVING IMMIGRATION STATIONS.

I indorse the recommendations made by the Commissioner-General for enlarging and improving the immigration stations at Ellis Island and other points on the Atlantic seaboard. There is every reason why our immigration stations should be fully provided with accommodations that will make them ample, comfortable, and sanitary, especially as under the law the entire cost of the administration of the service is taken from the immigrant fund, which at the end of the present fiscal year left a balance, as shown in the annual report of the Commissioner-General of Immigration, of \$3,079,515.26. From this amount, however, should be deducted the sum of \$1,190,304.84, which has been appropriated for the construction of buildings at Ellis Island, San Francisco, New Orleans, Galveston, and Charleston. Under the present law, which increases the head tax from \$2 to \$4, the annual surplus from this source, on the basis of the present immigration, will be doubled; and even if the immigration falls off considerably, this amount will be largely increased.

EXCLUSIONS AND REJECTIONS.

During the fiscal year 13,064 aliens were rejected; this, however, is no index of the number that has been deterred from coming here by reason of the strict exclusion provisions of our laws. The commissioner of immigration at New York, in his report, which is made a part of the report of the Commissioner-General, states:

The steamship companies have continued to follow much the same course as has characterized their policy of former years, with the single exception of the increased attention they have given at ports of embarkation to persons afflicted with diseases that are liable to subject them to the payment of fines. That they have been thus vigilant is attested by the fact that of the total number of persons afflicted with contagious diseases only 251 were so afflicted as to enable the medical examiners to certify that said disease might have been detected at ports of embarkation, and this view is further supported by the total list of passengers rejected at ports of embarkation, which is in excess of

65,000. Two hundred and fifty-one cases out of more than a million of passengers—making due allowances for disagreements of diagnoses—certainly indicate that special attention has been given to this feature, and this emphasizes the wisdom of the act of March 3, 1903, which imposes a penalty of \$100 for each case of contagious disease.

U. S. DOCTRINE OF EXPATRIATION.

The Commissioner-General and others, due in part, perhaps, to the fact of their being impressed with the tragedies and hardships rejection imposes upon arriving immigrants, have recommended that it would be much better if some of our immigration officers were stationed at the principal seaports in foreign countries, where immigrants could be examined and their admission and rejection finally passed upon. I have given this subject careful and deliberate consideration. In the first place, this could not be done without the consent of such foreign governments, and it is not reasonable to suppose that such consent would be given without our granting to them the right to station their officers at our seaports to determine which of our citizens would be permitted to leave the United States and visit or emigrate to their countries. For us to consent to any such proposition would involve the abandonment of a national policy to which we have consistently adhered from the beginning of our Government until the present time, namely, the right of expatriation, which was the principal cause of our war with Great Britain in 1812, and which, after many years of agitation, was strenuously upheld by the Department of State and through our diplomacy. That policy was finally and emphatically enacted into express law (act of July 27, 1868; sec. 1999, Rev. Stat.), as follows:

Whereas the right of expatriation is a natural and inherent right of all people, indispensable to the enjoyment of the rights of life, liberty, and the pursuit of happiness; and whereas in the recognition of this principle this Government has freely received emigrants from all nations, and invested them with the rights of citizenship; and whereas it is claimed that such American citizens, with their descendants, are subjects of foreign states, owing allegiance to the governments thereof; and whereas it is necessary to the maintenance of public peace that this claim of foreign allegiance should be promptly and finally disavowed: Therefore any declaration, instruction, opinion, order, or decision of any officer of the United States which denies, restricts, impairs, or questions the right of expatriation, is declared inconsistent with the fundamental principles of the Republic.

Perhaps these reasons may be regarded by the President worthy of consideration in connection with his decision whether to exercise the authority given to him by section 39 of the new immigration act to call in his discretion an international conference for the purpose of regulating by international agreement the immigration of aliens to the United States, and providing for the mental, moral, and physical examination of such aliens by American consuls or other officers of the United States Government at the ports of embarka-

tion. There are other reasons why such an arrangement, from an administrative point of view, would be undesirable, if not fraught with great danger, in that it would be vesting in one or more officials stationed in foreign countries, three thousand miles or more distant, the absolute power of determining who shall or who shall not be permitted to come to our shores. It would open wide the door of corruption, which would be very difficult for us to prevent so far removed from the United States. Another reason that presents itself against regulating this subject by international agreement is that I do not see how it could be effected without our seconding the efforts of autocratic governments in upholding their claim to perpetual allegiance, because of which claim such countries, though often urged by us, have persistently refused to negotiate treaties of naturalization. To grant such a right to officials of foreign governments located within this country would be practically vesting such officials with the power to enforce writs of *ne exeat*, by preventing, to the extent this power is exercised, our citizens from leaving this country for foreign lands.

We have full power over immigration to do as our national policy may from time to time dictate, and we gain nothing by international agreement. A more practical, if not a more effective, method is at our disposal through our diplomacy. As above referred to, when the causes affecting emigration are political and religious oppression and when the effects of these causes are distinctly reflected into other countries by a stream of migrants due directly thereto, the latter countries not only are justified by self-interest, but by the law of nations have the right to remonstrate against the consequent effect upon them by reason of such oppression and the burdens it imposes upon their institutions. This right and the principles upon which it rests were set forth by President Harrison in his third annual message to Congress (1891) as follows:

The banishment, whether by direct decree or by not less certain indirect methods, of so large a number of men and women is not a local question. A decree to leave one country is, in the nature of things, an order to enter another—some other. This consideration, as well as the suggestion of humanity, furnish ample ground for the remonstrances which we have presented to Russia.

CONTRACT LABOR.

In the immigration act of February 20, 1907, Congress has reenacted, in somewhat more definite shape, the indefinite provisions of prior laws concerning the exclusion of contract laborers, by naming in section 2 as one of the excluded classes of aliens "persons hereinafter called contract laborers, who have been induced or solicited to migrate to this country by offers or promises of employment or in consequence of agreements, oral, written or printed, express or implied, to perform labor in this country of any kind, skilled or

unskilled." Both the act of March 3, 1903, and the new act (section 6) contain an exception to the alien contract-labor provisions permitting States and Territories to advertise "the inducements they offer for immigration." By the act of March 3, 1903 (section 2), there was included in the enumeration of excluded aliens "any person whose ticket or passage is paid for with the money of another, or who is assisted by others to come, unless it is affirmatively and satisfactorily shown that such person does not belong to one of the foregoing excluded classes;" but by the new act there has been added to the requirements concerning aliens whose passage is paid by others the burden of also showing affirmatively and satisfactorily "*that said ticket or passage was not paid for by any corporation, association, society, municipality, or foreign government, either directly or indirectly.*" Neither in the new act nor in any of the preceding acts is there any prohibition of, or authority for, the payment of an alien's passage by a *State* or by an *individual*, nor has the attempt been made to definitely limit the extent to which a State may proceed in advertising the inducements such State offers for immigration.

In the practical administration of the law, therefore, many questions must arise to which the statutes furnish no direct, adequate answer. Some such questions are the following:

Is it permissible for an individual to pay the passage of an alien? May a State pay the passage? If so, may the payment be made from funds contributed, directly or indirectly, to the State by corporations, societies, associations, or individuals, or must such payment be made out of State funds collected through ordinary channels? May the advertisements of the State, "printed and published in any foreign country," hold forth to prospective immigrants assurances of employment? May the State, as a factor of its advertising, send representatives into foreign countries to solicit immigration personally and by oral representations, or must the advertising in which the State is permitted to engage be limited to advertisements "printed and published" in the ordinary sense—i. e., by publication in newspapers, magazines, etc.? What meaning should be attached to the expression "induced or solicited to migrate to this country by offers or promises of employment?" In other words, what constitutes a solicitation of immigration?

These questions indicate a few of the complicated combinations of circumstances that arise to which obviously it is extremely difficult to apply obscure provisions of law that must be interpreted by deductive methods of reasoning.

The Department, under advice from the Attorney-General, is construing the provisions of law mentioned so far as they relate to the first three questions given above to mean that no prohibition is

placed upon the payment of an alien's passage by a *State with its public funds* or by *individuals, directly or through the agency of the State*, if their action is in good faith individual; and that the advertising done by a State must be limited to setting forth the inducements offered to immigrants by conditions existing within the State, including the prevailing scale of wages, leaving the aliens to draw their own conclusions as to the advisability of migrating, but that such advertisements must not contain promises of employment. No executive construction of the law, as it affects the last two questions, has yet been made, but in view of their importance a case in which they occur will doubtless soon arise.

To leave to administrative construction the application of the law to a subject of such great importance, so complicated in details, and affecting such varied and extensive interests as this one, is but inviting discontent and criticism, and the necessity for amendatory legislation which will clarify the statutes is obvious. The law should state clearly, in terms incapable of misconception, and not leave to the uncertainties of deductive reasoning, the exact intent of the legislature, not only as to the exception in favor of States advertising their inducements, but also concerning the extent to which a State may proceed and the methods which it may adopt to make its advertisements productive of an increase in population by securing alien settlers.

In this connection I can not better illustrate my views in regard to some important phases of the contract-labor law than to set forth my decision of June 14, 1907, in a typical case affecting contract labor.

Referring to Commissioner Watchorn's letter of June 12, containing the evidence submitted, the findings of the board, and his recommendation approving such findings, namely, that the appeal be dismissed, the subject has had my careful consideration. The contract-labor law, the act of February 26, 1885, entitled "An act to prohibit the importation and immigration of foreigners and aliens under contract to perform labor in the United States, its Territories, and the District of Columbia," as amended by various acts as set forth in the Department's publication, "Immigration Laws and Regulations of February, 1906," had for its object, as clearly set forth in the acts referred to, the exclusion of aliens that come under contracts, expressed or implied. These contracts in the very nature of things are usually, if not invariably, made so that the evidence is carefully concealed, and it requires very thorough investigation to unearth the existence of such contracts. In the execution of this law the Department has invariably considered all the surrounding circumstances, and has based its judgment as to the existence of such contract upon the evidence and circumstances thus adduced. The decision of the Attorney-General of March 20 was not intended to, and has not the effect of, curtailing or infringing upon the discretion vested by law in the Department in arriving at a determination and a decision whether such a contract as defined in the law exists in a particular case, and does not preclude the head of this Department from determining for himself from the evidence adduced the fact of the existence of such a contract. The testimony given by Milo Poznanovic and others leaves no doubt in my mind that such a contract as contemplated by the law was made, and that if the ma-

chinery of the immigration law permitted such an exhaustive investigation as is had in a court of law even an enforceable contract would, in my judgment, be disclosed. I am desirous of exercising my full powers, and the discretion vested in me by law, to put an end to the abuses of the contract-labor law and to discourage to the utmost within my powers the continuance of these contracts, and to protect the labor of this country in its full rights under the fair and reasonable construction of the meaning and spirit of the laws above referred to. I therefore approve the findings of the board of special inquiry upon the hearing and rehearing of this case, and dismiss the appeal.

CHINESE IMMIGRATION.

The present policy of the United States with reference to Chinese immigration, as developed by both the legislative and the executive departments of the Government, is of long standing, having existed for nearly a generation. A governmental policy so long pursued is not lightly to be changed, nor is any change proposed. What I have to urge is not only based upon a full recognition of the fixed character of the present policy, but is entirely in furtherance thereof. It is not the policy of the Government with reference to Chinese immigration that I would criticise, but the manner in which it is of necessity carried out, by reason of the way in which the laws are framed. It has never been the purpose of the Government, as would appear from its laws and treaties, to exclude persons of the Chinese race merely because they are Chinese, regardless of the class to which they belong, and without reference to their age, sex, culture, or occupation, or to the object of their coming or their length of stay. The real purpose of the Government's policy is to exclude a particular and well-defined class, leaving other classes of Chinese, except as they, together with all other foreigners, may be included within the prohibitions of the general immigration laws, as free to come and go as the citizens or subjects of any other nation. As the laws are framed, however, it would appear that the purpose was rigidly to exclude persons of the Chinese race in general and to admit only such persons of the race as fall within certain expressly stated exemptions—as if, in other words, exclusion was the rule and admission the exception. I regard this feature of the present laws as unnecessary and fraught with irritating consequences. In the administration of laws so framed, notwithstanding the care taken to treat persons of the Chinese race lawfully entitled to admission with the same courtesy and consideration shown to other foreigners, it is impossible that persons who have to endure requirements and formalities peculiar to themselves should fail to take offense, and to resent as a humiliation the manner in which by law they are distinguished from natives of other countries. Laws so framed can only be regarded as involving a discrimination on account of race, and it is needless to point out that discriminations on account of race, color, previous condition, or religion are alike opposed to the principles of the Republic and to the spirit of its institutions.

It is not surprising, therefore, that both the Chinese Government and the Chinese people should feel aggrieved, and should in various ways manifest their resentment and displeasure. The attitude of the Chinese Government may be inferred from the fact that, in 1904, after the convention of 1894 had been in force for ten years, China, availing herself of a right reserved, formally denounced the treaty, thus refusing longer to be a party to an arrangement which, as carried into effect by legislation, was offensive to her national pride. It is not improbable that one of the reasons which led to this action on the part of the Chinese Government was the interpretation which came to be placed upon the treaty and laws relating to Chinese immigration. The understanding in China, her officials contended, was that the object both of the treaty and the laws was to keep out laborers, and that it was never intended that the enumeration of certain exempt classes should operate as an exclusion of all other classes and of laborers besides. This interpretation was rejected, and the necessary effect of all the laws on the subject was declared to be that not only those Chinese should be excluded who are particularly and expressly forbidden entrance, namely, Chinese laborers, but that only those may be admitted who are expressly allowed, although it was admitted that there was authority for the opposite view, and that the Supreme Court had never decided the matter (see correspondence between the Chinese minister and the Secretary of State, 4 Moore's Int. L. Dig., 217). For proof of the feeling of the Chinese people it is only necessary to refer to the boycott of American goods, inaugurated by various trade guilds and business and commercial associations of the Empire during the summer of 1905. While this boycott was happily of short duration and its immediate effects were not as serious as they might have been, the importance of the boycott, as an indication of the degree to which American commercial interests in China are menaced, is not to be overlooked.

In 1905 China held first rank among oriental countries as a consumer of American products. In that year her total commerce amounted to 497 million dollars, of which 329 millions were imports. Of these imports, according to the Chinese official data, the United States supplied 57 millions, or more than 17 per cent. As the exports of the United States to China had grown to these proportions by rapid strides—it amounted to less than 3 millions in the seventies, and only reached 7½ millions in 1886, 12 millions in 1897, 15 millions in 1900, and 24 millions in 1902—it was confidently hoped that, as commercial intercourse between the two nations increased, as the needs of the Chinese markets became better understood, and as the character of American products became better known, American trade would continue to progress in the same ratio and a larger and larger share of the foreign trade of China

would accrue to the United States. Instead of that, however, the exports of the United States to China, according to our statistics, fell from 53 millions in the fiscal year 1905 to 44 millions in 1906 and to 26 millions in 1907. I would not be understood as attributing this decline wholly to the boycott of 1905, or to measures of retaliation on the part of China or her people on account of the exclusion laws. In the first place, our trade with China was abnormally large in 1905, and, undoubtedly, the overstocking in that year of the Chinese markets with cotton manufactures in anticipation of the opening of Manchuria following the close of the Russo-Japanese war, as well as the stoppage of the minting of new copper coins, which had led to the purchase of immense quantities of American copper, are largely responsible for the decline. So large a decline, however, as a drop in our exportations to that country of from 53 to 26 millions (50 per cent) in two years is sufficiently startling to challenge the attention of legislators and statesmen. As the head of the Executive Department whose province and duty it is "to foster, promote, and develop the foreign and domestic commerce, the mining, manufacturing, shipping, and fishery industries, the labor interests, and the transportation facilities of the United States," I would deem it a dereliction of duty on my part if I failed to invite the attention of Congress to the practical effect upon nearly all of these important interests of existing legislation in its present form. In so doing I have no wish to oppose what I understand to be the real policy of the legislative department of the Government, but desire merely to urge that this policy be effectuated, as I believe it can, without causing unnecessary offense or needless hardship.

But on higher grounds than those of mere commercial self-interest should the frame of the laws be changed. The relations between China and the United States have always been most friendly. It is not only the right but the duty of this Government, for its own protection and for the security and welfare of its citizens, to exclude foreigners from its territory whenever the public interests require, but to so exercise that right as needlessly to offend the amour propre of a friendly nation, or unnecessarily to humiliate a whole people when only a particular class is to be reached, can not be the action intended, and should be guarded against in every possible way. A change in the established policy of rigidly excluding Chinese laborers of every description, both skilled and unskilled, is not even suggested. This policy has been and will continue to be as effectively enforced as circumstances will permit. At a time when the policy of exclusion has been so thoroughly applied that there remain in the United States only about 70,000 Chinese, or less than one-tenth of 1 per cent of the total population, little danger need be apprehended from a full and

fair reconsideration of the whole subject and a recasting of the laws upon a juster basis. During the past fiscal year only 857 Chinese persons were newly admitted to the United States; of the balance of those admitted, all of whom were prior residents, 855 were native-born citizens, 733 were merchants, and only 765 were laborers. As against the total admissions, moreover, there were 336 deportations and an unknown number of voluntary departures. In view of this showing, a more opportune moment than the present can hardly be desired for reaching a better understanding with China on the subject of Chinese immigration and for adjusting our policy in this regard to the demands of justice and equality. This could be done, not by making it any easier for Chinese laborers to enter, but by so framing our laws and treaties as to make admission the rule, and exclusion the exception, while preserving at the same time, in all its integrity, the present policy of the laws, and even strengthening where necessary the real prohibitory features thereof, through a full and explicit definition of the excluded classes, thus complying with the recommendations of President Roosevelt, contained in his annual message to Congress of December 5, 1905:

There is no serious proposal to alter the immigration law as regards the Chinese laborer, skilled or unskilled, and there is no excuse for any man feeling or affecting to feel the slightest alarm on the subject. But in the effort to carry out the policy of excluding Chinese laborers, Chinese coolies, grave injustice and wrong have been done by this nation to the people of China, and therefore ultimately to this nation itself. Chinese students, business and professional men of all kinds—not only merchants, but bankers, doctors, manufacturers, professors, travelers, and the like—should be encouraged to come here and treated on precisely the same footing that we treat students, business men, travelers, and the like of other nations. Our laws and treaties should be framed not so as to put these people in the excepted classes, but to state that we will admit all Chinese, except Chinese of the coolie class, Chinese skilled or unskilled laborers. There would not be the least danger that any such provision would result in any relaxation of the law about laborers. These will, under all conditions, be kept out absolutely. But it will be more easy to see that both justice and courtesy are shown, as they ought to be shown, to other Chinese, if the law or treaty is framed as above suggested.

During the past year I have been able by departmental regulation to take several steps with a view to the better administration of the Chinese immigration laws. Among others the following may be mentioned:

Owing to the relatively small number of persons in the United States who are familiar with the various Chinese dialects, and the still smaller number who are able to read and write the language and to correctly render it into English, and vice versa, the Department has in the past experienced considerable difficulty in securing reliable and competent Chinese interpreters. Rumors having reached the Department to the effect that some of the Chinese interpreters were incompetent, coupled with intimations, unsupported by proof,

that others were in collusion with those interested in the unlawful landing of Chinese, in order to test the efficiency of the service and to break up improper associations, if any, growing out of long continued service at one port, I ordered the transfer of practically every Chinese interpreter to a new station, and have besides designated two interpreters of proved ability and honesty to visit each port where such persons are employed for the purpose of conducting a rigid examination as to their competency as well as their honesty. This arrangement, I am confident, will be productive of good results.

It has come to the attention of the Department that domiciled Chinese laborers who are desirous of visiting their native country have considered themselves bound to employ the services of attorneys and others to fill out their applications for return certificates, thereby incurring a charge ranging from \$5 to \$25 in each case, and possibly a larger fee. Believing such an expense to be entirely unnecessary and that such a practice readily leads to extortion, instructions have been issued to officers of the Chinese immigration service at the various ports to inform all Chinese of this class that all applications for return certificates will be drawn by immigration officers without charge.

INSULAR AND MAINLAND IMMIGRATION CONTRASTED.

Legislative regulation of immigration would present a relatively simple problem if the United States were a small and compact nation, whose industrial operations were so generally alike as to be susceptible of a uniform system of regulation. But the industries and occupations of the people of the United States are greatly diversified and are carried on under widely varying conditions. Moreover, instead of being confined to a single contracted area, the jurisdiction of the nation extends to such distant and far separated possessions as Alaska, Panama, Porto Rico, Hawaii, Guam, and the Philippines. These outlying possessions not only differ from the body of the continental territory as to their position and needs with regard to labor and immigration, but they differ likewise among themselves. It is not to be expected, therefore, that a particular policy of restriction in the matter of immigration, expressly designed to meet the situation on the mainland, should be perfectly adapted to the needs of insular communities. Each of these communities has its own industrial problems to solve, and the conditions in each should be considered before it is brought within the operation of a general rule. The need of differentiation in the regulation of immigration I believe to be obvious for the reasons stated. The need was brought home to me with great force when, during the past summer, besides actually viewing the administration of the immigration laws along the borders of Canada and on the Pacific coast, I personally visited the Hawaiian

Islands, and saw for myself something of the effect of these laws upon the occupations of the people. As a result of this experience, and of the best consideration I have been able to give to the subject, I believe that the attention of Congress should be directed to the question of immigration into the insular possessions of the United States, to the end that the special conditions peculiar to these several possessions individually may be taken into account, and expressly provided for by legislation. I have elsewhere pointed out, speaking of the contract-labor laws, the need of clearly defining how far States and Territories may go in advertising the inducements they offer for immigration, and in securing funds for the prepayment of passage money of foreign laborers. A clear expression of the legislative will on this point is especially desirable with reference to insular immigration.

The principle upon which the foregoing recommendation is founded, namely, that legislation, while necessarily laying down a rule of general application, should nevertheless be framed with a view to the needs of particular localities, is not a new one, but has been recognized by Congress in the enactment of existing immigration laws. Thus, the administration of the immigration laws in the Philippine Islands is placed, not in the Department of Commerce and Labor, but with the officers of the general government of the islands (act of February 6, 1905, section 6); the Panama Canal Zone is expressly excepted from the operation of the general immigration act excluding aliens from the United States (act of February 20, 1907, section 33); and the head tax payable on account of aliens generally coming to this country is not required in the case of aliens arriving in Guam, Porto Rico, or Hawaii. By the enactment of these provisions Congress has plainly recognized the propriety of distinguishing between the continental and the insular territory of the United States in regulating immigration. Indeed, the correctness of this principle can hardly be controverted, nor can it be reasonably contended that a further differentiation in this direction would have the effect of weakening the force of the laws as applied to the mainland. The only possibility of danger would be the chance that aliens, say contract laborers, prohibited from entering the mainland, who might be permitted by law to enter insular territory, would, after such admission, be able to evade restrictions imposed elsewhere and secure entrance to sections forbidden to them. But this danger, if such it may be called, could easily be guarded against by adopting a proviso similar to that now in effect with reference to aliens admitted to the Canal Zone, which provides:

That if any alien shall leave the Canal Zone and attempt to enter any other place under the jurisdiction of the United States, nothing contained in this act shall be construed as permitting him to enter under any other conditions than those applicable to all aliens.

NATURALIZATION.

During the nine months of the fiscal year in which the act of June 29, 1906, has been operative, the Division of Naturalization has been organized, the courts upon which jurisdiction was conferred have been supplied with the blank forms of declarations, petitions, and certificates, and general supervision assumed of naturalization matters throughout the country. By such means a strict conformity to the requirements of the law as to the substance and form of the various papers used by the courts as evidence of each of the successive steps in the process of naturalization has been secured and can be maintained.

There remains, however, as a necessary feature of a complete and effective administration, the organization of a corps of examiners, whose services are necessary to investigate the statements made in the petitions, as well as to ascertain the competency and credibility of the witnesses.

The report by the division of the operation of the new law shows that from September 26 last to the end of the fiscal year 72,684 declarations of intention and 20,802 petitions for naturalization have been filed in the various courts having jurisdiction of such proceedings as have exercised their authority under the act, and that 7,735 have been granted certificates and 250 have been denied.

These figures probably represent very inadequately the amount of naturalization business that has been transacted in the past, and that in the future will be disposed of annually by the courts. A number of circumstances combined to lessen the number of naturalization certificates granted during the year, chief among which may be mentioned the greatly reduced number of courts empowered to confer citizenship, the tardiness of State courts to assume jurisdiction, and the popular understanding that not because of the additional requirements of the law, but on account of the supervision assumed by the Government, it would be difficult for any alien to produce competent evidence of his qualifications to become naturalized. The chief reason for the reluctance of the State courts to undertake the work is the insufficient compensation for the amount and nature of the work imposed by the law upon the clerks, and the penalties for derelictions of duty. The result is both to put petitioners to serious cost and inconvenience and to overburden the Federal courts and retard the disposal by them of other business. The remedy is plain. The fees now allowed clerks should be doubled and legislation should be adopted which will remove any doubt that such fees may be retained, as compensation for the additional labor and responsibility, by those clerks of State courts who are allowed fixed salaries by the States.

As bearing upon the same question of compensating clerks of courts, it is recommended, in view of a decision of the Comptroller of the Treasury which virtually holds that the authority granted to allow, under certain conditions, the use of a portion of the fees turned over to the Government to pay for additional clerical help is void, that this legislation be amended so that the purpose intended may be accomplished.

During the year, under section 15 of the act, proceedings have been instituted to cancel certificates procured by misrepresentation in 143 cases, of which 57 are pending and 86 have resulted in the cancellation of such certificates.

Many of these cases were based upon information furnished by the Department of State, either as the result of applications for passports by naturalized citizens going abroad or through information furnished by the consular representatives of the United States resident in foreign countries. This is one of the most important results of the new act. The embarrassment occasioned by claimants for the protection of the United States whose acquired citizenship is of doubtful authenticity and the frequent menace to our peaceful relations with foreign countries in which such claims for protection are made are familiar experiences to our diplomatic and consular officials.

Since experience has shown that the numerous courts of original jurisdiction under the act reach independent and varying conclusions as to the correct construction of the law it is obviously important that by express legislation the right of review should be given, both on behalf of the petitioner and the Government, in courts of final resort.

Of the appropriation of \$100,000 there has been expended during the year \$29,243.18, leaving a balance of \$70,756.82. The total collections for the year, consisting of one-half of the fees paid by declarants and petitioners, have aggregated \$65,129. This, from the data in the Division of Naturalization, appears to be a very much smaller amount than will hereafter be annually collected from this source.

BUREAU OF CORPORATIONS.

The Bureau of Corporations has continued the work prescribed in its organic act in the investigation of corporations engaged in the great interstate industries. Since the organization of the Bureau in 1903 a number of important reports have been issued. The first annual report in 1904 set forth the policy of the Bureau, with comment on certain questions raised by industrial combination. The Report on the Beef Industry was issued in 1905 and the Report on the Transportation of Petroleum in 1906, the latter report setting forth a large number of discriminations in railway rates, upon which have been based numerous indictments and convictions for violation

of the interstate-commerce act and its amendments. These reports were made during the time when the Hon. James Rudolph Garfield, now Secretary of the Interior, was Commissioner of Corporations.

In May, 1907, the present Commissioner submitted to the President Part I of a Report on the Petroleum Industry, dealing with the position of the Standard Oil Company in that industry. The Bureau is occupied, as current work, with making investigations into the steel, lumber, and tobacco industries, as well as with further work on the petroleum industry, and with inquiries connected with canals, coastwise and river navigation, cotton exchanges, the International Harvester Company, and in making a special investigation relating to patents held by Government employees upon articles in use by the Government. It is believed that these investigations will set before the public a number of important economic and financial facts and tendencies that will be of the highest value in dealing with great industrial problems.

The work of the Bureau is to collect carefully the facts in a given industry, and to arrange and summarize them for publication in such form that they will show the important and permanent methods of production, transportation, and marketing of staple articles of commerce, as well as the costs, prices, and profits involved. Its primary purpose is to set before the public in condensed and reliable form the information upon which to base an intelligent opinion of corporate operations. The work of the Bureau thus far on these lines has fully justified the objects and purposes which led to its creation.

With very few exceptions the Bureau has had the cooperation of the large corporate interests involved in the subject-matters of its various investigations. The assistance thus given to the Bureau by the leaders of industry has been very encouraging, both in its production of the results desired and also in its indication of the attitude of such interests toward the fundamental objects for which this Department was created, to wit, the promotion of commerce and the correction of commercial evils.

It is believed that the experience of the Bureau has signally justified that phase of the policy of the Administration which has been aimed at securing an efficient publicity in interstate corporate matters by Federal means; that so great has been the centralization in business affairs that such publicity can only be attained through the General Government, and that ultimately the national development of industries will force the adoption of a national system of regulation or supervision of some such general nature as that already applied to national banks, in order that the significant facts of corporate management may be correctly laid before Congress and the public as the only proper basis for just and intelligent action thereon.

Corporate activity has become national in its commercial scope, but its legal status is still delimited almost wholly by State statutes, a discrepancy that has been the cause of many existing evils. The legal conditions should at least be brought into some reasonable relation to the business facts. Corporate commerce, as carried on by those great companies whose operations substantially constitute the whole problem before us, is national. The control over them, to some extent at least, should also be national, by the General Government. The power and jurisdiction of the regulative authority should be commensurate with the field of operations of the corporations to be regulated. Centralization as a business fact has been accomplished. It only remains to be determined whether legal conditions shall be adjusted to the facts which they are supposed to cover.

Nor is there any need that such Federal supervision should derogate from proper State power. Such a system merely implies that the Federal Government would attend to those national affairs of interstate commerce clearly intrusted to it by the Constitution, affairs in which, by the very nature of the subject-matter, the States are to a great extent powerless, and their action largely conflicting and nugatory. Only uniform control can give uniformity of action and effectual publicity.

As illustrative of the value of such efficient publicity, it is well to call attention to the effect of the report of the Commissioner of Corporations on the Transportation of Petroleum, made in May, 1906, setting forth the detailed facts in regard to a large number of railway discriminations, some illegal and others, while possibly legal, nevertheless quite as unfair. Numerous indictments based on this report have been brought, and convictions in two cases have occurred. But by far the most significant result was the immediate cancellation by the railroads concerned of every illegal rate criticised in the report as well as of many of the systems of discriminations which, while possibly not illegal, were unfair. It is believed that the general practice of giving and accepting railway discrimination has never been so much curtailed as it has been since the publication of this report.

The experience of the Bureau in its examination of the operations of a number of great corporations has also brought out clearly the real object toward which the efforts of the Government should be directed. Industrial combination, as such, appears to be an inevitable economic necessity. This fact must be recognized in order to treat the matter successfully. The prohibition of commercial power simply because it results from combination is futile and may be harmful. It is not the existence of such power, but its misuse, to which attention must be directed. Commercial success which is based solely upon the proper use of commercial power, upon the giving of better service or lower prices than any competitor, is a success that justifies

itself, is a proper business development, and works benefit both to the public and to the corporation. On the other hand, success that is based not on service to the public, but on the destruction of competitors by unfair methods, is an evil to be prevented. The one concern holds its power because it best serves the public; the other concern holds its power because it actively prevents competitors from serving or attempting to serve the public. It should be the aim of the Government to keep open equally to all men the avenue of commercial opportunity, and to prevent the use of those unfair means that destroy or diminish such opportunity, that close it to one man while leaving it open to another.

It is believed, and the belief is based on experience, that publicity is the best deterrent against such unfair methods, and that few, if any, corporate managers have the courage to continue openly evil practices when the exact details thereof have been or may at any time be made specifically public, by name, date, amount, or place.

It is believed that the work of the Bureau of Corporations, as carried on now and in the past, constitutes the best means yet created for accomplishing this object and for establishing that efficient publicity which will, of itself, most effectually end unfair competition, and it is further believed that the extension of its work in the form of some general plan of Federal supervision would be the logical and proper outcome of its past experience.

BUREAU OF LABOR.

The act creating the Bureau of Labor directs that the Bureau shall "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 that word, and especially upon its relation 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." Under this authorization the Bureau has a wide field for work, and by properly directed investigations it can assist in legitimately furthering at one and the same time the interests of laboring men and women and the general social well-being.

INVESTIGATION OF WOMAN AND CHILD LABOR.

The investigation into the condition of woman and child wage-earners, recently authorized and directed by Congress, which has been placed by me under the charge of the Commissioner of Labor, is one of the most important investigations that have been undertaken by that Bureau, and one from which it is fair to assume that effects will flow beneficial alike to woman and child wage-earners and to the community as a whole. If under the present circumstances of the employment of women and children there is avoidable waste of

efficiency, health, or life, or of the mental or moral well-being of these workers, such conditions should be corrected in the interest alike of the individual sufferer and of the body social.

This investigation goes into a field of inquiry beset with many difficulties, and the plan for the work aims to secure results both comprehensive and convincing. The best equipped men on the staff of the Bureau have given months to the careful study of the subject, and the work is now fully under way and will engage the time of between 60 and 100 workers during the whole of the fiscal year 1908.

MEDIATION UNDER THE ERDMAN ACT.

During the past year the work of the Bureau of Labor has been carried into a new field, owing to the invoking of the so-called Erdman Act. This act was approved June 1, 1898, and provides, among other things:

That whenever a controversy concerning wages, hours of labor, or conditions of employment shall arise between a carrier subject to this act and the employees of such carrier, seriously interrupting or threatening to interrupt the business of said carrier, the chairman of the Interstate Commerce Commission and the Commissioner of Labor shall, upon the request of either party to the controversy, with all practicable expedition, put themselves in communication with the parties to such controversy, and shall use their best efforts, by mediation and conciliation, to amicably settle the same; and if such efforts shall be unsuccessful, shall at once endeavor to bring about an arbitration of said controversy in accordance with the provisions of this act.

Up to December, 1906, the above provision of this act had never been made use of, but since that date the mediation provided for in the act has been appealed to repeatedly by the railroads of the country. The idea of an official board of mediation has thus, within the past year, been subjected to repeated tests and has been proved to be extremely beneficial in practice.

The most conspicuous test of the usefulness of the law occurred in March, 1907. The Order of Railway Conductors and the Brotherhood of Railroad Trainmen had been in conference at Chicago for some two months with a committee of general managers representing practically the entire railroad mileage in the United States west of Chicago. The conference was for the purpose of settling wages, hours of service, and other conditions of employment for conductors and railroad trainmen on all the railroads in the territory extending from the Illinois Central Railroad to the Pacific coast. All efforts to reach an agreement between the railroads and their employees had failed, and the two organizations of employees had submitted the dispute to a vote of their membership, and that vote, with practical unanimity, had declared in favor of a strike in the event that a satisfactory settlement of the points in dispute could not be reached.

This was unquestionably the largest and perhaps the most important industrial dispute that has ever arisen in the United States, and the disastrous results that would have followed a general strike of such magnitude are incalculable.

The committee of general managers invoked the mediation provided for in the Erdman Act, and the Commissioner of Labor and the chairman of the Interstate Commerce Commission went to Chicago in person, and through their efforts a settlement satisfactory to both sides was reached within ten days.

Thus far the operation of the law has won the cordial approval not only of the public, but equally of the railroad companies and the organizations which have been involved in the controversies settled through this form of mediation. Experience in the matter, however, covers so short a period that the test of the efficiency of the law is still in the early experimental stage. We are in a period of high prosperity and advancing wages; the practical test for any project to preserve industrial peace comes with declining prices and the accompanying effort to reduce wages. However, if the law is of aid to any extent in preserving industrial peace, it is to that extent a success and at least marks progress in a very important direction.

STRIKE OF TELEGRAPHERS.

In June, 1907, a serious injury to the commercial and general public interests was threatened by a general strike of telegraphers against the Western Union and Postal Telegraph companies. The telegraph companies are not included within the terms of the Erdman Act, but in view of the losses and other serious consequences to the general public involved in any serious interruption of telegraphic communication, and in response to numerous appeals from various parts of the country, the Commissioner of Labor endeavored to bring about a peaceable settlement of the controversy. An adjustment was reached by which the danger of a strike seemed to be averted, but through an apparent misunderstanding a local strike of telegraphers occurred almost immediately in San Francisco. This strike threatened to become general, but through further efforts at mediation a settlement was reached before the strike had spread beyond San Francisco, and again peace seemed to be assured. Within a comparatively few days afterwards, a difficulty arose in Los Angeles which brought about a local strike at that point and which, without the sanction of the national officers of the union, spread rapidly from place to place until it became a general strike affecting, to a greater or less extent, almost the entire country. Repeated efforts were made and everything that could with propriety be done by a representative of the Government was done to bring about a settlement of the difficulty, but these efforts proved entirely fruitless.

PUBLICATIONS.

During the fiscal year ended June 30, 1907, the Bureau issued its Twenty-first Annual Report—that for 1906. This report presents the results of an investigation of strikes and lockouts in the United States for the years 1901 to 1905, inclusive, together with summaries covering the twenty-five year period 1881 to 1905.

The report contains many summary tables, as well as many special tables and much text discussion relating to the most significant features of strikes and lockouts. Special chapters give the statistics of strikes and lockouts in foreign countries for a period of years, as well as the law relating to strikes, blacklisting, boycotting, etc., in the various States and in the United States.

This is the fourth report issued by the Bureau relating to strikes and lockouts, the Third Annual Report covering the years 1881 to 1886, the Tenth the period from January 1, 1887, to June 30, 1894, and the Sixteenth the period from July 1, 1894, to December 31, 1900.

It is believed that every labor disturbance of importance occurring in the United States from 1881 to 1905 has been included in this report. The general tables show that, excluding strikes and lockouts of less than one day's duration, there were 36,757 strikes and 1,546 lockouts in the United States during this period of twenty-five years, or a total of 38,303 disputes. Strikes occurred in 181,407 establishments and lockouts in 18,547 establishments. A total of 6,728,048 persons went on strike and 716,231 were locked out, and the number of employees, including strikers, thrown out of work by strikes was 8,703,824, and the number thrown out of work by lockouts was 825,610. The average duration of strikes per establishment was 25.4 days and of lockouts 84.6 days.

During the past year the Bulletin of the Bureau was issued regularly every other month. The Bulletin has contained, in addition to one or more special articles in each number, digests of recent reports of State bureaus of labor statistics, digests of recent foreign statistical publications, decisions of courts affecting labor, and laws of various States relating to labor. The special articles included in the Bulletin for the past year are as follows:

Bulletin 65 contained "Wages and hours of labor in manufacturing industries, 1890 to 1905," and "Retail prices of food, 1890 to 1905." These two articles are in continuation of a regular series of Bulletin articles (begun in Bulletin 59) to be published annually, supplementing and continuing, respectively, the Nineteenth Annual Report, relating to wages and hours of labor, 1890 to 1903, and that portion of the Eighteenth Annual Report which relates to retail prices of food, 1890 to 1903.

The work of the Bureau, so far as the preparation of Bulletin 65 was concerned, was limited to collecting and preparing for presentation data for the year 1905. Data relative to wages and hours of labor in 1905 were secured covering 349 occupations, and a total number of 4,121 establishments engaged in 42 industries. The compilation of retail prices of food included 6,193 schedules or statements of prices from 999 firms doing business in the principal industrial localities in 39 States, including the District of Columbia.

Bulletin 66 was a reprint of the third report upon the commercial, industrial, social, educational, and sanitary condition of the laboring classes of the Territory of Hawaii, which was published as a special report in the preceding year. As no provision was made by Congress for printing the report for general distribution, it was thought proper to reprint it as one of the regular bulletins of the Bureau.

Bulletin 67 contained "Conditions of entrance to the principal trades" and "Cost of industrial insurance in the District of Columbia." The first article is a study of the changes in the conditions of entrance to the principal skilled occupations that have resulted from the displacement of hand processes by highly developed machine methods and the consequent minute subdivision of labor in many industries. The second article gives the results of an investigation in the District of Columbia into the cost of insurance when purchased in small amounts and for small weekly payments (as is necessary with many working people whose earning capacity is small), as compared with the cost when purchased in the ordinary way and paid for quarterly, semiannually, or annually.

Bulletin 68 contained "Free public employment offices in the United States" and "Laws of foreign countries relating to employees on railroads." The first article presents the results of a comprehensive investigation into the operations of all the free public employment offices supported by the States, or the cities, and designed to bring employee and employer together for the purpose of furnishing employment to the former and help to the latter. The second article gives the substance of the laws and decrees in force in the principal foreign countries which have for their purpose the fixing of the conditions of employees engaged in the operation of railways, including provisions as to the conditions of employment and discharge, the employment of women, the regulation of hours of labor and of holidays, the determination of wages, the right of organization, and penalties for the abandonment of service.

Bulletin 69 contained "Wholesale prices, 1890 to 1906," bringing down to the end of 1906 the results of the study of the subject, the publication of which was begun in the Bulletin of March, 1902, and continued in the corresponding Bulletin of each subsequent year.

The study covers 258 series of quotations, representing all classes of staple commodities.

Bulletin 70 contained "The Italian on the land—A study in immigration," "A short history of labor legislation in Great Britain," and "The British workmen's compensation acts." The first article gives the results of a study of Italian immigrants who have settled in Hammonton, N. J., and have become successful small farmers or workers in a typical American rural community. The second article gives a short sketch of the various steps that have been taken in Great Britain to protect by legislation men, women, and children working in factories and workshops and to ameliorate working conditions. The third article is devoted to a study of the development of legislation providing for compensation for workmen injured in their employment—the so-called employers' liability and workmen's compensation acts.

In addition to the preparation and compilation of the report and bulletins described, which cover the publications of the last fiscal year, the force of the Bureau has been engaged in the collection and preparation of data for a number of future reports and bulletins. The annual report for 1907 will relate to workingmen's insurance and employers' liability.

During the year data for 1906 were collected from manufacturers relative to wages and hours of labor in manufacturing industries and from retail merchants in regard to the retail prices of the principal articles of food. The results of these investigations were published in the Bulletin for July, 1907 (No. 71), in continuation of the reports already made covering the period 1890 to 1904.

BUREAU OF STATISTICS.

INCREASE IN IMPORTS AND EXPORTS.

The Bureau of Statistics, which records the foreign commerce of the United States and such features of the internal commerce as are available in statistical form, reports both the foreign and domestic commerce as greater in 1907 than in any preceding year. The most strongly marked characteristic of the year's commerce is an increase in imports, which grew from \$1,226,562,446 in 1906 to \$1,434,421,425 in 1907, while the exports of domestic merchandise grew from \$1,717,953,382 in 1906 to \$1,853,718,034 in 1907. Both imports and exports show a larger total value in 1907 than in any earlier year.

The increase in importations occurred chiefly in materials for use in manufacturing and in manufactures. Foodstuffs in a crude condition, chiefly coffee, tea, and cacao, increased but \$15,432,245; foodstuffs partly or wholly manufactured, consisting chiefly of sugar, increased but \$18,298,149; crude materials for use in manufacturing,

chiefly silk, cotton, hemp, jute, india rubber, and hides and skins, increased \$62,339,175; manufactures for further use in manufacturing, chiefly tin, copper, lumber, and iron and steel in a partially manufactured state, increased \$53,797,713; while finished manufactures, chiefly silks, laces, dress goods, and miscellaneous articles, show an increase of \$56,391,730.

The increase in exports occurred chiefly in manufacturers' materials and manufactures. Foodstuffs in a crude condition, chiefly grains, show a decrease of \$9,868,240; foodstuffs partly or wholly manufactured, chiefly flour and meats, show a decrease of \$1,678,853, while crude materials for use in manufacturing, chiefly cotton, show an increase of \$92,608,435; manufactures for further use in manufacturing, including copper, leather, and the lower grades of iron and steel manufactures, an increase of \$33,204,271, and finished manufactures an increase of \$20,896,011.

EFFECT OF INCREASED PRICES ON IMPORTS AND EXPORTS.

The Bureau has devoted much attention during the past year to an effort to determine to what extent the general advance in prices is responsible for the increase in total value of imports and exports during recent years. While the total value of imports has doubled since 1899 and that of exports has increased more than 50 per cent in the same period, the well-known fact that prices of nearly all articles have in the meantime greatly increased both at home and abroad suggests that the growth in quantity of merchandise imported and exported is probably materially less than that indicated by the growth in total values only. To determine this question of the relationship of higher prices to the increased valuation of either imports or exports, the Bureau of Statistics has made careful analyses of prices of articles imported and exported in 1907 compared with those of 1899, the prices of the various articles being, in the case of imports, those of the articles in the countries whence imported, and in the case of domestic exports those at the ports of exportation from the United States. These analyses indicate that a very considerable share of the growth in both imports and exports is due to higher prices, though in many articles there has been also a material increase in quantity. In foodstuffs imported the advance in prices per unit of quantity has been comparatively slight, but in manufacturers' materials the increases in prices are large, ranging in some cases above 100 per cent, and this is also true of exports of manufacturers' materials. For example, the average price per pound of pig tin imported in 1907 is 126 per cent greater than that of 1899, and the average export price of raw cotton in 1907 93 per cent in excess of that of 1899, while in many other articles for manufacturing the advance in prices ranges between 50 and 100 per cent.

The advance in prices, in both imports and exports, seems to be especially marked in articles for use in manufacturing. Among the articles showing an increase of more than 100 per cent in price per unit of quantity in 1907 compared with 1899 are, on the import side, iron ore, nickel ore, pig tin, jute, vegetable ivory, gum chicle, nitrate of soda, and shellac, and on the export side, sawed timber and rosin. Those showing an increase of between 75 and 100 per cent in price include, on the import side, clothing wool, lumber, and Egyptian cotton, and on the export side, raw cotton and spirits of turpentine; those showing an advance of from 50 to 75 per cent are chiefly manufactures for further use in manufacturing and, in a few cases, foodstuffs, though most of the foodstuffs showing an advance fall within the group in which prices have increased less than 50 per cent, and this is also true of finished manufactures, which show, where prices can be determined, an average advance much less than the average increase in price of the raw materials from which they are produced. It is proper to add, however, that no exact statement of the relative advance in prices of manufacturers' materials and finished manufactures, respectively, can be presented, owing to the absence of statements showing quantities of many of the important articles imported or exported, and thus an inability to determine the price per unit of quantity; but where prices can be determined the advance in prices of manufactures appears to be proportionately less than that of manufacturers' materials, especially those imported or exported in the crude or natural condition. This fact, that prices per unit of quantity can not be determined in all articles imported or exported, renders impossible a determination of the exact share of the increased totals of imports and exports which is due to advance in prices.

The record of the year's commerce shows increased imports from all the grand divisions and the principal countries and increased exports to all grand divisions except Asia and Africa and to all of the principal countries except China.

ACTIVITY OF INTERNAL COMMERCE.

Internal-commerce records, whether of movements of freights on the Great Lakes or of those entering the principal cities and upon the great railroad lines, indicate an increased activity in the internal as well as in the foreign commerce of the United States. The fact that most of the records of commercial movements, either by rail or water, relate to calendar rather than fiscal years renders impossible a detailed statement of the internal commerce of the present year, but in general terms it may be said that the records of freight movements thus far developed in 1907 indicate that the internal commerce

of the United States in the current year will exceed that of any preceding year, and that this applies both to movements on the Great Lakes and on the principal railway lines of the country.

TRADE WITH NONCONTIGUOUS TERRITORIES.

Trade of the United States with its noncontiguous territories shows a marked increase. The value of merchandise shipped to Porto Rico, Hawaii, the Philippine Islands, Guam, Tutuila, the Midway Islands, and Alaska in the fiscal year 1907 was \$67,250,714, against \$51,669,587 in 1906; and of merchandise brought from those Territories \$74,850,517, against \$67,688,169 in the fiscal year 1906; while the value of gold of domestic production received from Alaska in the fiscal year 1907 was \$18,564,228, or more than double the original cost of that Territory.

BUREAU OF MANUFACTURES.

The Bureau of Manufactures was expressly created by Congress for the purpose of fostering, promoting, and developing the various manufacturing industries of the United States and markets for them at home and abroad. It accordingly devoted particular attention the past year to acquiring and disseminating such information in regard to trade conditions in foreign lands as would prove of most value to American manufacturers and exporters in locating foreign outlets for the surplus of our factories. The necessity for continuous and persistent effort in seeking new and enlarging old fields in foreign countries for the sale of our manufactured products became apparent from the constantly growing demands upon the Bureau from business men in every section of the country for advice and information in relation to market conditions abroad.

INVESTIGATIONS OF MARKETS FOR COTTON GOODS AND COTTON-SEED OIL PRODUCTS.

Realizing the tremendous increase in the demand for cotton goods and the products of cotton-seed oil, the latter of which had grown from a discarded waste of a few years ago into a valuable industry representing an investment of \$100,000,000, the Bureau appointed experts to report upon markets for these products in England, Continental Europe, the Orient, British India, and elsewhere. The results of these investigations were given wide publicity through the departmental publications. So remunerative and satisfactory have these reports proved to those engaged in manufacturing and handling products that enter into foreign trade that the continuation of the appropriation for this special service for the fiscal year beginning July 1, 1908, is earnestly recommended to Congress.

On returning to the United States, the special agent who visited the Lancashire district, the center of Great Britain's cotton-fabric industry, conferred with cotton manufacturers at the principal mill centers in the Southern States, exhibited samples of fabrics made in England which are exported in large quantities, explained methods of manufacture, and supplied general information regarding every branch of this predominant British industry. In like manner special agents who investigated markets abroad in connection with the sale of American leather and its products, especially boots and shoes, conferred with manufacturers at various points, and furnished them with detailed information of a practical character that will undoubtedly be of much value in the preparation of goods for such markets.

With the purpose of extending and promoting sales of American machinery of every description, including the numerous electrical devices manufactured in the United States, the Department will shortly send to Europe experts to report upon the continental field for American machinery and farm implements. The results of their investigation, which it is anticipated will be far-reaching, will be given the usual publicity as soon as received.

COOPERATION BETWEEN THE DEPARTMENT AND TRADE BODIES.

In connection with the promotion of foreign commerce, I should like to see established closer relations between the Department of Commerce and Labor, and especially its Bureau of Manufactures, and the various commercial bodies, chambers of commerce, and boards of trade throughout the country. While such relations could not be as close as those existing between the Handelsminister of Germany and the chambers of commerce of that Empire, which latter are semi-official bodies whose functions and activities are strictly regulated by law, there should be a closer relation than now exists between this Department and the commercial bodies referred to. Such a relationship would certainly be to the advantage of the Bureau of Manufactures, as well as to these commercial bodies, in furthering their joint and several efforts for the advancement of the foreign commerce of the country, and would aid the Bureau in making investigations along most practical lines and covering subjects that are most needed in promoting our trade abroad. The value of the cooperation of such bodies as the commercial organizations of this country, which embrace so many men qualified by practical experience to cooperate with Government agencies, can not be too highly estimated. In pursuance of this theory, I am of the opinion that the creation of some advisory body, formed for the purpose of consulting with and advising the Department, and vice versa, with reference to commercial questions, would be of inestimable value in the promotion of foreign commerce. I have therefore determined to call a conference in Wash-

ington at an early date of representatives of the leading commercial organizations throughout the country, for the purpose of discussing the creation of such an advisory body and drafting rules and regulations for its government. As of decided interest in this connection, the Department has just published a report comparing governmental promotion of foreign commerce in Europe and the United States.

INFORMATION REGARDING FOREIGN TARIFFS.

The demand for information regarding foreign tariffs and kindred matters has increased with the growth of foreign trade. The work of collating and arranging foreign tariffs in form for distribution was carried on as far as permitted by the inadequate sum of money at the disposal of the Bureau for the purpose. During the year the tariff rates of all countries on leather and its manufactures, farm implements, and manufactures of iron and steel were collated and published in separate pamphlets. This segregation of schedules and rates enables those interested in the exploitation of our products readily to ascertain rates of duties imposed by foreign countries on such products, and, it is believed, will be of service to the legislative and executive departments of the Government in the consideration of tariff matters. The Bureau purposes to extend this work to include schedules and rates embracing classifications other than those mentioned. Owing to the importance of the work, the Department earnestly recommends that Congress authorize for the ensuing fiscal year the expenditure of \$2,000 in addition to the amount last appropriated, as well as the employment of an additional tariff expert at an annual compensation of \$1,600.

FOREIGN TRADE OPPORTUNITIES.

Much valuable information was collected during the year by the Bureau in connection with opportunities for enlarging our sales abroad. Through the Daily Consular and Trade Reports publication is made of information supplied by consular and other officers regarding individuals and firms contemplating purchases in the United States, or desiring to be placed in correspondence with American manufacturers or merchants. Confidential circulars are also issued frequently to various lines of American trade, furnishing detailed particulars of the mercantile wants of foreign business men. In connection with this feature of the work many names, individual and corporate, of those engaged in foreign countries in handling imported merchandise have been collected and tabulated according to the business in which engaged. This information is available to our manufacturers and merchants, and the extent to which it is made use of indicates that its value is appreciated.

Through the reports of the consular service these lists of importers and merchants in foreign countries are constantly expanding, and give promise of becoming a commercial directory of the world, in so far as it would relate to present or probable purchases of American merchandise. As this permanent file or directory becomes more voluminous it is necessary that additional clerks be apportioned to the work from time to time. Whenever it is apparent that further lists of names are desirable pertaining to any branch of trade, the Bureau takes steps to secure the information through the consular officers and compile it for the use of the export interests.

BUREAU OF THE CENSUS.

The annual report of the Director of the Census reveals a most satisfactory progress in the compilation of the reports and investigations assigned to the Bureau by Congress and by the Department. During the year the report on the wealth, debt, and taxation of the United States has been published in a quarto volume of 1,246 pages. Several of the parts were separately published. This report has attracted wide attention and received much favorable comment both at home and abroad. The compilation of the census of manufactures, 1905, has been completed and the results published in two quarto volumes; in addition some twenty-three bulletins relating to the principal industries of the country have been issued. The Bureau is now engaged upon a supplementary analysis of the wage statistics of this census of manufactures. Two bulletins which show statistical facts concerning women and children employed in gainful occupations have been published. The data, never before compiled, were drawn from the returns of the Twelfth Census. These bulletins afford an admirable basis for the special investigation of the conditions surrounding the labor of women and children which was authorized by the last Congress. Annual reports on the statistics of cities, the statistics of mortality, and the statistics of cotton production and cotton distribution and consumption have also been compiled and published as usual.

During the year the Bureau has completed the fieldwork for three important special reports—marriage and divorce, covering the twenty-year period from 1886; the decennial report on religious bodies; and the decennial report on transportation by water. The fieldwork for the special report upon criminal judicial statistics is also well under way. The compilation and publication of these reports will occupy much of the clerical force of the Bureau during the remainder of the fiscal year 1908. In the meanwhile fieldwork will begin upon the remaining reports authorized by Congress, viz, the express business, the census of fisheries, savings institutions, and

the quinquennial report upon the electrical industries. The Director states that there is sufficient work in these reports, together with the annual reports assigned to the Bureau, to keep the clerical force profitably employed until the preparatory work for the Thirteenth Census shall be taken up.

On July 1, the Bureau began the compilation of the biennial Official Register, transferred to it from the Department of the Interior by act of Congress. A radical reform in the arrangement of this publication has been undertaken, with the approval of the Joint Congressional Committee on Printing, which will greatly reduce its bulk and increase its practical usefulness, and at the same time cut the cost of printing it more than one-half. In addition to the Official Register there will be another statistical report on the executive civil service of the United States, similar to Census Bulletin No. 12, published in 1904. It is expected that the Official Register will be issued on December 1, the date fixed by law.

In view of the fact that it has been necessary to discontinue the republication of the Census of 1790 on account of lack of funds, it is recommended that Congress be urged to authorize the continuance of the work out of the printing appropriation for the Census Office for the fiscal years 1908 and 1909.

On June 20, in view of pending action on the constitution of Oklahoma, and the application of the proposed State for admission to the Union, the President, under the authority conferred by section 8 of the act establishing the Department of Commerce and Labor, ordered a census of the population of the Territory of Oklahoma and the Indian Territory. Plans for taking this enumeration were at once formulated by the Director. The chief statistician for population was placed in immediate supervision of the work, with headquarters at Guthrie. An expert chief of division in the Bureau was assigned to assist him in each of the five enumeration districts into which the Territories were divided, and 1,473 special agents were appointed to act as enumerators. As fast as they were commissioned and instructed, these agents began the work of enumeration, which was practically completed on September 10. The enumeration was made as of the date July 1, 1907. It is believed that no census was ever before organized and completed in so brief a period; and in view of the many difficulties encountered, by reason of the uncertainties of boundary lines and the unsettled state of much of the area, the census of Oklahoma must be regarded as a remarkable achievement.

During the past fiscal year a cost accounting system has been put into operation in the Bureau, for the purpose of determining the cost of the clerical labor required for various census inquiries and for different classes of work. This system, an adaptation of the

electrical system of tabulation employed at the Eleventh and Twelfth Censuses, is proving itself to be complete, inexpensive, and flexible. By this means every dollar expended for clerical labor in the Bureau is distributed against some item or items and by those classifications which are most helpful to the Director in organizing and conducting the work of the Bureau. The cost of maintaining this system is scarcely two-tenths of 1 per cent of the amounts distributed.

The Director of the Census draws attention to the rapid approach of the time when active preparation for the Thirteenth decennial census of the United States must be begun, and urges the importance of enacting the necessary legislation at the first session of the Sixtieth Congress. Accuracy, economy, and expedition in connection with that great work will be materially promoted if all the time possible be given the Bureau in which to carefully and fully mature the general plan and methods of the work, and I earnestly urge the immediate consideration of the necessary legislation.

The Director also calls attention to the necessity for early consideration of plans for the proper housing of the army of clerks that will be required in the compilation and tabulation of the census of 1910. There is at present no building available in the city of Washington capable of accommodating this clerical force, nor can any building for the use of the Department of Commerce and Labor be provided for and completed, under the most favorable conditions possible, in time for this emergency. The Director recommends the purchase of the rented property now occupied by the Bureau of the Census, and the construction upon the abutting land of the necessary additional building.

Gratifying progress is reported in the experimental work for the development of a system of mechanical tabulation for the compilation of the Thirteenth Census. Some of the machines are already in successful operation in the current work of the Bureau, and a complete machine shop has been installed in the Census building, where all the mechanical apparatus required for the census of 1910 will be constructed and kept in repair.

BUREAU OF NAVIGATION.

My predecessor's forecast of an exceptionally busy year in American shipyards has been verified. The total output was 1,157 documented vessels of 471,332 gross tons, a volume exceeded by the output of only one year during the past half century. That excess of only 12,000 tons would easily have been overcome had not construction been delayed by strikes during the earlier months of 1907 in the yards on the Great Lakes. Despite this fact, more than half the year's tonnage was launched on the Great Lakes. Of the seaboard output only two steamers, built under the act of 1891, for mail service to

Cuba and Mexico, are destined for foreign trade. The shipbuilding outlook for the current fiscal year is as encouraging as that of a year ago. Barring strikes and delays in furnishing structural steel, the total tonnage built should equal that of the past year. There are, however, no vessels under construction for the foreign trade.

On June 30, 1907, the total documented merchant shipping of the United States comprised 24,911 vessels, of 6,938,794 gross tons, the largest tonnage in our history. In volume, merchant shipping under the American flag is surpassed only by merchant shipping under the British flag. In its types and uses, however, our shipping differs radically from the shipping of other maritime nations. It is almost wholly devoted to domestic transportation, and relatively is far below our strength as a naval power. Over one-third of our tonnage is operated on the Great Lakes, where it is cut off from effective foreign competition, while the trade of our many rivers and canal systems employs another considerable portion, mainly of light-draft vessels.

By comparison with our rank in any other of the great divisions of industrial and commercial endeavor, the position of the United States as an ocean-carrying power is insignificant. It is humble by comparison with the commercial sea power of other leading nations, with which in nearly every other respect we are classed. Even in the discharge of ordinary functions of government we have put ourselves under the protection of foreign flags. Not many months ago it became necessary to dispatch a small force of American troops to Cuba; they were sent under the British flag. More recently it was decided to transfer a powerful fleet of war ships from the Atlantic to the Pacific, and the coal for this fleet is under the shelter of foreign flags, a situation which could not be afforded in actual warfare. Our mails to the Republics of South America are carried almost entirely in foreign steamers, and to Australia and New Zealand they are now entirely so carried. I have alluded to the fact that in the performance of its plain duties the Federal Government had to resort to foreign agencies and foreign protection. There is not to-day another first-class power in a similar position. There is not another, I believe, which if it found itself in that position would allow such conditions to continue longer than until by sufficient expenditure they could be corrected in the shortest possible time. Such expenditures would be as clearly for public purposes as appropriations for the Army, the Navy, the Panama Canal, or the postal system.

From the messages of their Presidents and the reports of their heads of Departments for many years past the American people have become familiar with the trifling share of American vessels in our own foreign carrying trade and with the fact that an American steamship is almost never seen in the world's seaports outside the Caribbean and the Gulf

of Mexico. Last year, for example, only 10.6 per cent of our combined exports and imports were carried in American ships; our vessels registered for foreign trade aggregated only 871,146 gross tons, a fleet equaled in tonnage and greatly exceeded in efficiency by the fleet of one great foreign shipping corporation, while any one of several foreign corporations owns more ocean-going foreign steam tonnage than the entire amount of such tonnage registered under the American flag. The situation is not satisfactory, and for some years past it has been the subject of discussion, which unfortunately has not ended in action. For many years it was entirely true that the energies of the country were so absorbed in its internal development that there was no surplus to devote to expansion of national trade and influence outside our coast lines. It is equally true that such is no longer the fact. The acquisition of insular territory, the construction of a powerful navy, and the investment of American capital abroad are all tokens of a tendency in national growth which will compel our country to become again a sea power, as it was when the Republic was only a fringe of States along the Atlantic seaboard.

Our laws relating to the merchant marine differ in two important respects from the laws of other nations. Practically without exception the laws of other nations permit their subjects or citizens to buy ships in any market, put them under the national ensign, and employ them at least in the foreign trade. Our law restricts American registry and the American flag to vessels built in the United States. That this law is now useless as a measure of protection to American shipbuilders, so far as vessels for the foreign trade are concerned, is amply demonstrated by the fact that for years we have built practically no such vessels under that law. Millions of American capital have been invested in steamships under foreign flags engaged in trade with the United States.

Every maritime nation of consequence gives direct support in some form from the national treasury to merchant shipping. Even Norway has just voted a subsidy for a Norwegian line to Mexico, and Great Britain has advanced \$13,000,000 from her treasury to one corporation in order to reassert British primacy on the North Atlantic. The form and amount of support vary among nations, and from time to time with the same nation, but the principle is as fixed as is the principle by which navies are maintained. The United States adopted the principle in the ocean mail act of 1891. Where Federal support was adequate that act has been successful, and where its sagacious advocates declared at the time the support to be inadequate the act has failed. Three years ago, on recommendation of the President, a special commission of Congress made an exhaustive examination of the whole subject of the upbuilding of the merchant marine. I do not believe that any further investigation is needed. That commis-

sion decided on a project of support from the Federal Treasury, based in its essentials on the methods of other maritime nations. The bill was approved by a majority of both branches of Congress and had the cordial support of the President and of every Department connected with shipping. It failed to become a law through reasons too recent to need review. The bill was in substance an extension of the ocean mail act of 1891. Its aim was to provide fleets of superior mail steamships available for public purposes. The expenditures proposed were moderate by any reasonable standard of comparison which may be selected, and they were guarded by more than the average legislative restrictions on appropriations.

I am prepared at this time to recommend a measure that shall insure us superior mail communications with the Republics of South America, with Australasia by way of our insular territories in the mid-Pacific, and with the Philippines by way of Japan and China. The special political and commercial reasons for the establishment of such lines of American steamships are so familiar to Congress that a statement of them here would be superfluous. Such a measure involves no new principle and no departure from a system already justified by our own experience and that of other nations. The compensation provided by the ocean mail act of 1891 is inadequate to establish American steamship lines to the great Republics of South America and to the Philippines, Australasia, and Asia. An amendment to that act increasing the compensation for such services to a rate which would be effective is at the present time the most feasible means of promoting our merchant marine. In my judgment the rate of \$4 a statute mile outward bound now provided for 20-knot steamers should also be provided for steamships of 16 knots or over on the routes which I have indicated.

The need of better transportation facilities for passengers between Hawaii and the Pacific coast was impressed upon me during a recent inspection trip to the Territory. In consequence of the failure to provide sufficient mail pay at the last session of Congress, our mail line to Australia by way of Honolulu and the Samoan group has recently been abandoned. This abandonment is a serious blow to our political and commercial prestige on the Pacific, but the loss is felt especially by the people of Hawaii. The three steamers of this line made seventeen or eighteen voyages annually between Honolulu and San Francisco and vice versa, and of this regular and comfortable means of travel the people of Honolulu and the islands are now deprived. The importance of knitting to ourselves as closely as possible our insular territory in the Pacific does not need argument. The sentiment in Hawaii in favor of suspending the law which restricts passenger trade between the Territory and the mainland to American vessels is indisputably general and strong. The suspension

desired will not be necessary if Congress be willing at the coming session to pass a bill for improved mail communications with South America, Australia, and Asia, as already suggested.

Shipping commissioners at twenty-one seaports have shipped, reshipped, or discharged 259,570 seamen on American merchant vessels during the past year. This service has more than doubled during the decade practically without increase of cost to the Government. The increase has been mainly in the coasting trade, where it is optional with masters and seamen to avail themselves of the services of shipping commissioners. The principal duties of shipping commissioners are to supervise contracts for labor at sea and to settle disputes outside of the courts. The growth of the business thus testifies to an increasing popularity of Federal supervision over labor contracts of this special nature. Of 143,399 seamen thus shipped or reshipped only 44,095 were native Americans and 25,737 were naturalized Americans. More than half the crews of our seagoing merchant vessels accordingly are aliens. Legislation could probably do little to alter these proportions even if the attempt were desirable. The need of adequately trained American officers for merchant vessels, however, is already felt and calls for consideration. Four years have now passed since a square-rigged vessel was built in the United States. In the past year for various causes our square-rigged fleet has decreased over 10 per cent in numbers and tonnage. Unless we abandon the theory held by our Navy and by foreign maritime nations that training on a square-rigged ship is essential to the deck officer of a steamer, then Congress must consider the matter of training ships for the merchant marine. My predecessor last year stated:

The three school ships now provided and assisted by the Federal Government, though excellent, do not suffice. Unless the seaboard States make more general use of the act of June 20, 1874, Congress should soon provide for the construction and operation of several square-rigged ships as nautical schools for the instruction of men to officer the merchant marine, or extend substantial aid under suitable conditions to such ships as American steamship companies may undertake to build and operate for this purpose.

Tonnage duties during the year amounted to \$1,044,781.13, the largest sum received since the method of collection was changed in 1884. Of the total, American vessels paid only \$80,064.19, owing to the slight share they have in the foreign carrying trade of the United States. The rates imposed are moderate in comparison with similar charges levied abroad, and they are levied impartially on American and foreign vessels. From their nature tonnage duties are one of the most equitable methods of raising revenue, and when the large sums paid annually from the Federal Treasury for the improvement of seaboard harbors and lighting the coasts are considered, the small revenue derived from tonnage dues is a demonstration of our liberality too apt to be overlooked abroad.

Agreeably to the suggestion in the last report of my predecessor, I have appointed a committee comprising the Assistant Secretary of Commerce and Labor, the Commissioner of Navigation, and the collector of customs at the port of New York to review the act of 1882 governing the transportation of steerage passengers between the United States and foreign countries. This committee will prepare a report which will be transmitted to Congress. The British Government has recently appointed a committee to deal with the same subject. It is obviously desirable that, so far as practicable, there be similarity between the laws of the United States and those of foreign nations dealing with such subjects of common interest. The governments of Europe presumably have as keen and intelligent an interest in the welfare on shipboard of their subjects or citizens who come to or leave this country in the steerage as has the Government of the United States in such persons who may become its citizens. The best results for all, accordingly, are to be obtained by an assimilation of laws where it is feasible.

Progress has been made abroad by the Belgian Government in securing adherences to the treaties relating to salvage and collisions at sea, drafted by the Brussels Conference. A final session of the Conference has been suggested for the early months of 1908, and this Department has expressed to the State Department its desire that the United States be represented. Early action by Congress will be necessary.

STEAMBOAT-INSPECTION SERVICE.

Since assuming the administration of the Department, I have made an earnest effort to improve the efficiency of the Steamboat-Inspection Service, to the end that transportation by water may be made safer, and I have diligently used every means placed at my command by existing law toward the accomplishment of that object. The Steamboat-Inspection Service had its origin in an act of Congress approved July 7, 1838. The Service was reorganized by act of Congress approved August 30, 1852. Since that date, while numerous statutes of a supplementary, amendatory, or special nature, relating to various details of inspection, have been enacted, few innovations or changes, and none of a comprehensive nature, have been made in the general scope and plan of the Service adopted at the outset, over a half century ago. It is believed that in the course of years the efficiency of the Service became much impaired and its usefulness in several particulars greatly diminished—a condition due in part to the inadequacies of the laws, in part to a system of inspection which involved less actual examination than clerical work, and which accordingly appeared strong on paper but was weak in fact, and in part also to a want of proper supervision of the work of local inspectors

and assistant inspectors whereby perfunctory and lax methods escaped correction.

Within the past two years the steamboat-inspection laws have been greatly strengthened and improved by amendatory legislation, and few changes in the substance of the present requirements appear to be needed. What is desired, however, and what is all but absolutely necessary, in order to insure certainty of execution and thorough enforcement, is a systematic revision of the laws from an administrative point of view. The revision needed is one by which various uncertainties in the application of the laws may be removed, and sundry ambiguities and contradictions reconciled, by which the duties and obligations imposed may be clearly defined, necessary authority conferred, and proper responsibility definitely fixed, and by which the entire collection of statutes may be made into a consistent whole. Any body of statutes which has grown by yearly accretion, and which is the result of additions made at intervals to meet the needs of particular occasions, and without special reference to statutes already existing, necessarily presents many practical difficulties of administration, interpretation, and enforcement. Such difficulties inevitably detract from efficiency, and the only cure is careful and systematic revision and codification.

During the last few years, and especially since the investigation and report of the commission appointed as a result of the *Slocum* disaster, there has been a steady and uninterrupted progress toward reform in the methods of the Service. During the spring months I ordered that there should be four annual inspections of passenger-carrying vessels, instead of one, as heretofore; and I also ordered that all assistant inspectors, of both hulls and boilers, should be transferred from the districts to which they were first assigned to other districts, in order that passenger vessels of the United States might have at least one annual reinspection by inspectors other than those by whom they are regularly inspected. I further directed that the examination papers of masters, mates, and pilots should be re-examined, in order that it might be definitely ascertained whether or not there was any carelessness, favoritism, or error involved in the original marking of these officers' papers. So far as I can assure it, there shall be no question of the competency, in every particular, of officers in charge of the passenger-carrying craft of the United States.

These are some of the reforms which I have so far attempted, and there will be no backward step in this matter. In my opinion, an owner or an officer of a passenger-carrying craft of the United States who will take on board passengers when the vessel is unseaworthy or is not fully equipped with life-saving equipment or fire-fighting apparatus, as required by law, is guilty of a crime and should be severely punished.

I am not sure that the transfer of the assistant inspectors from one district to another has brought about every result which I hoped would follow. I am now considering, therefore, the plan of transferring the local inspectors from one district to another; but under existing law that can not be done by way of transfer. It can be done, however, by revoking their appointments to the district in which they are now serving and appointing them to other districts.

It will be my policy while I am at the head of the Department to require peremptorily that the supervising inspectors of the districts and the local inspectors at the different ports shall themselves actually know the condition of passenger-carrying vessels in their districts, and I purpose to hold them absolutely responsible for those conditions, whatever they may be.

In proof of the higher state of efficiency to which the Steamboat-Inspection Service has now been brought the following figures are significant: The total number of accidents to steamboats of all kinds resulting in loss of life during the year was 55, a decrease from the previous year of 10; and the total number of lives lost was 505, an increase over the previous year of 5. Of the 505 fatalities recorded 129 were from accidental drowning and 63 from suicide and other causes which could not be averted, leaving 313 lives lost that come within the preventive scope of this Service.

During the year ended December 31, 1906, 357,851,864 passengers were carried on steamers required by law to make report of the number of passengers carried, an increase of 27,615,905 over the previous calendar year.

LIGHT-HOUSE BOARD.

During the fiscal year earnest endeavor was made for the improvement of the Light-House Service. A standard model of light-house tenders was adopted which not only will be much more efficient, but will result in a saving of from 60 to 70 per cent over the older models. During the fiscal year ended June 30, 1907, contracts were made for the construction of 8 light-house tenders, at \$164,000 each.

A standard model for light-vessels was also adopted, which will give similar results, and 5 of these are now under construction, at a cost of \$99,000 each, and a similar one for service on the Great Lakes, at a cost of \$37,500, making a total for light-house tenders and light-vessels of \$1,844,500. At the end of the fiscal year 1907 proposals were invited for the construction of 4 more light-vessels, and contracts were made therefor and approved by the Department on July 17, 1907, at \$107,212.50 each, a total of \$428,850.

The tender *Mangrove*, which was built in 1897, was altered and improved at a cost of \$33,212.95. The total saving in the operation

of this tender due to the alterations recently made approximates \$5,000 a year. There are several other tenders, the hulls of which are of iron, which are in such condition as to warrant similar alterations.

The introduction of incandescent oil vapor as an illuminant has been very successful at the stations where it has been tried, first, in the reduction of consumption of oil, and, second, in the tremendous increase of the candlepower of the lights. It is most desirable that this system or some other equally efficient illuminant be introduced in all lights, and this will be done as rapidly as practicable if necessary funds are available.

Three light-ship automatic gas and whistling buoys were accepted by the Light-House Board for trial and were located at Point Judith, off Gedney Channel, New York Harbor entrance, and off Cape Henry. They are highly appreciated by all navigators of those waters and are valuable aids to navigation. They are patented articles, and therefore more expensive than would otherwise be the case, and they have not been purchased.

The Board has not been able for several years to meet the demands made upon it from every district for increased buoyage, and whatever reserve supply there has been is entirely exhausted.

The work under each of the appropriations made by act of Congress approved March 4, 1907, is progressing satisfactorily. In some cases, such as the breakwater at Milwaukee, Wis., construction will proceed upon the completion of the work under cognizance of the Chief of Engineers of the War Department, while in some others, like Ragged Point, Virginia, further work awaits an additional appropriation.

The necessity for such legislation as will provide for an increase in the number of light-house districts still exists, and attention is invited to the statement made in the annual report of the Board for 1907 regarding the need for three additional light-house districts.

The Board recommends that the number of light-house keepers authorized be increased from 1,650 to 1,750; that their average yearly pay be increased from \$600 to \$700, and that the appropriation for salaries of light keepers be so increased that they may receive an average of 10 per cent more next year than was received this year. The statement on the subject made in the preface of the Board's annual report is commended to the favorable consideration of Congress.

The estimates submitted for the maintenance of the Light-House Establishment contain material increases in the general appropriations for the protection of commerce, in order that the light-houses and light-vessels may be kept in thorough repair, buoys replaced when necessary, and the light-house depots kept supplied with needed

material, placed for immediate use; and that the Board be enabled to place new buoys to meet the demands of increased commerce. That all this may be done it is recommended that favorable consideration be given the estimates submitted. The large increase in the cost of labor and material necessitates a corresponding increase in appropriations.

The insular possessions of the Government with which commercial relations are maintained need special consideration, and suitable appropriations are recommended to provide that aids to navigation may be established or maintained in Porto Rico, Hawaii, Guam, the Midway Islands, and American Samoa.

The legislation of the last Congress providing for the establishment of private aids to navigation is appreciated, and under the regulations issued in February last some 100 such aids have been authorized. It has been thus far unnecessary to invoke the prohibitory action made possible by the passage of the act.

The recommendation made last year, that it be made unlawful for any vessel to anchor in any navigable waters of the United States so as to obstruct or interfere with range lights or other aids to navigation established by the United States in such waters, is renewed.

BUREAU OF FISHERIES.

The Bureau of Fisheries has most varied and important relations to the fishing industry, notwithstanding that, with a few exceptions, it exercises no legislative or executive functions regarding the fisheries, either in the interior waters, on the coasts, or on the high seas. The efforts of the Bureau are addressed to the stocking of waters with food fishes; to the studying of the waters and their inhabitants; to the investigation of the methods, apparatus, and condition of the commercial fisheries, and to the giving of expert advice to States, corporations, and individuals on all matters affecting the cultivation, capture, preparation, and sale of water animals. It is gratifying to note the growing importance of this Bureau and the increasing dependence placed on it by the general public. Close relations are maintained with the fishery authorities of all the States, and on the Bureau devolves the administration of the extensive fisheries of Alaska.

PROPAGATION AND DISTRIBUTION OF FOOD FISHES.

The fish-cultural work is designed to repair the effects of overfishing and to stock waters previously destitute of fish life, with the aim of providing a wholesome and cheap food in great variety. The operations extend into every State and Territory, and are increasing in volume and importance each year, new hatcheries being estab-

lished, new egg-taking regions exploited, new methods adopted, and new species handled. The magnitude and scope of the work are designed to meet the enormous drain on the aquatic resources and the growing demands for food and game fishes for stocking public and private waters.

The total output in 1907 was over 2,500,000,000 fish and eggs—nearly 600,000,000 more than for the year 1906, which had the largest previous record. The conspicuous increases were in such valuable species as pike perch, yellow perch, white perch, blueback salmon, lake herring, grayling, shad, striped bass, cod, and lobster. There was a fair yield of pollock and a comparatively large output of haddock, which species were not hatched in 1906. On the other hand, the production of whitefish, chinook and silver salmon, and steelhead trout fell somewhat below that for last year.

The marine hatcheries were especially successful, the cod work being characterized by the trial of the Norwegian method with such encouraging results that it will doubtless be adopted at all the marine stations, while the lobster work at Boothbay Harbor also was most satisfactory. The propagation of yellow perch and white perch, undertaken by the Bureau for the first time only a few years ago, has opened such a promising field that the results seem to be limited only by the funds and equipment available for the work. The experimental propagation of striped bass on the Pacific coast in 1907 gives promise of much success. The output of blueback salmon owes its increase to the operations at Yes Lake, Alaska, which has proved a most desirable location. Efforts to collect rainbow-trout eggs at the Baird, Cal., station produced the most satisfactory eggs handled during the season and indicate that this station will prove an important source of supply for other hatcheries.

The conditions prevailing in the shad fishery of the Chesapeake region for the past several years remain the same, and the decline continues to affect the operations of the hatcheries. A larger collection of eggs than usual was obtained this year, however, for the reason that heavy winds blew out the pound nets and prevented fishing in the lower waters of the bay, permitting a good run of fish in the Potomac and the Susquehanna.

The demand for game fishes for stocking the smaller waters of the interior in the case of some species exceeds the supply. The total number of applications in 1907 was 6,346, which is 540 more than were received in 1906. This number has grown steadily from 2,755 in 1900, and represents the disposition of about 10 per cent of the output for the past year. Practically all the fresh-water fishes are distributed except those returned to the streams from whose waters they have been taken. The marine and anadromous fishes

the output of the hatcheries on the Great Lakes, which are all commercial species and constitute the remaining 90 per cent of the total output, are distributed directly by the Bureau or through the State authorities.

The Commissioner reports that the operation of the new interstate-commerce law and the railroad-rate laws of various States has greatly increased the cost and difficulty of the Government's distribution of fishes. Where formerly railroads granted free transportation to cars and messengers, or charged but a moderate rate, it is now necessary in some States to pay full fares, and in the detached messenger service to ship the fish by express, while it is an unsettled question whether or not the messengers may be admitted to the express cars to care for the fish. It is thought that the cost of transportation of fish during the next year under these laws will be practically twice what it has been heretofore.

BIOLOGICAL INQUIRIES.

The study of the habits, migrations, spawning, diseases, etc., of aquatic animals, and the almost equally important study of the creatures that serve as food or act as enemies to those of economic value, conducted from year to year as a fundamental branch of the work in behalf of the fisheries, was continued in 1907 upon the usual lines, in several cases being supplemented by direct experiment with immediate commercial application.

The effort to develop a commercial process for fattening oysters artificially has now but one important problem awaiting solution, namely, that of materially increasing the output of the experimental claire. The oysters fattened by this method are as fine as any on the market. Experiments in Louisiana for the development of the oyster beds, undertaken at the request of the Louisiana Shellfish Commission, have been continued with success, in one instance resulting in the establishment of an industry which already yields rentals exceeding the total expenditure of the Bureau in the entire State. Assistance has been rendered also in a survey of the oyster beds of Maryland, in accordance with an act of Congress and the request of the governor, and this survey, in which the Coast and Geodetic Survey is cooperating, is expected to be most complete, and an important step toward the restoration of Maryland to her original position as the first oyster-producing State.

The work upon the experimental sponge plantations in Florida, which has been pursued by a series of disasters, is nevertheless yielding results, and it is believed that by the end of the next fiscal year it will be possible to recommend a commercial system of sponge rearing.

The experiments in terrapin culture record little progress because of the slow rate of growth of the animals.

The marine biological laboratories at Woods Hole, Mass., and Beaufort, N. C., were occupied as usual and their facilities employed in scientific investigation, especially of the fauna of the surrounding waters. The cruise of the *Albatross* in the North Pacific for deep-sea exploration was concluded in December. Studies of the fishes and investigations bearing on the fisheries of several localities in New England and the Middle West occupied field parties sent out during the year.

ALASKA SALMON FISHERIES.

The new laws governing the fisheries of Alaska did not become operative until so late in the fishing season of 1906 that they were without effect during that year, and the annual inspection revealed practically unchanged conditions, though the several branches showed fluctuations in output. The pack of canned salmon was unusually large—the best since 1903—and the goods brought remunerative prices, making the season a prosperous one. The agitation concerning the meat-packing plants in Chicago led to some distrust in European markets of American canned salmon, but the exceptional care and cleanliness which prevails in the salmon-packing establishments asserted itself to dispel the prejudice, and the demand in foreign markets soon became normal. The earthquake and fire in San Francisco also affected the salmon industry, through the destruction of vessels and the dispersal of cannery employees. The number of canneries operated, however, was greater than in the previous year, being 47, against 42 in 1905. The total pack of all species was 2,246,989 cases, valued at \$7,896,392.

The pickling of salmon, the oldest branch of the salmon industry, is declining, the mild-cured product now being more in demand. The salteries in 1906 yielded an output of 16,926 barrels and 3,389 half barrels, worth \$139,838. Ten firms and individuals engaged in mild curing, putting up 1,294,900 pounds of salmon, worth \$67,007, in their initial season.

Four hatcheries were operated in Alaska in 1906, three by different firms and one by the Bureau of Fisheries. The first season for the latter (1905-6) resulted in an output of 6,638,550 sockeye fry. The output of all the hatcheries that season amounted to 104,817,962 sockeye and 1,837,000 coho fry. In the fall of 1906 the hatcheries contained 205,909,200 sockeye, 30,000 coho, and 182,000 steelhead eggs, of which 58,210,000 of the sockeyes and all the steelheads were in the Government hatchery at Yes Lake. The Bureau of Fisheries has located a second hatchery on Afognak Island, and the work of construction was well under way at the close of the year.

As a result of the inspection of 1906, several recommendations have been submitted, viz, that Eyak River and Lake, on Prince William Sound, be declared a salmon-spawning reservation, to permit the reenforcement of adjacent waters; that the salting of salmon bellies by processes that do not make use of any other part of the fish be prohibited; that Indians be prohibited from taking salmon with gaff hooks in the Chilkoot and Chilkat rivers for sale to the canneries; and that Wood River be closed to commercial fishing and a salmon hatchery be established on the chain of lakes at its head.

INTERNATIONAL RELATIONS.

At the request of the Department of State, an assistant of the Bureau was dispatched to Newfoundland, as in the previous year, to note the progress and condition of the American herring fishery on the so-called "treaty shore" and to keep the Government informed regarding the developments under the *modus vivendi*. The naval tug *Potomac* was placed at the disposal of the Bureau's representative, and remained on the grounds during the entire season, which extended from the latter part of September to the middle of January. The American fleet consisted of 62 vessels, in addition to which 4 Canadian vessels were chartered by American fishermen. There were also engaged in the fishery 27 Canadian and 55 Newfoundland vessels, the latter mostly small craft. The fishery was prosecuted in practically the same manner as in the previous year, with the exception that a few purse seines were used early in the season. There were employed on the American vessels, in addition to their regular crews, 780 native fishermen shipped outside the 3-mile limit. The catch was large, although the weather was unusually severe. The quantity of herring taken by the American fleet amounted to 72,309 barrels of frozen and salted fish, having a value of approximately \$392,340. Six of the fleet were lost.

NEW BUILDING AND PUBLIC AQUARIUM.

The Commissioner of Fisheries again calls attention to the inadequate and obsolete quarters occupied by the Bureau of Fisheries in Washington, and emphasizes the necessity for a new office building, with special laboratory facilities that are now entirely lacking. Much of the work of the Bureau in the interests of the fisheries and fish-culture requires for its successful accomplishment fresh and salt water tanks in which experimental investigations may be conducted; the absence of such tanks at headquarters has greatly retarded progress, and in some cases has necessitated the indefinite postponement of important inquiries.

In conjunction with the desired new office building there should be maintained a modern aquarium, which would be a place of great

public interest and educational value and, at the same time, of practical utility to the Bureau. The facilities already possessed by the Bureau for stocking and operating such an aquarium would permit its maintenance at a trifling cost.

ALASKAN FUR-SEAL SERVICE.

Although the Pribilof Islands—the home of the Alaskan fur seal—were surrounded this summer by a fleet of approximately 50 pelagic schooners, all of which were actively engaged in taking seals in the water, no instance was discovered of the unlawful entry of any of them into the territorial waters of the United States. There were, however, several occasions on which small boats from these schooners came within 3 miles of the islands for the purpose of killing seals, thereby rendering them, as well as the schooners to which they belonged, liable to seizure under our laws. For this latter offense—that of having small boats taking seals within the territorial waters of the United States—three schooners were seized by the revenue cutters *Manning* and *Perry*, one of which was subsequently released on the ground of insufficient evidence, while the crews of the remaining two were taken to Valdez, and such of them were convicted as were concerned in the offense for which they were apprehended. The other members of the crews were released. Another schooner was seized by the revenue cutter *Rush* for a violation of the provisions of the Paris award. The revenue-cutter patrol about the islands was active and efficient.

The pelagic fleet was composed, approximately, of 35 schooners under the Japanese flag and 15 schooners from British Columbia. The latter vessels began killing seals on August 1, and continued operations until October, being restricted by the terms of the Paris award from taking seals in Bering Sea before August 1, or within 60 miles of the Pribilof Islands. The Japanese fleet, however, being bound by no international agreement, is not restricted to any special time or place for taking seals in the water, and may hunt them up to the 3-mile limit surrounding the islands, and at any time in the year. Japanese schooners were visible almost daily from the islands, as many as 23 schooners and over 30 small boats being seen from the shore in one day, although, as before stated, no schooner is known to have entered unlawfully the 3-mile limit.

As the result of this pelagic activity, which is hardly more than a repetition of the practice of former years, the breeding females in the Pribilof herd, which form the bulk of the schooners' catches, have been reduced to approximately 50,000. This reduction promises a speedy commercial extinction of this valuable animal.

Notwithstanding the deplorable decrease in breeding females just mentioned, it is gratifying to report that not only has the decrease

in adult male life noted during the last few years been checked, but the breeding rookeries last summer showed an actual increase in breeding males. On St. Paul in 1907 there were 1,183 stationed bulls on the rookeries as against 1,244 in 1906, and, in addition, nearly 200 young bulls, bringing the total in 1907 beyond what it was the previous year. On St. George an actual increase in stationed bulls was noted—221 in 1907 as against 208 in 1906. This increase in male life is due entirely to the regulations of this Department enforced for the past four years, reserving young males for breeders, and is interesting in that it shows what could be done with the seal herd under proper management on land were no seals killed in the water.

During the season ended July 31, 1907, there were taken on the Pribilof Islands 15,000 fur-seal skins, of which 12,384 were shipped by the lessee from St. Paul and 2,580 from St. George. Of the whole number taken, there were retained on the islands 35 skins taken by the lessee which were under or over the weights prescribed by the Department's regulations.

During the period from May 12 to July 29, 1907, there were driven on St. Paul Island 16,089 individual seals, of which 10,966, or 68 per cent, were killed. On St. George, from June 7 to July 29, 4,636 animals were driven and 2,072, or 44 per cent, killed. The quota of 15,000 skins was obtained on both islands before the legal end of the season, and it is estimated that, had sealing been carried on until July 31, at least 1,500 more skins could have been secured. There were reserved for breeding purposes, as usual, 1,000 2-year-old and 1,000 3-year-old males, the object being accomplished by shearing the heads of the animals with sheep shears, the mark thus made being readily apparent during the entire summer. In the fall, killing of these animals is avoided by restrictions on the sizes of seals to be taken for food for the natives.

There were killed on St. George during the last winter 366 blue and 8 white foxes, the number representing a decrease of 90 blue foxes from the catch of 1906. This decrease, according to the reports, is due more to an open winter, which was not favorable for good trapping, than to an actual lessening of the number of foxes. No foxes were taken on St. Paul and little increase has been noted in the number there.

COAST AND GEODETIC SURVEY.

At the beginning of this calendar year the Coast and Geodetic Survey completed a centenary of existence. The wise prevision of Jefferson caused him to recommend to Congress that a detailed survey of the coasts be undertaken in the interests of commerce and defense, and Congress accordingly passed the act creating the Coast Survey in 1807. The most distinguished scientific men of the time

were called upon to devise or to approve the principles on which the work was to be carried out, and the operations of the Bureau for a hundred years have upheld the high standard set in this well-planned beginning. The work of the Bureau has received the indorsement of Congress, which has extended the field of its duties to keep pace with the increasing greatness and the extension of the jurisdiction of the United States.

Two officers of the Survey attended the meeting of the Fifteenth General Conference of the International Geodetic Association, at Budapest, Hungary, in September, and important business was transacted. Work at the international latitude observatories at Gaithersburg, Md., and Ukiah, Cal., maintained by the association under the direction of the Superintendent, was continued during the year.

An officer of the Survey continued on duty as a member of the Mississippi River Commission, as required by law, and other officers served on the boundary surveys mentioned above.

The results of the operations in the field are promptly prepared at the office in Washington and at the suboffice in Manila and issued in the usual forms, such as charts, coast pilots, and tide tables.

The Superintendent reports the following routine and special work performed during the year:

Hydrographic work was done in seven States and Territories and in Porto Rico and the Philippine Islands.

The primary triangulation along the Pacific coast was completed in Oregon and Washington, and observations were made at a number of old triangulation stations in the region between Monterey Bay and Point Arena to determine the effect of the San Francisco earthquake of April, 1906, on this work. This interesting investigation was almost completed and an actual displacement has been demonstrated.

Astronomic observations were made in eighteen States and Territories and the standard levels were extended in California, Idaho, Montana, Nevada, Ohio, and Utah.

The demand for surveys in Alaska has been met by using all the resources of the Bureau available for the work, and good progress has been made. As provided in the convention between the United States and Great Britain (signed April 21, 1906), a point on the one hundred and forty-first meridian of west longitude was determined and the demarcation of this portion of the boundary is in progress. The demarcation of the boundary in southeastern Alaska has also progressed as rapidly as conditions permitted.

The remonumenting of the international boundary between the United States and Canada along the northern border of Vermont was continued, and the final inspection of the completed work along the same boundary west of the Rocky Mountains is in progress. The

United States is represented in this work by the Superintendent of the Coast and Geodetic Survey as Commissioner, acting under the direction of the Secretary of State.

The charting of harbors and waters in the Philippine Archipelago was continued in cooperation with the insular government, and good progress was made. Twelve new charts of this region were published and special effort has been made to extend this important work as rapidly as possible.

The magnetic survey was continued and observations were made in thirty-four States and Territories, including Alaska and the Philippine Islands, and magnetic observations were also made at sea in the Atlantic and Pacific oceans. The work at the magnetic observatories in Alaska, Hawaii, Kansas, Maryland, and Porto Rico was continued.

Continuous records of tidal fluctuations were obtained by means of self-registering gauges at 11 stations, including 1 station in Hawaii and 2 in the Philippine Islands.

The amount appropriated for the Coast and Geodetic Survey for the fiscal year 1907 was \$848,915, of which \$210,245 was for manning and equipping the vessels of the Survey, \$30,000 for repairs and maintenance of vessels, and \$50,000 for office expenses. The remainder of the appropriation was divided between expenses of parties in the field (\$257,900) and salaries of field and office forces (\$300,770).

In addition to these sums the appropriations for marking the United States and Canada boundary and for locating and marking the Alaska boundary, made to be expended under the authority of the Secretary of State, are disbursed under the direction of the Superintendent, as Commissioner, by the disbursing agent of the Coast and Geodetic Survey, as special disbursing officer of the State Department.

BUREAU OF STANDARDS.

Briefly, the functions of the Bureau of Standards are, first, to encourage and make possible uniform and exact measurements wherever they are made, by the improvement of standards of measurement, measuring instruments, and methods of measurement; second, to promote the intelligent use of materials in the arts and industries by the determination of such physical properties as are of importance in their manufacture, distribution, or use.

The testing and investigation of materials depends to such a large extent upon standards of measurement, measuring instruments, power, mechanical equipment, and experts in physics and chemistry that the Bureau has striven to provide these necessary and indispensable facilities before undertaking the work in connection with materials; nevertheless, the demands for this work have been so great that the Bureau was compelled to take it up in a very limited way almost at the

beginning. During the past year there has been an unprecedented increase in the demands for the Bureau's services in connection with the testing of materials, due principally to requests from the Executive Departments in connection with the purchase of supplies. This increase is felt throughout the Bureau.

For the purpose of securing uniformity throughout the country in the use and inspection of commercial weights and measures, and with the view of making the Bureau more useful to the public, the division of weights and measures has brought about an organization of State and city officials having such matters in charge. The third annual conference of these officials was held at the Bureau of Standards during the month of May, with a larger number of delegates than at any previous meeting. In cooperation with these officials the Bureau is awakening an interest throughout the country in the use of correct weights and measures in trade, a question which, notwithstanding its importance, has heretofore, except in a few localities, received but little attention. The division mentioned has compared a large number of the standard weights and measures used by local officials, manufacturers, and shippers, with the standards of the Government; also many precision standards of length, mass, and capacity for scientific and educational institutions, engineers, manufacturers, and the various Executive Departments. Tests of materials which depend principally on measurements of weight, length, or capacity are made by this division; also many inquiries pertaining to weights and measures are received and answered as far as possible.

The electrical division of the Bureau is especially engaged in the development of standards, methods of measurement, and problems in connection with electrical measurements of resistance, electromotive force, current, capacity, inductance, magnetism, and illumination. An extended investigation of the standards of electromotive force and the methods of their preparation has been made, the results of which were highly satisfactory and have shown the high degree of accuracy with which the standard cell may be reproduced. Investigations have also been made or are in progress as to the ratio between certain of the electrical units, the absolute measurement of resistance, and the various methods of measuring magnetic properties of materials. When it is understood that the value of electrical measurements, whether scientific or commercial, depend upon proper solutions of these problems, their importance can be readily understood.

A considerable number of electrical instruments have been tested or compared with the standards of the Bureau. The electrical properties of many materials have been determined, and, as in other divisions of the Bureau's work, every effort is made to make the division

useful to the electrical industries of the country and to scientific laboratories engaged in electrical work.

While photometry has to do with measurements of light, so many of the problems met with are in connection with electrical illumination that this work is included in the electrical division for the present. In addition to the testing of standards of illumination, various investigations have been made and several new forms of apparatus have been developed, with the view of placing photometry upon a more exact basis. Aid has been rendered to various manufacturers in the equipment of laboratories for the testing of light sources, and much has been done to bring about uniform specifications for the purchase of incandescent lamps. The cooperation of the Bureau was sought in a conference between Government engineers and lamp manufacturers, which resulted in specifications that have been adopted by most of the Departments of the Government. This is but one of the many instances where the Bureau has given assistance to the Government in the preparation of suitable specifications for the purchase of supplies.

In thermometry, pyrometry, and heat measurements the Bureau is striving to meet practically the same conditions that are found in every branch of its work. This division has completed a study of the standards on which are based the standard temperature scale from 0° to 100° C., and has determined the melting points of certain metals which are fundamental points in the measurement of high temperatures. An investigation of methods of measuring high temperatures is also in progress.

Many engineers and representatives of industrial plants have visited the laboratories of the Bureau for the purpose of studying the methods of high-temperature measurements, securing information which is not only useful but extremely essential in many important industrial processes, such as the hardening of steel, casting of metals, burning of porcelain, etc.

The testing done in the division of thermometry and pyrometry during the year includes about 10,000 thermometers of various kinds, besides optical pyrometers, electrical-resistance thermometers, thermocouples, and other instruments used for the measuring and controlling of temperature. Tests have been made of the physical properties of lubricating oils and the calorific value of fuels as a basis for the award of contracts and to determine the fulfillment of specifications for materials furnished to the several Departments of the Government.

The work of the optical division includes spectroscopy, polarimetry, radiometry, and interference methods of measurement. That relating to spectroscopy has been confined principally to the investi-

gation of light sources suitable for use in polarimetry, reference standards of wave lengths, absolute standards of length, and interference methods of measurement. The luminous properties of incandescent helium gas has been investigated with a view to determining its value as a primary standard of illumination. Tests of optical instruments have been made and the optical properties of materials determined.

Polariscopic measurements find their principal application in the analysis of sugar in sugar refineries and in the customs service. Investigations have been made, or are in progress, with a view to improving the standards, the measuring instruments, and the sources of light used. In addition, the Bureau tests these standards and instruments for laboratories, sugar refineries, the customs service, and the public. Control samples of sugar are tested daily for the principal custom-houses.

An examination has been made of the various instruments used in the measurement of radiation, and while the results of these investigations do not meet with the immediate practical application that is found in some other cases of the Bureau's work they are important as aids to scientific work and indirectly of great value to many of the industries.

Investigations are being made with a view to the application of interference methods of measurement wherever they are applicable and where it is desirable to increase the order of accuracy.

Generally the work in connection with standards of measurement or the testing of materials falls within the domain of physics; however, questions often occur as to the purity or composition of materials which call for chemical analyses and investigation. The chemical division of the Bureau has endeavored to meet these conditions. It also determines important chemical constants, and several investigations to this end have been completed or are in progress.

At the request of the steel and iron industries the chemical division has undertaken the analysis and distribution of standard steel and iron samples which are used by these industries to standardize and check their own analyses from time to time. The demand for these samples is constantly increasing.

It has been impossible thus far to assign to the testing and investigating of engineering instruments the space, equipment, and assistance commensurate with their importance. However, the Bureau is in a position to test standard water meters, gas meters, speed indicators, pressure gauges, anemometers, indicator springs, and many varieties of testing machines. It is carrying on investigations relating to the behavior of such instruments under varying conditions and the improvement of their accuracy when desirable, and otherwise encouraging their use. It cooperates with municipal authorities in the

establishment of their testing plants, verifies their standards, and advises the officials directly in charge of such work.

Finally, the relation of the Bureau's work to that of all laboratories engaged in scientific investigation must not be overlooked. Such investigations are rarely made that do not involve measurements, usually of the highest order of accuracy, and frequently a precise knowledge of the material used is of equal importance. If each individual were compelled to undergo the process of establishing and investigating his standards, more time would often be consumed than that necessary for the problem in hand. In many cases it could not be done at all, since it would involve unusual equipment as well as access to the primary standards of the Government.

OFFICE OF THE SECRETARY.

APPOINTMENT DIVISION.

The work of this division is well up to date and in a satisfactory condition. As opportunity arises the division continues to take up, with a view to improvement in methods, particular matters that come under its jurisdiction. Among the improvements inaugurated during the past year are (1) the submission of reports concerning the efficiency of all employees of the Department; (2) the arrangement of the mass of papers received from the Treasury Department in connection with the bureaus transferred on July 1, 1903; (3) the adoption of uniform methods of appointment of shipping commissioners and of the subordinate employees of the commissioners' offices; (4) new examinations for appointment in several of the bureaus, and arrangement of the resulting eligibles so as to enable the Department to make selections of persons possessing a wide range of qualifications, and with special reference to their fitness for the particular grade of work to which they are to be assigned; (5) the promulgation of regulations to govern appointments, promotions, etc., in the field service of the Bureau of Fisheries; (6) the reclassification of the lights of the Light-House Establishment on the basis of the qualifications necessary in their keepers, with a consequent revision of the eligible registers and of the civil-service regulations applicable to the Light-House Service, omitting many details of procedure which had a tendency to encumber the files without any compensating advantage, and (7) the promulgation of new regulations governing leaves of absence, with a view to simplification of methods and elimination of unnecessary duplication of work.

There are approximately 10,553 positions under the jurisdiction of the Department, of which 1,876 are statutory and 8,677 are not statutory; 1,633 are within the District of Columbia and 8,920 are outside the District. The increase over last year in the number of

positions is 1,057. These figures do not include many laborers, mechanics, and others who are temporarily or specially employed.

There have been a number of cases, limited chiefly to low-salaried positions requiring the qualifications of stenography and typewriting, in which considerable difficulty has been encountered in obtaining persons willing to accept positions offered. Competent male stenographers and typewriters readily find employment at salaries higher than those paid in the lower grades of the Government service, and naturally are unwilling to accept appointment except upon definite promise of promotion, which is usually impossible and always inadvisable. This condition may be remedied by the increase in pay of all the lower-grade positions requiring qualifications of stenography or typewriting, or both, to at least \$900 per annum. In several of the bureaus stenographers and typewriters are offered as little as \$720 per annum, and in one Bureau typewriters have been appointed at \$600 per annum. These salaries are too low to attract competent persons.

The law prohibiting transfers from one Executive Department to another until after three years of service has not worked an improvement. The bright young man coming into the service at a small salary is largely influenced in his acceptance of the place by the hope of reasonably early promotion. In many offices he finds that there is but little opportunity. He can not afford to wait three years for a transfer to some office where the chances are better, and he either leaves the service at the beginning of his usefulness or drifts into hopeless mediocrity. While it is probably true that some offices and Departments have suffered because of frequent transfers, it is believed that the proper remedy is a uniform reclassification of the service, as recently recommended by the Committee on Department Methods, and that any direct prohibition against transfers beyond the period of six months originally fixed by the civil-service rules, while affording apparent relief, does not remove the cause and can not be regarded as the correct solution of the difficulty. The nucleus of this Department was formed by transfers from other branches of the service, and it would probably have been a severe drawback had the transfer limitation then been in effect. Were all the Departments classified on a uniform basis, much, if not all, of the instability of the force in certain Departments and offices would disappear.

APPROPRIATIONS AND DISBURSEMENTS.

The itemized statement of the disbursements from the contingent fund of the Department of Commerce and Labor for the fiscal year ended June 30, 1907, will be transmitted to Congress in the usual form.

The following table shows the total amounts of all annual appropriations for the various bureaus and services of the Department of

Commerce and Labor for the fiscal year ended June 30, 1907, of all appropriations made for public works in the various services of the Department, and the balances of appropriations available July 1, 1906, for public works which, under the law, may be disbursed without regard to any particular fiscal year, and of all permanent indefinite appropriations:

	Annual appropriations, 1907.	Appropriations for public works.	Permanent indefinite appropriations.	Totals.
Office of the Secretary of Commerce and Labor	\$216,889.80			\$216,889.80
Bureau of Corporations	185,920.00			185,920.00
Bureau of Manufactures	78,280.00			78,280.00
Bureau of Labor	172,570.00			172,570.00
Light-House Board	46,640.00			46,640.00
Light-House Establishment.....	3,906,000.00			3,906,000.00
Light-houses, beacons, fog signals, etc.		\$2,992,883.98		2,992,883.98
Bureau of the Census.....	1,232,247.49			1,232,247.49
Bureau of Statistics.....	70,310.00			70,310.00
Office of the Supervising Inspector-General, Steamboat-Inspection Service	12,940.00			12,940.00
Steamboat-Inspection Service			\$471,549.27	471,549.27
Bureau of Navigation.....	28,660.00			28,660.00
Shipping service.....	7,000.00		61,531.32	68,531.32
Rent of quarters for shipping commissioner, San Francisco, Cal.....	2,100.00			2,100.00
Services to American vessels.....			11,583.05	11,583.05
Refunding penalties or charges erroneously exacted.....			3,877.09	3,877.09
Bureau of Immigration and Naturalization	132,550.00			132,550.00
Enforcement of the Chinese-exclusion act	500,000.00			500,000.00
Expenses of regulating immigration New island near Ellis Island, N. Y., and immigrant stations at Ellis Island and San Francisco, Cal.....			1,880,544.73	1,880,544.73
Bureau of Standards.....	170,947.37			170,947.37
Coast and Geodetic Survey	1,023,677.56			1,023,677.56
Bureau of Fisheries.....	631,620.00			631,620.00
Fish hatcheries, steam launches, etc.		164,298.23		164,298.23
Salaries agents at seal fisheries in Alaska	11,430.00			11,430.00
Supplies for native inhabitants, Alaska.	19,500.00			19,500.00
Miscellaneous:				
Judgments, Court of Claims	3,874.69			3,874.69
Judgments, United States courts	260.52			260.52
Reliefs, refunds of fines, etc.....	4,677.47			4,677.47
Totals.....	8,488,094.90	3,654,143.65	2,429,085.46	14,571,323.91

^a Of this amount, \$125,131.09 is to be expended without regard to fiscal year.

The disbursements by the disbursing clerk of the Department of Commerce and Labor during the fiscal year ended June 30, 1907, are set forth in the following table, which shows the disbursements for each quarter and the total amount disbursed during the fiscal year for each appropriation from which disbursements were made:

Bureaus and titles of appropriations.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Totals.
OFFICE OF THE SECRETARY.					
Salaries, Office of Secretary of Commerce and Labor, 1906.....	\$12,137.99				\$12,137.99
Salaries, Office of Secretary of Commerce and Labor, 1907.....	23,546.96	\$35,300.80	\$35,580.93	\$42,571.00	136,949.69
Contingent expenses, Department of Commerce and Labor, 1906.....	10,260.54	1,306.11			11,566.65
Contingent expenses, Department of Commerce and Labor, 1907.....	5,318.54	17,394.61	17,458.87	14,920.44	55,092.46
Rent, Department of Commerce and Labor, 1906.....	2,155.82				2,155.82
Rent, Department of Commerce and Labor, 1907.....	5,036.62	8,054.95	7,854.96	7,754.94	28,701.47
Salaries and traveling expenses of agents at seal fisheries in Alaska, 1906.....	2,294.30	665.79			2,960.09
Salaries, agents at seal fisheries in Alaska, 1907.....	182.50	2,250.83	1,460.00	1,283.83	5,176.66
Total.....					254,734.83
BUREAU OF CORPORATIONS.					
Salaries, Bureau of Corporations, 1906.....	4,941.78				4,941.78
Salaries, Bureau of Corporations, 1907.....	9,924.39	15,114.45	14,513.32	16,811.43	56,393.59
Salaries and expenses, special attorneys, examiners, etc., Bureau of Corporations, 1906.....	6,111.84	24.20			6,136.04
Salaries and expenses, special attorneys, examiners, etc., Bureau of Corporations, 1907.....	12,307.51	20,223.93	18,438.96	22,314.68	73,285.08
Total.....					140,756.49
BUREAU OF MANUFACTURES.					
Salaries, Bureau of Manufactures, 1906.....	1,126.69				1,126.69
Salaries, Bureau of Manufactures, 1907.....	4,027.47	6,234.58	5,927.58	6,332.51	22,522.14
Salaries and expenses, special agents, Department of Commerce and Labor, 1906.....	434.75				434.75
Salaries and expenses, special agents, Department of Commerce and Labor, 1907.....		1.56	2,614.40	1,600.00	4,215.96
Collating tariffs of foreign countries, 1906.....	381.95				381.95
Collating tariffs of foreign countries, 1907.....	200.00	326.67	518.67	960.00	2,005.34
Total.....					30,686.83
BUREAU OF LABOR.					
Salaries, Bureau of Labor, 1906.....	8,944.11				8,944.11
Salaries, Bureau of Labor, 1907.....	17,726.42	26,592.18	26,826.47	30,697.21	101,842.28
Miscellaneous expenses, Bureau of Labor, 1905.....	1,000.00				1,000.00
Miscellaneous expenses, Bureau of Labor, 1906.....	4,586.49	712.60		1,950.00	7,249.09
Miscellaneous expenses, Bureau of Labor, 1907.....	8,109.27	17,603.66	15,821.51	15,224.89	56,759.33
Library, Bureau of Labor, 1906.....	45.85				45.85
Library, Bureau of Labor, 1907.....	203.71	21.07	123.84		348.62
Stationery, Bureau of Labor, 1906.....	339.76				339.76
Contingent expenses, Bureau of Labor, 1906.....	628.48	.10			628.58
Postage to postal-union countries, Bureau of Labor, 1906.....	8.15				8.15
Total.....					177,165.77

Bureaus and titles of appropriations.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Totals.
LIGHT-HOUSE BOARD.					
Salaries, Office of Light-House Board, 1906.....	\$3,732.49				\$3,732.49
Salaries, Office of Light-House Board, 1907.....	7,563.29	\$11,783.69	\$11,347.63	\$13,501.04	44,195.65
Total.....					47,928.14
BUREAU OF STATISTICS.					
Salaries, Bureau of Statistics, 1906.....	6,465.98				6,465.98
Salaries, Bureau of Statistics, 1907.....	10,694.27	16,679.89	16,548.92	18,919.75	62,842.83
Collecting statistics relating to commerce, 1906.....	155.93				155.93
Collecting statistics relating to commerce, 1907.....	573.61	889.30	875.00	997.50	3,335.41
Total.....					72,800.15
BUREAU OF NAVIGATION.					
Salaries, Bureau of Navigation, 1906.....	2,400.86				2,400.86
Salaries, Bureau of Navigation, 1907.....	4,498.31	7,367.26	7,125.00	8,115.00	27,105.57
Contingent expenses, shipping service, 1906.....	1,152.96	170.35			1,323.31
Contingent expenses, shipping service, 1907.....	239.57	1,149.71	1,472.24	1,041.57	3,908.09
Rent of quarters for shipping commissioner, San Francisco, Cal., 1906.....	125.00				125.00
Rent of quarters for shipping commissioner, San Francisco, Cal., 1907.....	125.00	500.00	375.00	375.00	1,375.00
Total.....					36,232.83
BUREAU OF STANDARDS.					
Salaries, Bureau of Standards, 1906.....	8,192.51				8,192.51
Salaries, Bureau of Standards, 1907.....	18,017.96	26,788.86	26,590.13	32,153.62	103,550.57
Equipment, Bureau of Standards, 1906.....	8,991.57	141.40			9,132.97
Equipment, Bureau of Standards, 1907.....	3,850.69	13,564.42	8,168.30	7,722.39	33,305.80
General expenses, Bureau of Standards, 1906.....	917.43	225.92			1,173.35
General expenses, Bureau of Standards, 1907.....	996.77	4,845.47	4,502.49	3,077.09	13,421.82
Improvement and care of grounds, Bureau of Standards, 1907.....	1,272.57	1,265.84	65.05	396.54	3,000.00
Improvement and care of grounds, Bureau of Standards, 1907-8.....				507.37	507.37
Outbuilding, Bureau of Standards.....	131.69				131.69
Total.....					172,416.08
STEAMBOAT-INSPECTION SERVICE.					
Salaries, office of Supervising Inspector-General, Steamboat-Inspection Service, 1906.....	995.02				995.02
Salaries, office of Supervising Inspector-General, Steamboat-Inspection Service, 1907.....	2,156.64	3,235.00	3,235.00	3,765.00	12,391.64
Salaries, Steamboat-Inspection Service.....	92,789.50	97,765.83	97,790.83	98,569.39	386,915.55
Contingent expenses, Steamboat-Inspection Service.....	21,930.83	17,316.82	15,794.96	29,591.11	84,633.72
Total.....					484,935.98

Bureaus and titles of appropriations.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Totals.
BUREAU OF IMMIGRATION AND NATURALIZATION.					
Salaries, Bureau of Immigration, 1906.....	\$2,579.23				\$2,579.23
Salaries, Bureau of Immigration and Naturalization, 1907.....	5,229.94	\$8,137.50	\$8,132.02	\$9,395.00	80,894.46
Enforcement of the Chinese-Exclusion Act, 1906.....	32,087.69	1,193.06	88.00		33,368.75
Enforcement of the Chinese-Exclusion Act, 1907.....	57,639.14	87,671.42	89,972.84	97,658.30	332,941.70
Naturalization of aliens, 1907.....	934.19	5,469.91	6,904.34	13,936.22	27,244.66
Immigrant station, Ellis Island, N. Y.....			12.00	60,656.97	60,668.97
Immigrant station, San Francisco, Cal.....	69.91	1,538.10	28.92		1,631.93
New island near Ellis Island, N. Y.....	21,973.15				21,973.15
Expenses of regulating immigration.....	385,112.26	388,213.29	456,946.09	498,257.53	1,723,529.17
Payment to William John Wright and others.....	2,000.00				2,000.00
Payment to Cunard Steamship Co. (Limited).....	555.69				555.69
Refund to Mexican American Steamship Co.....		100.00			100.00
Refund to McKay Steamship Line.....			40.00		40.00
Refund to Oscar Klockner.....			30.00		30.00
Total.....					2,237,557.71
BUREAU OF FISHERIES.					
Salaries, Bureau of Fisheries, 1906.....	491.60				491.60
Salaries, Bureau of Fisheries, 1907.....	43,731.98	67,618.52	67,984.55	71,252.00	250,587.05
Miscellaneous expenses, Bureau of Fisheries, 1906.....	30,946.92	10,659.09			41,606.01
Miscellaneous expenses, Bureau of Fisheries, 1907.....	42,711.65	87,190.29	63,983.62	78,511.91	272,397.47
Protection of salmon fisheries of Alaska, 1906.....	441.95	66.25			508.20
Salaries, agents at salmon fisheries in Alaska, 1907.....	749.99	1,125.00	1,125.00	1,309.17	4,309.16
Fish hatcheries, Alaska.....	483.16	1.45	116.25	1,108.75	1,709.61
Fish hatchery, Baird, Cal.....		435.12	864.28	10.06	1,309.46
Fish hatchery, Battle Creek, Cal.....	2,407.25	3.30	29.90	3.30	2,443.75
Fish hatchery, Cold Springs, Ga.....		10.00			10.00
Fish hatchery, Craigs Brook, Me.....		5,040.00	2,790.00	1,070.00	8,900.00
Fish hatchery, Green Lake, Me.....		6.00			6.00
Fish hatchery, Iowa.....		888.76	186.03	256.03	1,330.82
Fish hatchery, Lake County, Colo.....	339.86	17.00	21.10	94.60	472.56
Fish hatchery, Mammoth Spring, Ark.....	1,359.77	3,514.81	804.32	400.12	6,079.02
Fish hatchery, Montana.....	370.62	169.10	68.25	16.95	624.92
Fish hatchery, Neosho, Mo.....				1,225.00	1,225.00
Fish hatchery, Put-in-Bay, Ohio.....	17.33	37.87	97.61	3,857.20	4,010.01
Fish hatchery, South Dakota.....	167.23	174.50			341.73
Fish hatchery, Tupelo, Miss.....	58.40	48.38		200.00	306.78
Fish hatchery, West Virginia.....	79.56	581.56		82.05	743.17
Fish hatchery, Woods Hole, Mass.....	6,813.98	8.42	4.05	164.04	6,990.50
Fish hatchery, Wytheville, Va.....	167.00		29.00	8.40	204.40
Repairs to schooner Grampus.....	28.85	25.96	2.63	6.36	63.80
Steam launch for Boothbay Harbor, Me.....			4,850.00		4,850.00
Total.....					611,520.97
Totals.....	979,530.64	1,025,181.46	1,046,090.87	1,215,632.76	4,266,785.73

The following table shows the expenditures during the fiscal year ended June 30, 1907, on account of all appropriations under the control of the Department of Commerce and Labor, giving in detail the total amount disbursed by the various disbursing officers of the Department:

By the disbursing clerk, Department of Commerce and Labor, on account of salaries and expenses of the Office of the Secretary of Commerce and Labor, the bureaus of Corporations, Manufactures, Labor, Statistics, Navigation, Immigration and Naturalization, Standards, and Fisheries, the Light-House Board, the office of the Supervising Inspector-General, Steamboat-Inspection Service, expenses of regulating immigration, expenses of enforcing the Chinese-exclusion act, salaries and expenses Steamboat-Inspection Service at large, salaries and expenses of agents at seal fisheries in Alaska, and public works of the Immigration and Fisheries Services (shown in detail in the above table of disbursements).....	\$4, 266, 735. 73
By the engineer and naval secretaries of the Light-House Board, engineers and inspectors detailed from the Army and Navy to duty in the Light-House Establishment, and all other officers who disbursed money for the Light-House Establishment.....	4, 650, 541. 91
By the disbursing clerk, Bureau of the Census, on account of salaries and expenses of the Bureau of the Census.....	1, 187, 463. 69
By the special disbursing agent, Coast and Geodetic Survey, on account of salaries and expenses of the Coast and Geodetic Survey	859, 873. 08
By the special disbursing agents of the Immigration Service.....	20, 909. 87
By the special agents of the Department investigating trade relations abroad, as special disbursing agents.....	31, 271. 79
By customs officers, on account of witnesses' fees in steamboat investigations	845. 95
By special disbursing agent, Steamboat-Inspection Service.....	1, 144. 08
By special disbursing agent, Fisheries Service.....	655. 37
By the Auditor for the State and other Departments on account of all the bureaus, offices, and services.....	260, 076. 28
Total disbursements during the fiscal year.....	11, 279, 517. 73

Congress has acted upon the recommendation contained in the annual report of my predecessor for the fiscal year ended June 30, 1906, and upon the recommendation contained in the annual estimates for the fiscal year ended June 30, 1907, by authorizing the abolition of the special disbursing agency for the Bureau of Fisheries and the consolidation of the work of that office with that of the disbursing clerk of the Department. This arrangement has proved eminently satisfactory, as by having disbursements made by the disbursing clerk of the Department a closer administrative supervision of expenditures can be maintained by the head of the Department. Economy in clerical help has also resulted from this change.

DIVISION OF PRINTING.

The work of improving the publications of the Department and economizing on the printing bills has continued during the past year.

As the sphere of the Department broadens and the effectiveness with which the bureaus do their work increases, the publication branch grows in bulk of product and in importance. The reports of the Department are its voice and a measure of its usefulness, and their improvement in every way is its constant aim.

The Department was allotted \$500,000 for printing and binding for the fiscal year ended June 30, 1907, of which amount \$125,000 was for the Bureau of the Census. Of the \$375,000 remaining for printing and binding for the other offices, bureaus, and services of the Department, \$332,190.99 was expended, leaving a balance to be covered into the Treasury of \$42,809.01. As compared with the amount expended for this service during the fiscal year 1906, namely, \$426,082.81, the past year's expenditure represents a decrease in the total cost of the Department's printing of \$93,891.82.

The success of the Department's efforts to secure greater economy in printing appears in the notable contrast between the growth in the bulk of the Department's printing during the year and the decrease in the amount expended for it, shown in the following tables:

STATEMENT SHOWING THE AMOUNT OF WORK ORDERED FROM THE PUBLIC PRINTER DURING THE FISCAL YEARS 1906 AND 1907, BY CLASSES.

Class.	1906	1907	Increase (+) or decrease (-).	Per cent of in- crease (+) or de- crease (-)
	Quantity.	Quantity.	Quantity.	
Reports, documents, and pamphlets.....	1,841,676	2,740,821	+ 899,195	+ 48.82
Blank forms.....	9,401,248	10,688,353	+1,287,110	+ 13.69
Circulars and decisions.....	180,650	368,708	+ 188,058	+104.00
Letter heads.....	1,401,500	1,754,500	+ 353,000	+ 25.11
Blank books, etc.....	25,622	27,204	+ 1,582	+ 6.13
Miscellaneous binding.....	8,523	3,824	- 588	- 5.65

STATEMENT SHOWING THE COST OF PRINTING AND BINDING DURING THE FISCAL YEARS 1906 AND 1907, BY CLASSES.

Class.	1906	1907	Increase (+) or decrease (-).	Per cent of in- crease (+) or de- crease (-).
	Reports, documents, and pamphlets.....	\$350,728.15	\$241,565.97	-\$109,172.18
Blank forms.....	52,666.50	65,511.56	+ 12,845.06	+24.39
Circulars and decisions.....	3,881.21	3,846.19	- 35.02	- .09
Stationery: Letter heads, etc.....	3,919.31	7,563.18	+ 3,643.87	+92.96
Blank books, etc.....	6,254.97	7,036.88	+ 781.91	+12.50
Miscellaneous binding.....	4,676.05	4,755.48	+ 79.43	+ 1.69
Miscellaneous.....	3,956.62	1,921.73	- 2,034.89	-51.43
Total.....	426,082.81	332,190.99	- 93,891.82	-22.04

* Of this amount \$253,519.55 was paid from the Congressional allotment for reports and documents ordered printed by law.

On March 14, 1906, in accordance with the Executive order of January 20, 1906, an advisory committee on printing and publication for this Department was appointed, consisting of the Assistant Secretary of Commerce and Labor, the Chief Clerk of the Bureau of the Census, and the Chief of the Division of Printing. This committee has devoted considerable time and study to the various publications of the Department, and the saving made during the past year in the Department's printing bill is largely the result of its initiative. It has had a wholesome effect in deterring the bureaus from making requests for printing not known to be necessary for the proper conduct of the public business. Taken in connection with the careful editing and preparation of all manuscripts before they are sent to the printer, the work of the committee has lessened the cost of the Department's publications, which at the same time have increased in number and usefulness.

Not only has this committee effected a large saving in the amount expended for printing during the past fiscal year, but it has prevented much waste of labor in compiling material intended for publication by the rejection in some cases of the outlines which the bureaus are required to submit for all proposed publications before the actual work of compilation is begun.

COMMITTEE ON STATISTICAL REORGANIZATION.

Under the authority conferred upon me by section 4 of the organic law establishing the Department of Commerce and Labor, which provides in part that "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," I appointed on September 20, 1907, a committee consisting of Lawrence O. Murray, Assistant Secretary of Commerce and Labor, chairman; S. N. D. North, Director of the Census; Herbert Knox Smith, Commissioner of Corporations; Charles P. Neill, Commissioner of Labor, and O. P. Austin, Chief of the Bureau of Statistics, to inquire into and report to me upon the statistical work of this Department with a view to its reorganization and the consolidation of any of the branches engaged in the work. In order that the committee might have the advice of some distinguished economists and statisticians on the subject I invited Professors J. W. Jenks, of Cornell University, Ithaca, N. Y.; E. R. A. Seligman, of Columbia University, New York, N. Y.; and H. Parker Willis, of George Washington University, Washington, D. C., to serve in an advisory capacity to it. This committee has devoted much time to

the subject, and has made a careful study of the work of the various offices and bureaus of the Department engaged in gathering, compiling, and publishing statistical data, and of the publications emanating from each of them. The committee is now engaged in formulating its report, which will shortly be forwarded to me for my information and guidance in my efforts to coordinate the statistical work of this Department.

BUILDING FOR THE DEPARTMENT.

I earnestly recommend that Congress provide a suitable public building for this Department, large enough to permit of the concentration under one roof of all its scattered bureaus, with the exception of the Bureau of Standards, which is already occupying buildings specially designed to meet its needs. Such action as was contemplated by a provision in the sundry civil bill of the first session of the Fifty-ninth Congress (H. R. 19844) would be thoroughly acceptable. The locations of quarters that are now rented by this Department, and the amounts paid in rentals, are shown in the following table:

Location.	Occupied by—	Annual rental.
Willard Building, 513-515 Fourteenth street NW.	Department (main building).....	\$11,890.00
Emery Building, northwest corner First and B streets NW.	Bureau of the Census.....	21,000.00
204-206 Fourteenth street NW.....	Bureau of the Census (storage purposes).....	1,080.00
National Safe Deposit Building, corner New York avenue and Fifteenth street NW. (in part).	Bureau of Labor.....	6,750.00
Do.....	Bureau of Labor (rooms for storage).....	750.00
Builders' Exchange Building, 719-721 Thirteenth street NW. (in part).	Light-House Board, Steamboat Inspection Service, and Bureau of Navigation.	7,600.00
Adams Building, 1333-1335 F street NW. (in part).	Bureau of Statistics.....	4,039.80
1137-1139 Seventeenth street NW.....	Department (stables).....	1,500.00
Basement, 920-922 E street NW.....	Light-House Board and Bureau of Statistics (storage of records and documents).	1,500.00
Munsey Building, rooms 404-408.....	Division of Naturalization.....	4,000.00
Total.....		60,049.80

During the past year the crowded condition of the buildings of the Department, mentioned in the last annual report of the Secretary, has resulted in much discomfort to officials and employees, and necessitated makeshift arrangements that have materially decreased the efficiency of some portions of the Department's activities, as well as increased the running expenses.

Every effort has been made during the past two years to render the present quarters suitable to meet steadily growing needs, and during the past year it was found necessary to move the Division of Sup-

plies into temporary quarters in the building occupied by the Bureau of the Census, which are unsuited for continuous occupation by employees. In spite of this radical action, the extra space thus gained in the Willard Building has been entirely insufficient to provide room for the recently created Division of Information in the Bureau of Immigration and Naturalization, and for additional employees in the Bureau of Corporations and in the Bureau of Immigration and Naturalization. As a result furniture and employees have been forced out into the narrow hallways, to the detriment of administration and the partial obstructing of hallways which, when clear, are none too wide.

It has been impossible to give the Bureau of Corporations enough space to accommodate the number of employees already authorized, and every division of the Secretary's Office is crowded to such an extent that work is performed under serious handicap. In the endeavor to provide space I may mention that the Department library has been sacrificed; all books that could possibly be spared have been eliminated from the library of the Bureau of Labor; files and records not needed for current use have been put into storage; all records and papers of no further use or historic value have been destroyed by permission of Congress; cumbersome furniture has been replaced by the most compact; swinging typewriter brackets have been substituted for typewriter tables; and hallways have been utilized for file cases, for desks, and for clerks and messengers, until in some cases mere passageways exist through the hallways, which are otherwise treated as though they were separate rooms.

The building on Thirteenth street occupied by the Light-House Board, the Bureau of Navigation, and the Steamboat-Inspection Service, besides being very crowded, is old and unsuited to the requirements of the bureaus, and valuable records are exposed to destruction by fire.

Not including the Bureau of Standards, which is located in the suburbs, the buildings occupied by the Department are scattered over an area about $1\frac{1}{2}$ miles long east and west and about one-half mile wide from north to south. The loss of time to officials and employees and the inconvenience and extra expense incident to the transaction of the daily business by so scattered an organization are self-evident.

My predecessor estimated that the assembling of the bureaus and offices of the Department in one public building would result in an annual saving in rent of \$60,000, and also in a saving in administration of at least \$66,000 a year, or a total of over \$125,000 a year. This amount would pay the interest, at 2 per cent, on \$6,250,000 of United States bonds. The saving in administration would result

from a reduction in clerical force, made possible by consolidation of the libraries and the disbursing and appointment work of outlying bureaus and offices; from a reduction in the subclerical force, including watchmen, engineers, charwomen, laborers, elevator conductors, mechanics, and the like, and through economy of time and service, and a saving in fuel, electric lights and power, horses, wagons, and telephones.

The increased values in the business section of Washington render it impossible to hire modern buildings at the rates now paid by the Department, and even partial concentration is rendered impossible without an extra appropriation.

Preparation for the taking of the Thirteenth Census must begin during the coming fiscal year, which renders it imperative that the Bureau of Manufactures and the Division of Supplies of the Secretary's Office, which are now housed in the Census building, should be moved to other quarters. There is scarcely a foot of space available in any of the Department buildings, whether owned by the Government or rented, and it is therefore necessary that an appropriation be made to furnish quarters for these two branches of the Department. The appropriation must also be adequate to furnish quarters for the overflow from the other buildings that will be made necessary by the steady increase in all branches of the Department's activities. I have therefore embodied in the estimates of the Department a request for the appropriation of \$15,000, to be used to the best advantage in securing absolutely necessary quarters for the bureaus of this Department which are now either wholly, or partially without adequate working space. Several years must necessarily elapse before a public building could be ready for occupancy by this Department, even though the acquisition of ground and the drawing of plans be authorized at the coming session of Congress. In the meantime it is of course necessary that the Department occupy such rented quarters as are available.

The Department has received several offers from private parties to erect a modern fireproof building of the commercial type, large enough to permit of the concentration of all of the renting bureaus, except the Bureau of the Census, provided the Department were authorized to enter into lease for such a building for a term of years, but no offer has been received without such a stipulation. It is believed that the economies and increased efficiency resulting from the concentration of the various branches of the Department would more than offset the increased rental that such an arrangement would entail.

CONCLUSION.

In conclusion, I desire to record my high appreciation of the faithful and efficient services of the officials and employees of the Depart-

ment, and of their conscientious devotion to the duties assigned to them. The Department probably contains more different branches of work than are comprised in any other Department of the Government. As stated in the beginning of this report, the difficulties arising from the diversity of work under the immediate supervision of the chiefs of the respective bureaus have been largely overcome by the periodical meetings in my office of the several chiefs, for the purpose of better coordinating the work of the Department as a whole.

OSCAR S. STRAUS,
Secretary.

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