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ANNUAL REPORT

OF THE

SECRETARY OF COMMERCE AND LABOR

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SECRETARY OF COMMERCE AND LABOR

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WASHINGTON
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1908

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SIXTH ANNUAL REPORT
OF THE
SECRETARY OF COMMERCE AND LABOR.

DEPARTMENT OF COMMERCE AND LABOR,
OFFICE OF THE SECRETARY,
Washington, December 1, 1908.

To the PRESIDENT:

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

Organized during your first administration, under the act approved February 14, 1903, the Department, as was naturally to be expected, has continually grown, both in extent and importance. Its functions are administered through twelve different bureaus, and it comes perhaps in closer touch with the human, as well as the economic, interests of the country than any other Department of the Government.

Our age has been very properly called an era of commercial development and expansion, and the United States, by reason of its many exceptional advantages, its boundless natural resources, and possessing a growing, intelligent, energetic, enterprising, and self-reliant population, is reaping a greater share of industrial and commercial prosperity than any of the other nations of the world.

As the head of the Department, it has been my constant aim to so administer its various branches as to afford the greatest amount of assistance, information, and guidance to the various industrial and commercial activities that come under its administrative scope.

For the purpose of coordinating the work of the various bureaus which is more or less closely allied, I have continued the plan, adopted when I took charge of the Department two years ago, of periodically calling together in conference the chiefs of the bureaus, so that each might be informed as to the work that the other bureaus are doing, and render such cooperation as might be found desirable and advantageous. This I regard especially necessary for the Department, not only because of its varied activities, but also by reason of the fact that it has no building of its own, its several bureaus being housed in different parts of the city, most of them in rented quarters.

The question has frequently been mooted, and doubtless will continue to be, that there should be a separate department for labor as

distinguished from commerce. While this is a subject which is purely legislative, I deem it not out of place to briefly state why I would regard, at any rate for some years to come, such a separation unwise and not advantageous for labor.

Labor and the industries and commerce are closely allied and interdependent. The head of a department charged with the administration of the commercial and industrial activities from which labor derives its chief employment and wages is in a better position to guard and promote the best interests of labor, especially in connection with the direction to be given for the development and expansion of commerce, domestic and foreign, than if his administration were confined to the interests of only one of these two great industrial forces, which are generally classified under the designation of capital and labor. That commerce which is developed and expanded to the detriment, either of the health or of the wage standard, of the laborers engaged therein, however profitable it might be in the material sense, is harmful to a nation's welfare, and should be discouraged. The head of a department who is charged with the administration of both of these interests would, in my judgment, be better qualified to direct commerce out of channels which lead to such serious consequences than if these interests were intrusted to separate administrations. I refer, for instance, to that class of industries which are deleterious to health or in which the labor of women and children, because it is much cheaper, largely enters; a subject which is now under investigation by the Department, and which will be more specifically referred to under the subdivision of this report entitled "Bureau of Labor."

IMMIGRATION AND NATURALIZATION.

The work of the Bureau of Immigration and Naturalization is divided for administrative purposes into four divisions—first, immigration in general; second, Chinese immigration; third, the Division of Information; and fourth, the Division of Naturalization. These subjects will be considered in their order.

The Bureau suffered a great loss by the death of the Commissioner-General, Frank P. Sargent, which occurred September 4, 1908, and was preceded by months of illness. Mr. Sargent was a competent, capable, and conscientious official, and his long experience at the head of this Bureau, beginning with June 25, 1902, when it was yet under the Treasury Department, and his faithful devotion to duty, emphasize the loss that the Bureau and the Department have sustained.

IMMIGRATION IN GENERAL.

In my last annual report I referred to the fact that up to the close of the civil war all our laws upon the subject of immigration were framed to encourage it, and that since then our legislation, while in no way hostile to immigration as such, has been directed toward the elimination of undesirable classes, such as those afflicted with dangerous contagious diseases, persons likely to become public charges, criminals, paupers, and those who do not come to us of their own volition but because their municipalities or governments desire to be rid of them.

President Lincoln, during our civil war, in his third annual message (1863), referring to the subject of immigration, said:

I again submit to your consideration the expediency of establishing a system for the encouragement of immigration. Although this source of national wealth and strength is again flowing with greater freedom than for several years before the insurrection occurred, there is still a greater deficiency of laborers in every field of industry, especially in agriculture and in our mines, as well of iron and coal as of the precious metals. While the demand for labor is much increased here, tens of thousands of persons destitute of remunerative occupation are thronging our foreign consulates and offering to emigrate to the United States if essential, but very cheap, assistance can be afforded them. * * * This noble offer demands the aid, and ought to receive the attention and support, of the Government.

Again, in his fourth annual message (1864), he said:

I regard our immigrants as one of the principal replenishing streams which are appointed by Providence to repair the ravages of internal war and its waste of national strength and health. All that is necessary is to secure the flow of that stream in its present fullness, and to that end the Government must in

every way make it manifest that it neither needs nor designs to impose involuntary military service upon those who come from other lands to cast their lot in our country.

The following table, showing the population of the United States at each decennial census from 1860 to 1900, inclusive, with the number and per cent of native and foreign born, will be found of interest in connection with the subject of immigration. It will be observed that the per cent of foreign born during the forty years has remained practically stationary.

Census year.	Total population considered.	Native born.		Foreign born.	
		Number.	Per cent of total.	Number.	Per cent of total.
1860.....	31,443,321	27,304,624	86.8	4,138,697	13.2
1870.....	38,558,371	32,991,142	85.6	5,567,229	14.4
1880.....	50,155,783	43,475,840	86.7	6,679,943	13.3
1890.....	63,069,756	53,761,652	85.2	9,308,104	14.8
1900.....	76,303,387	65,843,302	86.3	10,460,085	13.7

In my last annual report I discussed the general subject of immigration with special reference to its modern phases, and as it has manifested itself in this country, referring to the well-known fact that the rapidity of communication and the cheapness of passenger traffic in recent years has facilitated the migration, especially of the laboring classes, from one country to another where the opportunities for advancement and improving their condition were most favorable. The same physical causes above referred to which facilitate immigration to this country also facilitate emigration therefrom when, by reason of industrial depression or other causes, the opportunities for employment grow less or are even temporarily impeded.

IMMIGRATION AND EMIGRATION.

During a portion of the past fiscal year, and extending into the present, this country has suffered an industrial depression due to a number of causes, among others to overproduction, which were world-wide, but perhaps for the time being more accentuated in this than in the other commercial countries.

The effect upon immigration to this country and emigration therefrom was almost immediate. While the immigration to this country for ten years and more had in each year increased considerably over the preceding year, the fiscal year 1908, as compared with the fiscal year 1907, shows a falling off of about 39 per cent, and as compared with the fiscal years 1906 and 1905 there were approximate decreases of 29 and 24 per cent, respectively. The total number of immigrant aliens who entered the country in the last fiscal year was 782,870, being 502,479 less than in the fiscal year 1907.

For the past fiscal year for the first time it has been possible, by virtue of the provisions of section 12 of the immigration act of February 20, 1907, to ascertain definitely the number of alien departures, and accordingly the net increase to our population by immigration. The new statistical table given in the report of the Commissioner-General of Immigration shows that in addition to 782,870 immigrant aliens admitted to this country there were admitted 141,825 classed as nonimmigrants, making a total of 924,695; and also that there departed from the United States 395,073 emigrant aliens, together with 319,755 nonemigrant aliens, making a total of 714,828. Deducting these total departures of aliens from the total arrivals during the fiscal year, the net increase of alien population has been 209,867.^a Even this net increase is further reduced by the departure from the United States of naturalized American citizens, concerning which latter class no method is provided by law for collecting data. While the number perhaps is not large, it is still appreciable.

It is worthy of note that of the 782,870 aliens admitted, 630,671 were between the ages of 14 and 44, and 112,148 were under the age of 14; only 40,051 had reached or passed the age of 45. Of those admitted, exclusive of aliens under 14 years of age, 172,293 could neither read nor write, and 2,310 could read but not write. About 26 per cent of those admitted, 14 years of age and over, were illiterate, as compared with 30 per cent for the year 1907. The total amount of money actually shown to immigration officers by arriving aliens was \$17,794,226, an average of almost \$23 per capita. But it is well known that the amount actually brought over was considerably larger, as under the law aliens are not asked the amount of money in their possession in excess of \$50, and there is a natural fear and timidity on the part of most aliens to exhibit a larger amount of money than is regarded by them as necessary for the purpose of reaching their destinations or to show that they have sufficient, in connection with their ability to work, to prevent them from becoming public charges. I have known instances, when I have been present at Ellis Island, when, upon questioning the immigrant, who had shown a nominal sum, as to whether that was all the money he had brought, he exhibited amounts five to ten times greater than he had originally shown.

^a Arriving aliens whose permanent residence has been outside the United States, who intend to reside permanently in the United States, are classed as immigrant aliens. Departing aliens whose permanent residence has been in the United States, who intend to reside permanently outside, are classed as emigrant aliens. All alien residents of the United States making a temporary trip abroad and all aliens residing abroad making a temporary trip to the United States are classed as nonimmigrant aliens on the inward journey and nonemigrant on the outward. The great preponderance of nonemigrant over nonimmigrant aliens is due largely to the fact that many who on arrival intend to reside permanently change their minds and return after a temporary residence.

REJECTIONS AND DEPORTATIONS.

There has been a considerable increase in the number of aliens rejected on account of mental defects, namely, from 218 in 1907 to 370 in 1908. There has also been in the past year a large increase in the number of contract laborers rejected, from 1,434 in 1907 to 1,932 in 1908, an increase of about 34 per cent. These increases are all the more significant when it is remembered that there has been a decrease of about 39 per cent in the total immigration.

Warrants of deportation have been executed, after proper hearings, in the cases of 1,955 aliens arrested on the charge of unlawful residence, and 114 aliens have been deported with their own consent, they having become charges on the public from causes arising subsequent to their landing. Adding 2,069 deportations to the 10,902 rejected at the ports shows a total of rejections and deportations of 12,971, a decrease from last year of nearly 8 per cent, but an increase of 50 per cent in the ratio the deportations bear to the admissions in the respective years.

Of course these figures give but an inadequate idea of the much greater number of undesirable aliens who but for the stringency of our laws would emigrate to this country, and of the large number that were rejected by the steamship companies because of the penalty they would incur upon the rejection of such aliens upon their arrival.

STATISTICS OF NET IMMIGRATION.

The immigration figures published by the Department in past years, while as nearly correct as possible, either have not been fully understood by the general public or their real significance has misled it. After all, the main consideration is, not how many immigrants come to this country, but rather how many remain, and to what extent the population is augmented from year to year by this alien migration.

Based upon the alien departures for those months of the past year which preceded and were not affected by the industrial depression, the statistical expert of the Bureau has made a calculation of the net immigration for each year from 1899 to 1908, inclusive, giving the total alien arrivals, the total alien departures (in part estimated), and the ratio that the net immigration bears to the immigration figures heretofore published during that period. This calculation will be found as an appendix to this division of the report (p. 29). The statement shows that the net immigration for the period is only 68 per cent of the accepted figures of immigration as heretofore published; in other words, the accepted figures of immigration are 48 per cent in excess of the net immigration.

EMIGRATION.

The facility and cheapness of communication, especially in ocean travel, during the last two decades, which has contributed so materially to immigration to this country, has, as the figures I have referred to indicate, likewise contributed to emigration from this country to other lands. It has influenced also, in a much lesser degree, the migration from this country of native-born citizens.

There are some who regard this large emigration of aliens and naturalized citizens as an additional objection to immigration in general, inasmuch as many of this class who come to this country, and by industry and economy accumulate what will give them, in the country of their origin, a reasonable competency, return thereto, either for temporary sojourn or to spend their remaining years.

This subject has other important aspects which should not be lost sight of. Notwithstanding the large increase in immigration during the past decade, the wage standard of this country has not been lessened; on the contrary, it has continued to increase. The immigrants have also in more recent years contributed quite materially toward transplanting new industries from the different countries from which they emigrated, and toward expanding, among other industries, those that had already been transplanted and established. I think it can also be stated as a fact that the immigrant laborer as a class usually finds employment at the bottom of the scale of industries, thereby leaving the higher grades, where work is more remunerative, to the native workman.

In a commercial sense, this emigration is not without significance. The immigrant who comes to this country, lives here for a number of years, and returns either to his own country or to some other naturally takes with him, not only the money that he has, through thrift and industry, accumulated, but also, to a greater or less extent, American ideals, American tastes, and American requirements. These he consciously or unconsciously transplants. The influence of this emigration upon our foreign trade, especially upon our exports, is not inappreciable. The emigrant is a commercial missionary. His desire for many of our manufactures, with the need of which he has become accustomed, has doubtless, to some extent, contributed to the export of such products, both directly and indirectly, to the country to which he has emigrated.

There is still a larger view which may properly be taken, and should not be disregarded. This migration, when normal and not induced by oppression or persecution, has a far-reaching influence in interpreting one nation to another, in establishing closer relations, and in promoting the peace of the world. Charles Sumner, in his "Prophetic Voices Concerning America," no doubt had this phase

of the subject in view, together with other causes, when he stated that "the national example will be more puissant than army and navy for the conquest of the world."

JAPANESE AND KOREAN LABORERS.

By the last proviso to section 1 of the new immigration act the President was authorized to refuse admission to any aliens making use of passports limited to the insular possessions or to foreign territory contiguous to continental United States to gain admission to such continental territory of the United States to the detriment of labor conditions therein. The President, by his proclamation of March 14, 1907, availed himself of this law to direct the exclusion from the mainland of Japanese and Korean laborers holding such passports. This was followed by a general understanding between the Governments of the United States and Japan, in accordance with which the latter Government is continuing its policy of discouraging the migration of its laborers to this country.

The statistics show that in June, 1907, a total of 2,208 Japanese were admitted (1,134 to the continent and 1,074 to Hawaii), and that in June, 1908, only 781 Japanese were admitted (446 to the mainland and 335 to Hawaii). Of the 446 admitted to the mainland, 263 were engaged in nonlaboring pursuits and only 183 in laboring occupations. As a further illustration of the gradual but sure reduction accomplished, it might be noted that in the first month of the past fiscal year 1,158 Japanese were admitted to continental United States; in January, 1908, only 495 were admitted, and in June, as already stated, only 446. During the entire year, 9,544 Japanese were admitted to continental United States, of whom 5,503, or over half, were nonlaborers; during the same period, 5,718 Japanese departed from continental United States; so that the net increase in the Japanese population was only 3,826.

The understanding with Japan, in accordance with which the two Governments are cooperating to enforce the law and the President's proclamation, contemplates that the Japanese Government shall issue passports to continental United States only to such of its subjects as are nonlaborers or are laborers who, in coming to the continent, seek to resume a formerly acquired domicile, to join a parent, wife, or children residing there, or to assume active control of an already possessed interest in a farming enterprise in this country. How well this understanding is already working is illustrated by the figures for the last month of the fiscal year 1908. During said month, 485 Japanese applied for admission to the continent, of whom 446 were admitted and 39 debarred. Of this total, 462 were, and 23 were not, in possession of proper passports. Of the 462 holding proper passports, 406

were found on examination to belong to the classes entitled thereto. These 406 consisted of 146 former residents, 179 parents, wives, or children of residents, and 81 new arrivals who were nonlaborers. The remaining 56 in possession of passports were found on examination to be neither former-resident laborers, nor parents, wives, or children of former residents, nor settled agriculturists.

CONTRACT LABORERS.

This subject has engaged my personal attention extensively during the past year; for I feel that the laboring men of the country have a right to demand that the Department of Commerce and Labor shall exercise its utmost vigilance and care to detect violations and to enforce the laws regarding alien contract labor, which were passed especially for their protection. The act which became operative on the first of the year is a great improvement over previous legislation upon this subject. It has codified and made much more definite the provisions of prior laws and has removed all doubt as to the excludability of aliens who are 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, and also all doubt as to the penal culpability of individuals or corporations that encourage such migration. Moreover, it has established a new class of excludable persons, which class frequently includes aliens coming to this country contrary to the spirit of the law as it was previously enacted, by placing upon those whose passage is paid by others the burden of showing not only that they do not belong to one of the excluded classes, including contract laborers, but also that their "passage was not paid for by any corporation, association, society, municipality, or foreign government, either directly or indirectly."

Much greater success has attended the Department's efforts to enforce the alien contract labor law during the past year than in any preceding year. One reason is the increased scope of the law already mentioned; another, the fact that the last act authorized the appointment of special officers to conduct investigations for this purpose; and a third, the fact that industrial conditions have been such as to make it less difficult to obtain evidence of violations than it was during a period when not only all domestic labor but all labor that could be brought to this country was steadily employed.

The greatest violators of the contract labor laws are the American manufacturers, who, as a rule, do not act directly, but indirectly through agents and subagents. It is very difficult to secure evidence in such a form as will be sufficient in detail to enable suit to be

brought under the penal provisions of the act, though from an administrative point of view the circumstances are often sufficiently convincing that the law has been surreptitiously evaded. In practice it is less difficult to secure the evidence upon which deportation proceedings can be instituted against the laborers who have been imported.

Labor unions themselves have at times been found among the violators of the law. Early in February last information reached the Department to the effect that, as a result of a disagreement between two rival organizations of glassworkers, an effort was being made by the president of one of the organizations to bring into the United States several hundred cutters and flatteners, to be furnished under an agreement between him and the president of the Belgium Glass Workers' Union.

Shortly thereafter there arrived at Ellis Island a party of fifteen, who, on being examined by a board of special inquiry, were rejected as contract laborers. Evidence adduced at these hearings, with that already before the Department, justified the institution of a further investigation, with the object of determining who was responsible for this attempted violation of the law.

The report of the officers detailed on such investigation shows that at least three glassworker organizations, including the two already mentioned, were connected to some extent with the matter. It was clearly shown that the aliens were being brought to the United States in pursuance of some distinct understanding for employment here, of which they had been made aware through the columns of a newspaper published in Charleroi, Belgium, by the president of the Belgium Glass Workers' Union, and their deportation was accordingly ordered.

During the year, 1,932 contract laborers were rejected at United States ports and returned to their countries of origin, an increase of 34 per cent over the rejections for the year 1907, notwithstanding a falling off of 39 per cent in immigration. In addition, there have been arrested within the United States and deported therefrom 240 aliens found here in violation of the alien contract labor laws. Thus it will be seen that a total of 2,172 contract laborers have been removed from the country.

The enforcement of the law has not been restricted, however, to dealing with the aliens themselves, but every effort has been made to mete out appropriate punishment to the individuals and corporations found violating the law. About 30 instances of this kind have arisen during the year, and the matter is of such importance that I deem it appropriate to mention a few of the more prominent cases and the results attained with the assistance of the Department of Justice and the local United States attorneys.

The Allis-Chalmers Company, a large corporation of Chicago, having direct business connections with houses bearing similar names in England and Canada, brought to the United States four English iron molders. These skilled laborers were apprehended and were deported after being used as witnesses against the company. A conviction was obtained in the district court at Chicago and the maximum fine of \$4,000 imposed, which decision was sustained when the case was appealed by the company to the circuit court of appeals.

The Duquesne Mining and Reduction Company, a mining corporation of Tucson, Ariz., arranged for the importation from Mexico of a party of miners. The aliens were apprehended and deported, and every effort was made to obtain from them the evidence necessary to a conviction of the company. After carefully considering such evidence as was secured, the case was settled by compromise, the corporation pleading guilty to one of the counts of the complaint and paying a fine of \$1,000 and costs in the amount of \$1,500.

The Arizona Copper Company case also arose on the Mexican border. The corporation is a branch of an Edinburgh establishment, and it was shown that in at least several specific instances employees had been sent out from Edinburgh to attend to the company's business in Arizona. This case was also compromised, the company being required to pay \$2,000 on account of the two aliens against whom the limit of the law had not run, and who were actually deported.

The Tsokas Brothers case was that of two Bulgarians who were shown to have brought to this country a large number of Bulgarian and Macedonian laborers under a system violating the spirit of the contract labor laws and involving an outrageous exploitation of the aliens themselves. The prosecution was brought in New York City and one of the brothers, the one really responsible for the violation of law, was convicted of conspiracy and sentenced to eight months' imprisonment. As many as 87 aliens were apprehended and deported.

The Steelton case was another of similar character, in which a large number of aliens were apprehended and, after hearing, deported on the ground that their migration had been induced by offers and promises of employment. Unfortunately, however, in this case it was not possible to secure evidence sufficiently definite in a court of law to place the responsibility for the numerous violations of law, and therefore no prosecution was brought.

Other cases in which similar action has been taken might be described, but the foregoing are sufficient to illustrate the scope of the Department's endeavors and the general success which has attended them.

One respect in which even the amended law does not produce satisfactory results consists of the fact that the exception made in favor

of States and Territories advertising the facilities and inducements they offer to immigration is neither broad nor specific enough to accomplish its apparent object. Taking the exception literally, it does not seem to contemplate more than that States should be allowed to place in foreign newspapers and magazines advertisements describing in general terms the opportunities for settlers and wage-earners within their limits; and the Attorney-General has held that an alien is inadmissible if the representative of a State induces his migration by holding out to him individually a promise of employment. As I said on this subject in my report for 1907, 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. The law could be materially improved, also, by amending section 5, which attaches a penalty of \$1,000, to be recovered in an action of debt, for the importation of a contract laborer, so as to make it discretionary with the court whether the punishment shall be by fine or by imprisonment. In many instances aliens are imported under promise of employment by parties who are not so situated financially as to make it possible to recover a penalty of \$1,000; this is particularly true in the cases of padrones, who bring in boys for employment in bootblacking establishments, restaurants, etc.

MORALLY UNFIT ALIENS.

Under the law aliens who have been guilty of crimes or misdemeanors, who are believers in anarchy, or who are prostitutes, procurers of prostitutes, or persons otherwise similarly immoral, are inadmissible to this country. This subject is one of great importance and has received special attention during the past year. The duty of detecting and excluding all such aliens has been constantly impressed upon the immigration officials stationed at the seaports and along the land boundaries, and special efforts have been directed toward the cooperation of immigration officers with municipal officials in apprehending and deporting aliens of this class who have entered the country contrary to law. A large measure of success has attended these efforts. Numerous prosecutions have been brought against procurers and keepers of houses of ill-fame, and convictions have been had in 14 cases, 4 of which resulted in imprisonment for one year, four years, four and one-half years, and five years, respectively, and 10 in imprisonment ranging in duration from six months to eighteen months, and fines ranging from \$50 to \$1,000.

The law regarding these moral defects needs to be amended and strengthened in several important respects. In the first place, there is no occasion with regard to this class, as there is regarding the classes merely physically unsound, to fix a definite limit within which the Government can proceed for their deportation. It is obvious that such persons can not, merely by living here for a period of time, in any way correct their moral status at the time of entry, and the Government ought not to be restrained from removing from this country an anarchist, a criminal, or a moral degenerate merely because such person has been able to avoid detection for three years. As a further means of insuring the country against the introduction and residence here of members of the lawless or criminal class, section 20 of the immigration act should be so amended as to add to the deportable class of aliens therein described as persons who become "public charges from causes existing prior to landing," within three years after entry, aliens who, within such period, are convicted of or admit having committed a felony or other crime or misdemeanor involving moral turpitude, deportation to be effected at the expiration of such term of imprisonment as may be imposed. Section 3 of the new immigration act, penalizing the importation of immoral women, has been limited (probably by an unfortunate inadvertance) to the cases of alien women. From prior legislation the word "alien" had always been omitted, and to import immoral women generally penalized. The former wording is preferable and should be readopted.

THE WHITE-SLAVE TRAFFIC.

An international project of arrangement for the suppression of the white-slave traffic was, on July 25, 1902, adopted for submission to their respective governments by the delegates of the various powers represented at the Paris conference, which arrangement was confirmed by formal agreement signed at Paris on May 18, 1904, by the Governments of Germany, Belgium, Denmark, Spain, France, Great Britain, Italy, the Netherlands, Portugal, Russia, Sweden, Norway, and the Swiss Federal Council. This arrangement, after having been duly submitted to the Senate, was proclaimed by the President June 15, 1908, and is printed in full in the report of the Commissioner-General of Immigration. The purpose of the arrangement is set forth in the preamble, which states that the several governments, "being desirous to assure to women who have attained their majority and are subjected to deception or constraint, as well as minor women and girls, an efficacious protection against the criminal traffic known under the name of trade in white women ('*Traite des Blanches*'), have resolved to conclude an arrangement with a view to concert proper measures to attain this purpose."

In addition to the amendment above suggested, to penalize the importation of women and girls for immoral purposes irrespective of whether they are aliens or citizens, it would be highly advantageous in the endeavor to break up the white-slave traffic to make it a felony or misdemeanor punishable by imprisonment for an alien once deported from the United States as a procurer of prostitutes or as a prostitute to again return to the United States, and the alien to be deported at the expiration of the term of imprisonment.

It is highly necessary that this diabolical traffic, which has attained international proportions, should be dealt with in a manner adequate to compass its suppression. No punishment is too severe to inflict upon the procurers in this vile traffic. Under the terms of the arrangement, I have designated, as the authority which will be directed to centralize all information provided for therein, the Commissioner-General of Immigration, with a right to correspond directly with similar services established in each of the other contracting states.

In administering the law the Department is frequently embarrassed by the fact that an alien woman of the immoral class refused admission at a port or arrested within the country for deportation may, by marrying an American citizen, invest herself with his status and defeat the purpose of the law. To overcome this difficulty it will be necessary to add to the naturalization act a provision that the marriage of an alien woman to an American citizen shall not be regarded as conferring upon such woman the rights and privileges of citizenship in this country unless she is a person of good moral character.

INSULAR IMMIGRATION.

I am still of the opinion, expressed in my report for 1907, that it is both practical and desirable to make exceptions to our general immigration laws in favor of the insular possessions. Such legislation should be based upon a careful consideration of the special conditions peculiar to the several insular possessions. To build up these islands and establish therein a thoroughly reliable laboring element, it is perhaps necessary that special measures or special exceptions should be made to encourage the immigration of foreigners. The present law contains an exception of this kind, in that it does not require the payment of head tax on account of aliens entering Hawaii and Porto Rico, and there would seem to be no valid reason for a failure to make further exceptions favoring immigration to those islands.

CHINESE IMMIGRATION.

As stated in my last report, my views on this subject are conceived in the light of the principle that whatever measure a nation may find it necessary or expedient to adopt, on grounds of public policy and in view of the well-being of its people, the manner of its enforce-

ment should be such, where the rights of other nations and other peoples are concerned, as to cause the least offense, while securing in the fullest degree the result desired. A year ago it was pointed out that both the Chinese Government and the Chinese people regarded the matter in the light of a grievance, and in various ways had manifested their displeasure; that for reasons of commercial self-interest, as well as on the higher ground of international friendship and good will, the frame of the laws should be changed, so that the policy of excluding certain foreigners from American territory might be enforced without needlessly offending the *amour propre* of a friendly nation or unnecessarily humiliating a whole people when only a particular class was to be reached; and that 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 prohibitory features thereof through a full and explicit definition of the excluded classes, thus complying with the well-considered and far-seeing recommendations of the President in his annual message 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.

Further reflection, following added experience in the execution of existing laws, not only serves to emphasize the justness of the foregoing views, but leads me to extend their application in an important particular. Essentially, the entire question involved in the admission or exclusion of Chinese is not a distinct and independent subject-matter of legislative regulation, but in reality is merely a part of the larger problem of immigration. Other aliens, as well as Chinese of the coolie class, are denied admission to the United States—e. g., criminals, paupers, idiots, diseased persons, contract laborers. The presence of such aliens in the country is as undesirable, economically

and socially, as that of prohibited Chinese; but the exclusion of the former is accomplished under the general immigration laws very effectively without causing either offense or embarrassment, whereas the exclusion of the latter is a result achieved only imperfectly at best, and is attended by no little unpleasantness. The invidious distinctions, to use an apt phrase, now so apparent on comparing the treatment of necessity meted out to Chinese with the treatment accorded to aliens of other nationalities, in my judgment would not exist but for the fact that the subject of Chinese immigration is distinguished from all other immigration by being dealt with in a separate code of laws, involving a wholly distinct mode of procedure—a mode, moreover, which is at once cumbersome, exasperating, expensive, and relatively inefficient.

The obvious course to pursue, therefore, dictated alike by the demands of justice and equality on the one hand and by considerations of good administration on the other, is to place the matter of Chinese immigration where it essentially belongs, namely, within the operation of the system of regulation applicable to immigration generally; in other words, to let the methods and the machinery provided with respect to the admission and exclusion of aliens generally be applied in the case of aliens from China as well. Should this be done, among other results which may confidently be expected are, in the first place, an enormous gain in effectiveness of enforcement, particularly with reference to the deportation of those who have secured unlawful access to the country; second, a most decided gain in economy of administration, and, third, a marked improvement in the relations between two friendly peoples as well as a notable increase in commercial prestige.

The great gain in efficiency of execution which would follow the adoption of the plan proposed will appear from a brief comparison of the methods employed, respectively, in the deportation of alien Chinese found unlawfully in the United States and in the deportation of other aliens so found. Under section 21 of the immigration act, when it appears that an alien is in the United States in violation of law, an application is made by a local officer of the immigration service to the Secretary of Commerce and Labor for a warrant of arrest, accompanied by the evidence on which the application is based. If, on careful consideration, the Secretary believes that probable cause has been shown and that a *prima facie* case has been made out, a warrant of arrest is issued and the alien is taken into custody. The alien is then given a hearing and a full opportunity to submit evidence in his own behalf, to employ counsel, or to set up any claim he chooses. In proper cases, pending a final decision of the case, the alien is released under bond, or if this is impracticable, in order to prevent undue hardship, he is paroled into the custody of responsible

persons. If, after a hearing, on consideration of all the facts and circumstances adduced, the Secretary is satisfied that the alien is in the United States in violation of law, a warrant for his deportation is issued and he is returned to the country whence he came, at the expense of the transportation company responsible for his presence or at the expense of the "immigrant fund," as the case may be.

Under the Chinese-exclusion laws, when it appears that a Chinese person is in the United States in violation of law, a sworn complaint must first be made out and submitted to a United States district attorney, and upon his approval in writing a warrant of arrest is issued by a United States commissioner, whom the district attorney has the authority to designate. A warrant of arrest may also be issued by a United States judge, but in practice a judge is rarely resorted to. Before the decision of the commissioner the prisoner may be admitted to bail, but if an adverse decision is rendered, and pending an appeal, no bail is permitted. At the hearing, for reasons which will be noted presently, the Government is at a decided disadvantage, and while the prisoner is allowed the right of appeal no such right is accorded to the Government. If an order of deportation is made, it is carried into effect by a United States marshal, while the expenses incident thereto are paid by this Department. During the fiscal year ended June 30, 1908, 1,955 aliens were arrested and deported. During the same year, 912 Chinese were arrested on judicial warrants, who, with 217 others arrested during the previous year, but whose cases were carried over, made a total of 1,129 cases to be heard in the commissioners' or the district courts. Of this number, 477 were deported, 154 were discharged, 53 either escaped or died, and no less than 445 cases were still pending (undetermined) at the close of the year.

Plainly, therefore, the process of arrest under the immigration act, whether followed by deportation or discharge, is preferable to the process used under the Chinese-exclusion laws, from the point of view both of the Government and of the alien, by reason of the expedition and the economy with which it is accomplished, as well as of the certainty of its results. The period from the date of arrest until the case is finally disposed of is ordinarily only a matter of days, unless sickness or some other special feature supervenes. The Department is not aware of a single instance in which the process has been abused or in which injustice can fairly be charged. On the other hand, delays almost innumerable mark the progress of the cases before the courts. Continuations are the rule. Where the decision is adverse, appeal after appeal is taken, pending the determination of which the appellant is confined in jail at the expense of the United States.

The cause of this disparity is believed to lie in the fact that the deportation of aliens forbidden by law to remain in the United States is more properly an executive function than a function of the judi-

ciary, since judicial procedure is ill adapted to adequately deal with cases of this character. As pointed out by the United States Supreme Court, while Congress may, if it sees fit, authorize the courts to determine the facts on which depends the right of an alien to remain in the United States, it may, on the other hand, intrust the determination of those facts to executive officers (189 U. S., 98), and as the Supreme Court has further held that a proceeding looking to the deportation of an alien "is in no proper sense a trial and sentence for a crime or offense" (149 U. S., 698) the necessity of burdening the courts with this function is not apparent.

The machinery of the courts is admirably fitted for the determination of issues of fact upon the evidence adduced before them and for the decision of questions of law arising therefrom, but where the correct determination of facts depends less upon direct testimony, presented in accordance with the rules of evidence, than upon the results of investigations carried on out of court and in various parts of the country, the labor and the expense involved in putting such results in the shape of admissible evidence practically precludes the use of such material. Nor can the representative of the Government, except in rare instances, inform himself sufficiently to expose by an adequate cross-examination any falsity in the case set up by the alien or his witnesses. The result is that many cases believed by this Department to be fraudulent pass on to adjudication, with only the story of the alien and that of his witnesses, procured for the occasion, before the court, and with no redress on the part of the Government, by appeal or otherwise. When it is noted that the favorite claim set up by Chinese in such cases is that of citizenship by birth within the territorial jurisdiction of the United States, and when it is further recalled that the facts involved in such decisions of the courts are *res adjudicata*, and can not subsequently be controverted, the serious aspect of the situation may be better appreciated. In northern New England a former United States commissioner, during a brief term of less than three years, discharged about 1,100 Chinese persons alleged to be unlawfully in the United States and furnished each with a certificate of discharge. There is reason to believe that fully 90 per cent of these persons had been smuggled into the United States. Practically all of them were discharged on the theory that they were Americans by birth.

In regard to the Chinese aliens themselves, besides having to endure indefinite delays, running into months and sometimes into years, coupled as often as not with confinement, before a final decision is reached, under the present method, they and their friends at times become the victims of extortion, practiced by attorneys and others, who, by reason of the delays they are able to interpose, to say nothing of more questionable devices, are in a position to win their confidence.

DIVISION OF INFORMATION.

Section 40 of the immigration act of February 20, 1907, provided for the establishment of a Division of Information in the Bureau of Immigration and Naturalization. Its duties were defined as follows:

It shall be the duty of said division to promote a beneficial distribution of aliens admitted into the United States among the several States and Territories desiring immigration. Correspondence shall be had with the proper officials of the States and Territories, and said division shall gather from all available sources useful information regarding the resources, products, and physical characteristics of each State and Territory, and shall publish such information in different languages and distribute the publications among all admitted aliens who may ask for such information at the immigrant stations of the United States and to such other persons as may desire the same.

The purpose of this law, as interpreted by me, is twofold—first, to bring about a distribution of immigrants arriving in this country, thus preventing, as far as possible, the congestion in our larger Atlantic seaport cities that has attended the immigration of recent years; and second, to supply information to all of our workers, whether native, foreign born, or alien, so that they may be constantly advised in respect to every part of the country as to what kind of labor may be in demand, the conditions surrounding it, the rate of wages, and the cost of living in the respective localities.

PROBLEM OF THE UNEMPLOYED.

It is a subject of great interest in all commercial countries how to provide work, especially in periods of industrial depression, for the unemployed. There are always two kinds of unemployed—those who are too lazy and shiftless to work, which we need not take under consideration, and those who, without fault of their own, are unable to find work because of the depression or because the labor market is oversupplied.

In a country so great as ours, with its multiplicity of industries, it is not an unusual condition that when the demand for labor is slack in one part of the country there is a demand for additional labor in other parts of the country, and when some industries slow down there is a demand for additional workers in others. This condition frequently obtains in the demand for farm laborers, and often at seasons of the year when manufacturing industries are slack. While these conditions apply less to skilled than to unskilled labor, it is also true that the problem of the unemployed affects chiefly this latter class. I regard the extension and development of the work of this division as of the very highest importance in meeting this problem, and the first requisite is to make accessible the information above referred to, and the second is to facilitate and cheapen transportation. This may be done, perhaps without legislation, by an arrange-

ment with the various railroad and transportation companies of the country for a labor-exchange rate. I present the subject in the hope that it will receive the consideration that so important a subject demands, and as supplying a remedy, if not a complete solution, in this country of the problem of the unemployed.

The work of the division since its organization is described in detail in the report of its chief, to which reference is made. I desire to express thanks for the hearty cooperation that the Department has received from the Postmaster-General and from the Secretary of Agriculture.

The scope of this division could be usefully extended in another direction, which I have embodied in the recommendation for the amendment of the law, proposed by the division. The emigration figures to which I have referred afford evidence that much of the immigration to this country is stimulated by false, glowing, and misleading information in regard to the opportunities here, as if the country were an Eldorado where laziness is rewarded and large returns await even the slothful. When such immigrants come they find that while the rewards of labor are much greater in this country than in their own the American laborer is more industrious, energetic, and self-reliant than elsewhere, and that while the opportunities in this country are greater the qualities necessary to benefit thereby also require an increase of effective energy, and that the same lack of qualifications which spelled failure at home are writ even larger in this country. With their delusions dispelled, they return to their countries sadder but wiser men.

Much of this kind of immigration could be stopped at its source by the dissemination of correct information throughout foreign countries from which our immigration chiefly comes. Perhaps the best medium through which this information could be disseminated from time to time is through our consuls; also the various labor organizations of the country could be of aid to the division, both in the collection and presentation of the various kinds of information referred to. I foresee great and substantial extension that can be given to the scope and work of this important division, and trust that Congress will enable the Department to carry forward this work in the various directions I have outlined.

DIVISION OF NATURALIZATION.

It is shown by the report of the Division of Naturalization that during the past year 2,244 courts have been engaged in conferring naturalization upon aliens. This represents an increase of 365 over the number reported a year ago, and still leaves between 500 and 1,000 courts which, although clothed with authority by the law, have not yet assumed jurisdiction thereunder.

There were filed during the year 136,725 declarations of intention and 43,878 petitions for naturalization, as compared with 72,684 declarations and 20,802 petitions filed during the preceding year. The number of certificates of naturalization issued was 25,517, representing an increase over the number of certificates issued during the preceding year of 17,782.

These figures bear out the statement made a year ago that the figures then given were not to be taken as in any sense indicative of the amount of such business that would be annually transacted by the courts, nor is it believed that even the figures now presented fairly represent the average number of aliens who will seek naturalization each year after the more complete organization of the administrative force and the better acquaintance of the public with the provisions of the new law.

Moreover, as stated last year, some of the courts to which petitioners principally resort are unable to discharge the clerical duties imposed by the act because of the insufficiency of the fees allowed for such work, and by reason of the absence of any adequate provision in the law permitting the employment by the clerks of courts of a sufficient number of deputies to prepare the declarations and petitions of aliens applying to them. The remedy for this situation, as heretofore pointed out, lies in amendatory legislation. Such legislation is also necessary for a reason other than that of removing obstacles from the pathway of those who desire to become citizens of the United States. It is important as well to relieve the Federal courts of the excess of such business which is imposed upon them, because, since the assumption of naturalization jurisdiction by state courts is optional with them, such courts are reluctant to undertake the jurisdiction conferred by the law on account of the insufficiency of the fees, thus resulting in a congestion of the business in some of the Federal courts and the consequent obstruction of other litigation, and occasioning errors which are unavoidable in view of the haste with which such business is necessarily discharged in order to accommodate the largest possible number of applicants. Notwithstanding such haste, the petitioners in certain of the Federal courts sitting in the larger cities frequently have to return many times in order to be accommodated.

This condition has given rise to much just criticism, and has tended to incur popular disapproval of the naturalization act of June 29, 1906. It is therefore urged that the legislation which was presented at the last session of Congress to obviate the embarrassment arising from the insufficiency of fees, and the lack of authority to allow clerks of courts to employ such deputies as may actually be necessary to transact the naturalization business of the courts, be enacted during the coming session of Congress.

It is also shown by the report of the Division of Naturalization that about one-third of the entire naturalization business transacted

in the United States during the past year has been in the three great States of New York, Pennsylvania, and Massachusetts, a result to be anticipated from the fact that these States receive the largest number of alien arrivals.

During the year under consideration 3,330 petitions were denied for various reasons—some formal, some substantial—as compared with 250 during the preceding year. This increase represents the result, first, of increasing familiarity with the provisions of the law by the courts, and, second, of investigations made by officers in the field by which evidence was secured showing that the petitioners were not entitled to be naturalized.

Under section 15 of the act, largely as the result of investigations made by examiners of the Department of Justice, there were instituted during the year, in 1,303 cases, proceedings for the cancellation of illegally and improperly granted certificates, and in 457 of such cases the orders of the court originally admitting the aliens to citizenship were reversed and their certificates canceled. The remaining 846 cases were pending at the close of the fiscal year. It may be observed that these cases were discovered, not as the result of investigations for the direct purpose of detecting violations of the law, but merely as incidental to the work of ascertaining the qualifications of petitioners, in many instances the witnesses offered by the petitioners proving to have been granted citizenship in violation of the law. This is a most important feature of the new law, and, to make it effective, it is necessary that the Department be authorized to employ examiners to investigate instances of reported violations of the law, and inquiries made of the Department by other executive branches of the Government as to the validity of certificates of naturalization which are presented as evidence of the right of the holders thereof to certain privileges conferred upon naturalized citizens by the laws of this country.

Under the penal section of the act 39 cases have been instituted during the year, 28 of which have been determined, leaving 11 still pending. In 12 of the cases fines were imposed varying in amount from \$25 to \$1,000, the total fines aggregating \$2,975, while in 12 cases terms of imprisonment were inflicted ranging from 15 days to one year, and in 4 cases sentence was suspended. In cases of this nature, too, the services of examiners to collect evidence are indispensable.

During the year the amount collected from fees and transmitted through the Department for deposit to the credit of the "Miscellaneous fund" of the Treasury Department was \$166,635, while the appropriation for the use of the Division of Naturalization, and other expenses connected with the administration of the law by the Department, aggregated \$39,728.05. These figures indicate that, with the

increase in fees provided for by the legislation introduced at the last session of Congress, the receipts by the Government from this source should be sufficient to pay the entire cost of the administration of the law, including the employment of examiners by the Department for the purpose of collecting evidence for the use of the United States attorneys in opposing petitions and in instituting proceedings, under the provisions of section 15 of the act, for the cancellation of naturalization certificates illegally and improperly granted, as well as for other necessary uses incident to an effective enforcement of all the provisions of the law.

Upon this last-mentioned subject it does not seem necessary to reiterate what was said a year ago as to the necessity for the appointment and use of examiners. This was admitted at a meeting of a subcommittee of the House Committee on Appropriations, but the recommendation of the Department that a specific appropriation for the purpose indicated should be made was refused, apparently upon the ground that such officers should be under the Department of Justice, since, it was contended, they were concerned with the work of the courts. Upon a reconsideration it is believed the error of this view will be acknowledged, since the collection of evidence, to be used in proceedings before the courts or not as the nature of such evidence may warrant, is of a preliminary character and constitutes no part of the functions of the courts or of their officers. If there were any doubt as to the soundness of this view of a question which is merely one of efficiency and propriety in the distribution of administrative work, it would be set at rest by the express provision contained in section 1 of the naturalization act of June 29, 1906, which declares that "all matters concerning the naturalization of aliens" shall be "under the direction and control of the Secretary of Commerce and Labor."

The distinctive feature of the new law which broadly marks it from all legislation upon the subject of naturalization theretofore passed is the provision authorizing, and requiring so far as may be necessary to prevent violations of the law, the appearance of the Government by counsel in court to oppose the granting of naturalization in any case where the Government is of the opinion that the petitioner has not complied with the law, or is disqualified in any way to become a citizen of the United States. In other respects the law is substantially as it has been for a hundred years, so far as it prescribes the qualifications necessary to become naturalized. The success of the new law therefore depends upon the extent to which the Government can avail itself of this right to appear, and to object if necessary. But it is useless for the Government to enter an appearance unless, before the petition is called for hearing, it has made an investigation and ascertained whether there is any reason for its appearance and

objection. Otherwise, such appearance, despite the right conferred by the act to cross-examine a petitioner and his witnesses, and to introduce evidence, is merely a device which will operate to delay the business of the courts, and in only a few cases and by mere accident would counsel for the Government succeed in disclosing any objection that would satisfy the court that a petitioner should be denied naturalization. It is therefore indispensable to an effective enforcement of the naturalization law that authority be granted the Department to employ the services of examiners.

The report of the Chief of the Division of Naturalization points out the need of other amendatory legislation, such as the right of appeal from the decisions of courts of original jurisdiction in naturalization cases to the United States circuit courts of appeals, the revision of sections 2166 and 2174 of the Revised Statutes, and of legislation in regard to seamen in the Navy and the United States merchant marine, so as to reconcile certain apparent contradictions in that legislation to the provisions of the act of June 29, 1906.

By section 1 of the naturalization act commissioners of immigration and inspectors in charge at ports of entry are required to keep a record of the name, age, occupation, personal description, and various other items, with respect to each alien admitted to the country, so that such data may be available when required by the courts to which application may in future be made by the aliens for naturalization. Unfortunately a number of these items are not included in section 12 of the immigration act requiring steamship companies to furnish detailed manifests regarding aliens brought to United States ports, and therefore a failure to furnish such items is not penalized by section 15 of said act. It is highly important, both to the Government and to aliens who may desire to be naturalized, that the data shall be recorded, and it is recommended that section 12 of the immigration act be so amended as to include each item mentioned in section 1 of the naturalization act.

The official force of the division, as a result of the additional amount of work indicated by the naturalization papers filed during the year in the various courts, has been increased by four clerks, and will require a still further increase during the coming year.

APPENDIX.

ESTIMATE OF NET IMMIGRATION DURING TEN-YEAR PERIOD, 1899 TO 1908.

Since July 1, 1907, a record of alien departures has been made by the Bureau of Immigration and Naturalization. Based upon this record the following estimate of the net immigration during the past ten years has been made. Unusual conditions have existed since the recent financial depression. Conditions were normal, however, during July, August, September, and October, 1907. For this reason the ratio of alien departures during those four months has been used upon which to base estimates of such departures during the previous nine years.

Year.	Alien arrivals.			Total alien departures (estimated).	Net Immigration (estimated).	Ratio estimated net immigration bears to accepted immigration figure.
	Accepted immigration figures.	Other alien arrivals.	Total alien arrivals.			
						<i>Per cent.</i>
1899.....	311,715	^a 45,000	356,715	172,837	183,878	59
1900.....	448,572	65,635	514,207	206,351	307,856	69
1901.....	487,918	74,950	562,868	209,318	353,550	72
1902.....	648,743	82,055	730,798	220,103	510,695	79
1903.....	857,046	64,269	921,315	247,559	673,756	79
1904.....	812,870	27,844	840,714	332,019	508,695	63
1905.....	1,026,499	33,256	1,059,755	385,111	674,644	66
1906.....	1,100,735	65,618	1,166,353	356,257	810,096	74
1907.....	1,285,349	153,120	1,438,469	431,306	1,007,163	78
1908.....	782,870	141,825	924,695	^b 714,828	^b 209,867	27
Total.....	7,762,317	753,572	8,515,889	3,275,589	5,240,300	68

^a Estimated.^b Actual figures.

The calculations in the above table are arrived at in the following manner:

Alien arrivals.—The total number of alien arrivals of all classes is known except in 1899. The numbers shown under the head of "Accepted immigration" are the regular immigration figures and do not represent the entire alien arrivals; the number of other alien arrivals, except during 1899, are known, however, and are shown under the head of "Other alien arrivals." The sum of the two make the total alien arrivals. For the year 1899 "Other alien arrivals" have been estimated at 45,000.

Alien departures.—From the record of alien departures made from the outward manifests for July, August, September, and October, 1907, it is ascertained that 72.9 per cent of all departures during those months were aliens. By applying this ratio to the departures of all trans-Atlantic passengers, 1899 to 1907 (data regarding which have been taken from the records of the Trans-Atlantic Passenger Conference), the estimated number of aliens departing for Europe during those years has been ascertained. As 95 per cent of all alien arrivals come from Europe, it is fair to assume that the European departures represent 95 per cent of the total departures. Five per cent has, therefore, been added to the estimated trans-Atlantic alien departures to make the "Total alien departures" as shown. The figures given for 1908 are the actual alien departures shown by outward manifests.

Net immigration.—The difference between the total alien arrivals and the total alien departures represents the estimated net immigration as appears under that heading in the table. The estimated net immigration during the past ten years is shown to be 5,240,300, which is 68 per cent of the accepted immigration for the period.

BUREAU OF CORPORATIONS.

The Bureau of Corporations has continued its work of investigation of industrial interstate corporations and the publication of important facts relating thereto. It has continued to prepare, as the result of these investigations, reports on particular industries, and with the authority of the President has made them public, together with the conclusions of the Commissioner upon the facts set forth.

On May 5, 1908, the Bureau, in response to a joint resolution of Congress dated February 18, 1907, published a report giving the results of the investigation of patents granted to officers or employees of the United States. While this report was somewhat out of the usual line of the Bureau's general work, it served, as was intended, to call the attention of Congress to the conditions under which employees of the Government take out or hold patents on articles in which the Government is interested, and brought out also the fact that the Government is receiving the free benefit of much high inventive ability from its employees through patents taken out by them and practically dedicated to government use.

On August 5, 1907, the Bureau published its third Report on the Petroleum Industry, entitled "Prices and profits." This report dealt with the results of certain methods of the Standard Oil Company. It was the logical sequel of earlier reports, which had set forth the business methods of that company. This last report showed the results of such methods upon the consumers and upon the profits of the Standard Oil Company.

In December, 1907, the Commissioner of Corporations published a statement giving the facts in answer to certain allegations of the Standard Oil Company concerning its conviction at Chicago for accepting concessions over the Chicago and Alton Railroad.

On May 4, 1908, the Bureau published Part I of the Report on Cotton Exchanges, in response to a resolution of the House of Representatives of February 4, 1907. This part dealt with "Methods of establishing grade differences for future contracts," a technical question of interest chiefly to those concerned in the cotton business, but involving matters of great importance to that business.

A few weeks later, on May 29, 1908, the Bureau published Part II of the Report on Cotton Exchanges, which dealt with the "Classification of cotton," and Part III thereof, which dealt with the "Range of grades deliverable on contract," these subjects being related to the general operations on cotton exchanges.

The Bureau has now on hand and unfinished investigations of the tobacco, steel, and lumber industries, inland waterways, the Inter-

national Harvester Company, and further investigations of the petroleum industry and the cotton exchanges. It is also engaged in preparing special subject-matters for the use of the National Conservation Commission, recently appointed by the President.

The five years' experience of the Bureau since its creation in dealing with corporate affairs has made it clear that the greatest advance toward corporate reform must come through some general system of publicity. The logical conclusion from the work of the Bureau thus far points to the imperative need of a Federal constructive system for the positive supervision of interstate corporations, to the primary end of securing efficient publicity in corporate affairs. Such publicity must be of the sort that is adapted to the practical requirements of American public opinion. It can not content itself with the mere publication of masses of facts and figures. These alone are not fitted to form the basis of public opinion. The Government must collect such figures, but to make them of any use in this connection it must also summarize and digest them and present them to the public in the shape of brief, reliable, clear conclusions showing important corporate facts. The work of the Bureau of Corporations thus far has been directed to this end, and the results have demonstrated its value. It has been shown in many cases that the mere publication of improper business methods has led to the immediate abandonment of those methods. But the scope of this work and its beneficial results could be greatly extended by the establishment of a general Federal system of supervision of interstate corporations.

Another fact, touched upon in my last report, has been still more clearly demonstrated by the work of the Bureau. It is becoming more and more obvious that the work of the Government in regulating corporations should not be directed at the mere existence of combination itself, as such, but should deal rather with the way in which the combination powers are used, so as to prevent as far as possible the misuse of these great industrial forces. Only such combinations as are formed for wrongful purposes, or such combinations as use their powers for evil, should be brought under the condemnation of the law. It is useless to ignore the operations of the economic law that has brought about the present concentration in business. It is useless to ignore the fact, further, that this concentration is already largely accomplished. Recognizing these facts and principles, we must at least be consistent in our treatment of the subject. To attempt to prohibit all combination and at the same time to regulate combinations is of course inconsistent. If, then, we have found that it is impossible, impracticable, or unwise to prevent, in general, all industrial concentration, the obvious alternative is to regulate it, and especially to regulate and supervise the use of the great commercial and economic powers that it produces and to make

a clear line of distinction between those corporations that use these powers for good and those that use them for evil. These powers have become governmental in their scope and size, and it is the clearest duty of the Government to take cognizance of them by some definite, broad system of supervision.

I deem it my duty here to point out the fact that there exists now an opportunity for such advance in our policy which we should not fail to grasp. There has been, largely as a result of the work of the present administration, an advance in the attitude of the financial leaders of the country and a recognition of the fiduciary character of their own commercial powers, accompanied by a willingness to cooperate with the Government in correcting corporate evils. The one way to take advantage of this valuable factor is by a definite system of active positive supervision and regulation through an administrative office. Such a system has the supreme advantage that it gets at results by cooperation rather than opposition. It is constructive, not destructive.

The present method of court procedure under the antitrust laws practically negatives all cooperation by forcing men into opposition in self-defense. It is clear that so complex a subject-matter as our industrial machinery can not be intelligently regulated without conference on both sides, and it is equally clear that human nature is such that cooperation will produce results far better than mere enforcement of penal law. In this connection I desire to call attention to the recent action of the board of managers of the New York Cotton Exchange. On July 20, 1908, as a result of the recent reports of the Commissioner of Corporations on the operations of that exchange, the said board appointed a special committee of seven of its members, with express instructions to confer with the Commissioner of Corporations and to take up with him, with a view to improving conditions criticised by him, the points set forth in his said reports. Such action was wholly voluntary on the part of the exchange, and is an admirable illustration of what may be brought about by impartial investigation, intelligent publicity, and cooperation.

It is therefore believed that some such constructive system, which will give the widest publicity and allow of the most complete cooperation, must soon come. Such a system should have the following basic features:

It should be carried on by the Federal Government, as the only jurisdiction competent to handle a subject-matter so entirely national in its scope and nature.

It should require a system of regular reports from all large interstate corporations to be made to an administrative office, and should provide that that office shall have access to the records of those corporations.

It should further provide that that office shall publish the important facts as to corporate operations, so far as they are of public interest, safeguarding at the same time from unnecessary publication all proper business secrets.

So far as possible the system should be made voluntary rather than compulsory.

In exchange for giving this publicity, corporations should be allowed to register under such a law so as to obtain a Federal standing and the public benefit of their position as concerns not afraid of scrutiny.

Finally, such a system should recognize the fact above pointed out, that there can not be both prohibition and regulation of combination at the same time, and that if the Government thus elects to regulate combination it must at least permit a certain reasonable degree thereof, and recognize in law what has already become an accomplished fact.

It is believed that certain very important beneficial results will flow from such a system. First, it will create the machinery for the effective application of intelligent public opinion, which is the greatest of all corrective forces, but which now is still vague and undirected; second, it will provide for prevention of evils beforehand rather than remedy afterwards, because the fear of publicity will act as a deterrent; third, and most important, it will afford the necessary basis for cooperation and conference between the Government and corporate managers.

BUREAU OF LABOR.

SPECIAL INVESTIGATIONS.

During the past year a force of over one hundred special agents under the Bureau of Labor has been at work conducting the investigation authorized and directed by Congress into the condition of women and children wage-earners of the United States. Cotton textiles, silk manufacturing, men's clothing, and glass making were selected as four representative industries in which women and children were largely employed, and a careful study has been made of the conditions under which the work of these industries is carried on. In addition to these industries a large number of special topics connected with the employment of women and children are being studied. The investigation is comprehensive both in the subjects studied and the territory covered. Practically every State east of the Mississippi has been included in the work. When the report is finished, it is believed that a very valuable contribution will have been made to the study of this very important subject.

The Bureau of Labor has for some time been engaged in making a study of the general subject of workingmen's insurance, industrial accidents, and employers' liability.

In conformity with a resolution of the Senate, the Bureau is conducting an investigation of the wages and working conditions of the employees of telegraph and telephone companies. At the request of the chairman of the Special Committee of the House of Representatives, the Bureau of Labor is also making a study of the wage cost of paper and wood pulp in the United States.

During the fiscal year ended June 30, 1908, the Bureau issued its twenty-second annual report, which contains the labor laws of the United States and of the several States, together with the decisions of the courts relating thereto. It contains all the labor laws enacted by the Congress or the legislatures of the various States and Territories that were in force at the close of the year 1907.

The importance of the recent Canadian act for the investigation and report, by an official board, of strikes and lockouts in cases involving public utilities led the Department to have a careful study made of the effect of that act during the first year of its operation. A representative of the Bureau of Labor was sent to Canada to make a careful investigation of the results of the law at all points at which it had been actually put into operation, and a valuable report on this subject appeared in Bulletin No. 76 of the Bureau of Labor.

Considerable attention has been given in a number of European countries to the problem of the unemployed, and a study has recently been made in Europe by a representative of the Department of the experience of these different countries in dealing with this important question. The report of this investigation also appears in Bulletin No. 76 of the Bureau of Labor.

The British Government in the past year has published elaborate reports of extensive investigations carried on by it of the wages and cost of living of wage-earners in Great Britain and in Europe. As the British reports are voluminous and inaccessible to most American readers, the principal data concerning wages and cost of living have been condensed into summaries, and the results for Great Britain were published in Bulletin No. 77 of the Bureau of Labor. The corresponding figures for Germany will appear in Bulletin No. 78.

The act of Congress granting compensation for injuries to certain classes of artisans and laborers employed by the Government of the United States, which was approved May 30, 1908, and which became effective August 1, charged the Department with the preparation of the forms and regulations for carrying out the act and with the examination and approval of claims arising under it. A method of procedure and a series of forms and regulations for making reports and filing claims have been adopted and are now in operation. In the carrying out of this law the Department is simplifying the procedure as much as possible with the view to facilitating the payment of such claims with as little trouble to the claimant as is compatible with effectually safeguarding the interests of the Government.

In order that full data may be available in regard to accidents to all classes of employees, should question arise in future as to the extension or modification of the principle of the act, regulations have been issued requiring a report to the Department of all injuries to government employees occurring in the course of their employment whenever such injuries disable them from work for a period of one day or longer. It is believed that in a comparatively short time the statistics of such accidents will be of considerable general value aside from their importance in connection with any further legislation which Congress may consider on this subject.

THE ERDMAN ACT.

During the past year the provisions of the Erdman Act have continued to be invoked for the settlement of industrial disputes on interstate railways, and the Commissioner of Labor and the Chairman of the Interstate Commerce Commission have acted as a board of mediation and succeeded in effecting settlements in several important controversies which threatened serious results.

During January and February, 1908, wage controversies arose on various railways in the southeastern portion of the country, and before the 1st of March the disputes involved nearly every system of importance south of the Chesapeake and Ohio and east of the Illinois Central railroads. The mediation provided for in the Erdman Act was invoked, and after considerable negotiation an amicable settlement was reached in every case without any interruption in the relations between the railroad companies and their employees.

One of the best evidences of the satisfactory working of the provisions of this Federal statute is found in the fact that during the past year some applications for mediation have come from the railroad companies, other applications have come from the side of the employees, and in one instance there was a joint application signed alike by representatives of both the railroad company and its employees.

EMPLOYERS' LIABILITY AND INDUSTRIAL INSURANCE.

One of the great needs in industrial relations in the United States is a radical change in the law respecting employers' liability. At the present time, except for the recent act for government employees, the principles of the old common law still prevail in most of our States, with some degree of modification of the fellow-servant doctrine. But these modifications do not at all bring our legislation on employers' liability anywhere near the standard set by all the principal countries of the world. Under our practice no compensation can be collected for injury or death unless such injury or death is due directly to some negligence on the part of the employer or one of his representatives or employees. In probably the majority of cases no one is properly to be blamed for an industrial accident. Modern industry is becoming increasingly more dangerous, and a certain amount of death and injury inevitably result from many of its processes. The utmost precautions on the part of both employer and employee might reduce the number of accidents, but it is futile to hope that they can be entirely eliminated. We should recognize that these accidents are, and to a certain great extent must always be, a part of the regular cost of carrying on certain trades; that they are as much a part of the business economically as the breakage and wear and tear of machinery; that the expense of them should be borne by that business and distributed upon the public and consumers like any other manufacturing cost.

Justice demands that this burden of industry should not be thrown upon those members of society least able to bear it—upon the victims themselves and their families—as is now the case. It is an elementary principle of fairness that those who need or desire any given commodity should pay a price for it that would include some compensation to those whose capacity as breadwinners is destroyed

through accident or to the dependents of those whose lives are sacrificed in the production of such commodity.

"The legal liability of employers for injuries to their employees in the United States," and a "Summary of the workmen's compensation acts of foreign countries" are the subjects of articles in Bulletin No. 74.

The impossibility of adequately securing to the workman the needed protection by a mere grant of right of action for injuries for which the employer can rightly be charged is only too evident from the discussion in this Bulletin of the principles of law applicable.

In striking contrast with conditions in the United States is the position of the foreign workman who is injured by accident in the course of his employment. Practically every foreign country of any importance industrially has by legislation recognized the principle that the workman is entitled to compensation for injuries from accidents received in the course of his employment. Twenty-two foreign states have enacted such legislation, namely, Austria, Belgium, British Columbia, Cape of Good Hope, Denmark, Finland, France, Germany, Great Britain, Greece, Hungary, Italy, Luxemburg, Netherlands, New Zealand, Norway, Queensland, Russia, South Australia, Spain, Sweden, and Western Australia.

While there is some variation in the provisions of the foreign laws as to the circumstances under which workmen are entitled to compensation, as a rule compensation is not payable unless the injury causes disablement for a specified number of days or weeks.

The employer may usually be relieved from the payment of compensation if he can prove that the injury was caused intentionally or by willful misconduct, or, in some countries, by the gross negligence of the injured person or during the performance of an illegal act. In none of these twenty-two countries does ordinary negligence on the part of the injured employee work a forfeiture of the right to compensation.

The industries usually covered by the laws are manufacturing, mining and quarrying, transportation, building and engineering work, and other employments involving more or less hazard. In Belgium, France, and Great Britain the laws apply to practically all employments. In a considerable number of countries only workmen engaged in actual manual work, and in some cases those exposed to the same risks, such as overseers and technical experts, come within the operations of the law. These countries are Austria, Belgium, Denmark, Finland, Germany, Italy, Luxemburg, Netherlands, Norway, Russia, Spain, and Sweden. On the other hand, in France, Great Britain, the British colonies, and Hungary the laws apply to salaried employees and workmen equally. Overseers and technical experts earning more than a prescribed amount are excluded in Bel-

gium, Denmark, Germany, Great Britain, Italy, Luxemburg, and Russia. Employees of the state, provincial, and local administrations usually come within the provisions of the acts.

The entire burden rests upon the employer in all but four of the countries—Austria, Germany, Hungary, and Luxemburg—where the employees also bear a part of the expense. The laws in every case fix the compensation to be paid. In all the countries but Sweden the compensation is based upon the wages of the injured person. It consists of medical and surgical treatment and of periodical allowances for temporary disability, and annual pensions or lump-sum payments for permanent disability or death.

In most countries employers may contract with state or private insurance institutions for the transfer of the burden of payment of compensation. In a number of countries such transfer is obligatory. Provision is usually made for the protection of the beneficiaries in case of insolvency of employers.

The acts of nearly all of the countries are framed with the view of obviating the necessity for instituting legal proceedings. The laws are so specific with regard to the compensation allowed and the regulations for its payment that agreements are usually amicably made between the employers and the victims of the accidents. If disputes arise, however, the law specifies the necessary procedure for their settlement, either by special arbitration tribunals or by the ordinary law courts.

The best practice in other countries fixes a definite compensation for death or for injury, based usually upon the earning capacity of the person injured or killed. This enables the employers to calculate with some degree of certainty the additional item necessary to be included in the cost of production. Through an insurance system this item of compensation for injury becomes for the individual employer as definite and as readily calculable as is fire insurance—an item which is everywhere recognized as a legitimate element in the cost of production.

Various plans of industrial insurance are now in operation in other countries, and from their experience a system can probably be worked out which would be more advantageous alike to employer and employee than our present liability system, a system which is at once cruel to the employee and both vexatious and expensive to the employer; but it will be time enough for the discussion of methods when we have enacted laws placing upon the business itself the liability for accidents and deaths.

In the legislation here suggested not only should compensation be fixed and definite, but the method of securing such compensation should be far simpler than our present methods. In order to establish a claim for liability under the existing statutes, the practice is

cumbersome and expensive. Long drawn out contests crowd the dockets of the courts, entail large expense on the employer, and finally yield only a small pittance to the injured employee or his dependents when damages are actually awarded.

The law granting compensation to government employees, passed at the first session of the present Congress, should be extended in scope so as to embrace classes of employees not now included, and should be made more liberal in its terms. The compensation at present paid—one year's earnings—is pitifully inadequate where total disability results from an injury, or where death leaves a dependent family.

We are probably the richest nation in the world, and in the amount of compensation provided in this bill we are particularly niggardly in comparison with the provisions in this regard made by the poorest countries of Europe.

Our compensation act has only been in operation since August 1, and the time has been too short to determine to what extent modifications in its administrative provisions may be necessary, but one conclusion has been already reached, and that is that on account of the great distance to the Isthmus of Panama, the infrequency of the mails, and the large number of minor accidents constantly occurring there, the administration of the law so far as the Isthmus is concerned should be transferred from the Secretary of Commerce and Labor to the Isthmian Canal Commission.

PROTECTION OF LIFE AND HEALTH.

No one who is in the least familiar with industrial conditions can fail to be aware of the fact that not only is there an appalling annual loss of life and limb in the United States through industrial accidents, but also that there is an equally appalling sacrifice of efficiency, health, and even life through the unfavorable environment in which the workers in many industries must carry on their daily toil. It should be the aim of the state, wherever possible, to force the elimination of such conditions, but the conditions themselves are more largely due to our want of knowledge of how to remedy them than to any other cause. The Government can, therefore, do no better work, not alone for the wage-earners of the United States, but for the people as a whole, than to discover methods of eliminating unwholesome working conditions and then compel the adoption of such means by stringent legislation, so far as such legislation may be within the powers granted by the Constitution.

The Department of Agriculture properly and ably carries on scientific investigations to increase the efficiency of the labor spent upon farms and to protect both animal and vegetable life from the

attacks of disease. In the same way the Department of Commerce and Labor should investigate carefully the sanitary problems which concern the manufacturer and make available to him the methods by which these problems can be solved on a commercially practicable basis. The National Government should be as anxious and alert to protect the wage-earners against the ravages of disease resulting from their work as it is to protect agricultural products against pests and farm stock against disease.

One of the most important parts of the work of this Department relates to the condition of wage-earners, and involves the consideration of all the material factors that affect that condition. It is deemed to be one of the highest duties of the Department to aid, so far as its statutory powers permit, in the improvement of conditions of labor. Its work along these lines and in the investigation of labor disputes has therefore necessarily involved a consideration of the effect of the process of injunction in such disputes. I therefore feel that it is my duty to call attention to this subject-matter, and to point out the need for such legislation as shall render the issuance and use of such injunctions uniform, well considered, impartial, and equitable to all parties to these controversies.

BUREAU OF STATISTICS.

The Bureau of Statistics collects, records, and publishes the statistics of foreign and internal commerce of the United States, and also presents, in condensed form, data regarding the foreign commerce of the principal countries of the world. Its reports show a falling off of 20 million dollars in exports from, and 240 million dollars in imports into, the United States in the fiscal year ended June 30, 1908, as compared with the figures of the immediately preceding year. This reduction of 20 million dollars in exports and 240 million dollars in imports is a part of a general reduction apparent in the international trade of the world, though the reduction in imports is also due, in part, to the business depression in the United States, which characterized a part of the fiscal year, and in part to a reduction in prices of imported articles.

The falling off in exports occurs exclusively in manufacturers' raw materials, foodstuffs exported showing practically the same value as last year, while manufactures, whether ready for consumption or for further use in manufacturing, show a slight increase over last year. Foodstuffs, as a whole, show an increase of 8 million dollars; manufactures for further use in manufacturing, an increase of 2 million dollars, and manufactures ready for consumption, an increase of 7 million dollars, while crude materials show a decrease of 36½ million dollars. Most of this decrease in manufacturers' materials exported occurs in cotton, of which the exportations during the year amounted to 3,816,998,693 pounds, valued at \$437,788,202, against 4,518,217,220 pounds, valued at \$481,277,797 in the fiscal year 1907. Corn shows also a decline of about 10 million dollars in the value of exports, while wheat and wheat flour show an increase of over 40 million dollars in value of exports, as compared with the immediately preceding year. The increases in manufactures exported occur chiefly in cars and carriages, boots and shoes, refined mineral oil, proprietary medicines, and manufactures of iron and steel. Breadstuffs exported show higher prices per unit of quantity than in the preceding year, and an advance during the year, the average price of wheat in June, 1908, being 97.9 cents per bushel against 90 cents in June, 1907, and of corn 75.4 cents per bushel in June, 1908, against 59.4 cents in June, 1907. Meats and other foodstuffs show slight changes in values, while many of the manufactures show reductions in prices in the closing months of the year compared with those at the beginning of the year.

The reduction in values of imports occurs in all the great classes; foodstuffs show a decline of about 16 million dollars; crude materials

for use in manufacturing, 111 million dollars; manufactures for further use in manufacturing, 77 million dollars, and finished manufactures, 34 million dollars. The greatest falling off in importations occurred, as already indicated, in manufacturers' raw material. This, while due in part to an actual reduction in quantity, is, in a considerable degree, due to lower prices; in fibers the fall in value of imports was 16 per cent, while in quantity the fall was but 3 per cent; in india rubber the fall in value of imports was 38 per cent, while the fall in quantity was but 20 per cent; in hides and skins the fall in value was 35 per cent, while in quantity the fall was but 24 per cent; in pig copper the decline in value of the imports was 40 per cent, and in quantity but 27 per cent; in pig tin the fall in value of imports was 30 per cent, while the quantity fell but 20 per cent, and in raw wool the decline in value was 45 per cent, and in quantity 38 per cent. This falling off in prices of manufacturers' materials was especially marked in the closing part of the year. While the reduction in actual quantity imported was doubtless due to a reduction in activity in manufacturing which followed the financial depression of the first half of the fiscal year, it is gratifying to note that, in most of the important manufacturers' materials, the quantity imported in the closing months of the fiscal year materially increased, and in June, July, and August, 1908, equaled, and in many cases exceeded, that of the corresponding months of 1907.

The value of merchandise sent to the noncontiguous territories of the United States in 1908 was 65 $\frac{3}{4}$ million dollars and that of merchandise received from them 88 $\frac{1}{2}$ millions. The merchandise received from these territories shows an increase of about 14 million dollars in value over that of 1907. The value of merchandise sent to them shows a reduction of about 1 $\frac{1}{4}$ million dollars, due, in part, to lower prices of manufactures, which form a large share of the merchandise sent.

The reports of the Bureau relating to internal commerce of the United States cover calendar-year periods, and can not, therefore, be at this time presented for the current year. The reports for the late months of the present year show, however, a marked improvement over those of the corresponding months of 1907. It is the desire of the Bureau and of the Department to strengthen the internal commerce work, both by the enlargement of the field of its operations and by more complete collections of data in the fields now covered. This action was strongly recommended by the committee which recently examined into the statistical work of the Department.

COORDINATION OF STATISTICAL WORK.

Much attention has been given by the Department during the past year to the question of coordination of statistical work, with the purpose of avoiding duplication of work and assuring greater accuracy in statistical statements. A committee appointed by me to consider this subject, to which reference was made in my report of last year, examined carefully into the matter and presented certain recommendations of a definite character. The committee consisted of the Assistant Secretary of Commerce and Labor (Mr. Murray), four bureau chiefs whose official duties require an intimate acquaintance with the statistical work of the Department and the Government (the Director of the Census, the Commissioner of Corporations, the Commissioner of Labor, and the Chief of the Bureau of Statistics), and three distinguished economists and statisticians, connected with leading educational institutions of the country—(Prof. Edwin R. A. Seligman, of Columbia University; Prof. J. W. Jenks, of Cornell University, and Mr. H. Parker Willis, of George Washington University, this city). They were directed to inquire whether it would be wise to consolidate the Bureau of Statistics with, and make it a part of, the Bureau of the Census, and also to inquire into the whole statistical work of the Department of Commerce and Labor, and see whether proper coordination existed among the several bureaus. This committee obtained the views of over thirty persons—expert statisticians and economists—the majority of whom were in the service of the Government and the remainder persons engaged in economic studies for the press or educational institutions. Most of them appeared in person, and after stating their views responded to such further questions as the members of the committee desired to propound.

The result of this elaborate inquiry, which occupied several weeks, was summarized by the committee in a report in which its members unanimously recommended:

1. That the Bureau of Statistics be not consolidated with the Census Bureau.

2. That the Bureau of Manufactures and the Bureau of Statistics be consolidated into one bureau, to be called the "Bureau of Foreign and Domestic Commerce," and that the division of domestic or internal commerce be strengthened by enlarged appropriations for the collection and publication of more complete and adequate statistics of internal commerce; a division of tariffs to be also a part of such bureau.

3. That an interdepartmental statistical committee be formed under the jurisdiction of the Secretary of Commerce and Labor, to be created by executive order and to consist of one representative from each of the executive departments and independent governmental establishments.

The recommendation for the appointment of an interdepartmental statistical committee, having been brought to the attention of the President, received his favorable consideration; and by an executive order dated September 10, 1908, the proposed commission, subject to the jurisdiction of the Secretary of Commerce and Labor, was created. The membership of the committee as named by the President includes one representative for each of the departments of the Government and one for the Interstate Commerce Commission. The order creating this commission directs it to make recommendations with a view to eliminating unnecessary duplication of statistical work, the utilization of statistical material by various branches of the Government, the establishment of uniform definitions of statistical terms, the introduction of uniform methods, the determination whether present methods are in harmony with each other and with modern statistical methods, and the preparation and place of publication of the Statistical Abstract of the United States. The commission has held a preliminary session and forwarded to each department and to many organizations and persons a series of questions intended to obtain views and information upon which to carry forward the proposed work.

The recommendation, made by the committee of this Department, that the Bureau of Manufactures and the Bureau of Statistics be consolidated into one Bureau, has not yet been acted upon by me. The organic act creating the Department provides "that the Secretary of Commerce and Labor shall have control of the work of gathering and distributing statistical information naturally relating to the subjects confided to his Department; and the Secretary of Commerce and Labor is hereby given the power and authority to rearrange the statistical work of the bureaus and offices confided to said Department, and to consolidate any of the statistical bureaus and offices transferred to said Department." It was the intention of Congress therefore to afford a means whereby the very result here contemplated might be accomplished by executive action—whereby, in other words, two statistical agencies, such as the Bureau of Statistics and the Bureau of Manufactures, might, if necessary, be combined, their work harmonized, coordinated, and intelligently directed, unnecessary duplication and expense avoided, and greater accuracy and usefulness assured. Before any definite action to this end can wisely be undertaken, however, there are a number of practical administrative details to be carefully worked out and provided for. These matters, as well as the question how far, if at all, further legislation is needed to effect the result, are now engaging my earnest attention. I have been in no haste to take the action indicated, pending the results of the further inquiries along the same line now being pursued by the interdepartmental committee.

The fact that such consolidation was the unanimous recommendation of the statistical committee and that many of the witnesses who appeared before that committee voluntarily expressed the same view, would seem to preclude the necessity of any further inquiry as to the desirability of the action proposed. The committee in that part of its report dealing with this subject said:

A study of the laws relating to the two bureaus indicates that Congress intended that the latter Bureau [the Bureau of Manufactures] should discharge important functions that had been assigned to the former [the Bureau of Statistics] in earlier legislation. Your committee is convinced that the consolidation of these two bureaus into one would adequately accomplish the purpose of Congress, would dispense with a superfluous bureau, and would provide an effective means of meeting a serious problem now confronting the Department of Commerce and Labor. * * * We desire to emphasize two points—first, that it is impossible that two bureaus shall exist in one department of the Government with duties so nearly identical without producing confusion, division of effort, and cross purposes; and, second, that by combining these two bureaus into one, and concentrating under one control all their closely related functions and separate energies, the Government will gain a unified, correlated, and homogeneous service and will lose nothing. * * * There is but little that can be done by the Bureau of Manufactures which the Bureau of Statistics is not equally authorized to do, under laws which have never been repealed. At the same time the Bureau of Statistics retains the most important function that appertains to the promotion of American commerce—the handling of the statistics of our export and import trade. * * * Only through the study of these statistics can the points and directions be determined where American export trade can be increased and extended. No bureau can properly understand these statistics, analyze their significance, and realize their suggestiveness except by actually compiling them—by studying and presenting them in connection with all the other data from domestic manufacturers, from consular reports, and from every other source of information which are simultaneously in its possession. * * * The one work illumines, explains, supplements, and, above all else, checks and verifies the other. * * *

The occurrence of statistical errors in our consular reports has attracted much attention and is injuring the reputation of a publication otherwise worthy of commendation. Since the publication of the consular reports has been detached from the Bureau of Statistics there has been no provision for a trained statistician in the Bureau of Manufactures to handle the extensive statistical material which occurs in them, and which is far from being accurate, owing to the fact that some of our consuls lack statistical training. By keeping the statistical service and the publication of the consular reports apart the chief advantage which this Department could have over the Department of State in the publication of such reports is lost. * * * The need for a reorganized Bureau of Foreign and Domestic Commerce increases rapidly with the expansion of our trade abroad. When Congress calls for information relating to our foreign trade, it should find concentrated in one bureau a body of trained technical experts able to put at its disposal all the information in the possession of the Department on every phase of foreign trade, foreign tariffs, foreign commercial regulations, and the whole great subject of international trade.

BUREAU OF MANUFACTURES.

COMPETITION FOR WORLD'S MARKETS.

Never before were such persistent efforts made on the part of leading nations to foster and extend their foreign trade, and the results are seen in the rapid growth of the productive industries and the great expansion of the commerce of such of them as are engaged in the international competition. This is particularly noticeable in the countries of middle and western Europe. The United States, possessing vast natural resources and the most extensive equipment for mechanical construction, combined with the intelligence and enterprise of its people, should lead in this expansion; but so far as the export of manufactured products is concerned we are in many respects far behind. Progress, however, is being made and commodities of American manufacture are becoming better and more widely known in foreign markets. An important step taken in this direction concerns the Bureau of Manufactures, which has been working persistently and effectively to acquaint our business people as to trade conditions and requirements abroad, with the result that a popular demand for information and aid has been stimulated that can not be adequately met with the limited facilities of the Bureau.

Although the Bureau of Manufactures was organized only in 1905, the beneficial results of its labors upon the export trade of the country are evident, and manufacturers and merchants show appreciation by a steady increase in their demands on the Bureau, replies to their letters having increased 138 per cent in the last fiscal year over those of the year preceding. Other nations are adopting some of our methods of obtaining trade reports, thus showing the vigilance of competitors in trade efforts, the persistency with which such efforts are maintained, and the necessity for renewed endeavor in this direction. While commercial attachés have long been used by the United Kingdom and other nations, our use of special agents to report on trade conditions has seemingly met with such favor that commercial agents, unattached to legations, in addition to the consular service, are now used by several foreign countries, which have taken advanced ground in empowering such agents and consuls to report on trade matters by cable or telegraph, when necessary, directly to the department having commercial matters in charge. The extension of this service of commercial agents, so that they can make a more thorough study of trade conditions, is urged by many manufacturers and is recommended as worthy of consideration.

PUBLICATION OF TRADE OPPORTUNITIES.

The Bureau of Manufactures makes known in the Daily Consular and Trade Reports opportunities for the sale abroad of American products, as reported by consuls and others, and such reports have led to a considerable increase in exports. In many cases the lack of time to enable manufacturers to take advantage of such opportunities is a handicap which might be overcome by a limited use of cable and telegraph lines.

The foreign "trade opportunity" service of the consular reports has been greatly extended. From the time that this was inaugurated, in February, 1906, until June 30, 1907, or about sixteen months, there were published 1,166 announcements of special openings for American goods abroad, the names of the inquirers being withheld and furnished only to such American merchants and manufacturers as are entitled to the information. For the fiscal year ended June 30, 1908, the number of "trade opportunities" published amounted to 1,221. It is also noted that as this system of putting the foreign buyer and American manufacturer or producer in communication becomes more widely known throughout the world, more important inquiries are received. The American consuls have for the past year been especially active in sending details of railroad requirements, accompanying their reports with complete sets of blueprints.

ANNUAL REPORTS OF CONSULS.

The decline in the aggregate exports of all the leading nations during the fiscal year makes the efforts to secure markets more aggressive, and emphasizes the need of assisting as far as possible our own exporters. A step in that direction was taken by the Bureau of Manufactures in the publication of the annual reports of consuls. Heretofore they have been issued in a volume called "Commercial Relations of the United States;" but as this had to be delayed until all of the reports were received, its publication was nearly always a year or more later than the period covered by the reports. Under the new method, as soon as the reports from a country are received they are assembled and issued in a pamphlet covering that nation, and distributed among manufacturers and others much earlier than under the old way. More prompt reports from some of the consuls and an increased force in the Bureau of Manufactures will permit further progress in meeting the wants of our exporters along this line.

DAILY AND MONTHLY CONSULAR AND TRADE REPORTS.

The development of Daily and Monthly Consular and Trade Reports into consulting compendiums for practical use by manufacturers and exporters who are seeking foreign markets has been com-

prehensively carried out. It has been the endeavor to compile and present the most valuable information obtainable, stated concisely in plain business language, and with all the reports on kindred subjects from the various consular officers and special agents grouped together. This systematic compilation of the contributions of consuls entails several times as much editorial revision as in former years.

Information secured from special agents, consuls, and other sources should be made promptly available to manufacturers and others. This work is retarded now by lack of sufficient help to prepare the material promptly for publication. The consuls are doing better work than formerly, and their reports show a greater knowledge of what is needed to promote American mercantile interests. In the last fiscal year 10,000 reports were received by the Bureau, through the Department of State, from consuls, as compared with 8,600 in the preceding year, while the number of items contributed under the heading "Trade opportunities" nearly doubled. There are frequent calls for commercial information concerning other countries which can be met only by the possession of facilities that will enable the Department to secure and promulgate it. The exports of completed manufactures were in the last fiscal year the largest in the history of the country, but the total is far behind that of some other countries, and greater results may be reached by guiding our exporters to a realization of the possibilities of foreign markets, by improved transportation facilities, and by other means.

How great is the need of foreign markets for American goods may well be illustrated by exports of cotton manufactures, which aggregated in the last fiscal year but \$25,177,758, whereas the imports of such goods were in value \$68,379,781, although the United States supplies 70 per cent of the raw material for the cotton products of the world. Our exports of such goods are a mere fraction of the total exports of even such other nations as obtain a large share of their raw material in this country. In some countries with which we have good trade facilities we supply the major part of the cotton products consumed, which would seem to show what can be accomplished with proper efforts and facilities for carrying on the trade. And the same thing can be said of other industries.

DIRECTORY OF FOREIGN BUYERS.

The compilation of a commercial directory of the world, in so far as lists of foreign merchants and importers are apt to be of value to the American export trade, has proceeded slowly. The consular officers have supplied a large amount of material for this purpose, knowing that its classification and distribution through a central clearing house at Washington would relieve them of one of their most arduous duties—that of complying with requests from the United States for

names of merchants and importers in their respective districts. This work will prove highly valuable to the intending exporter if he can procure at one central bureau at home the commercial lists for which he now must address several hundred consulates. The new system will also effect great economy for the Government. To make the information effective and available it is essential that several competent clerks be engaged for the work. The plan is urged by both the consular officers and the business public, and only awaits the action of Congress for its fulfillment.

COLLATING AND PUBLISHING FOREIGN TARIFFS.

Attention is again called to the inadequacy of the appropriation for the work of collating and arranging foreign tariffs, which is rapidly expanding with the growing interest in foreign commerce and the appreciation by the business world of this branch of the Bureau's service. The number of requests for information with regard to rates of duty in foreign countries, customs regulations, treatment of commercial travelers, port charges, etc., has greatly increased during the last fiscal year, many of the requests calling for considerable research work. While the original appropriation for this work implied the use of the publications of the International Union for the Publication of Customs Tariffs, of Brussels, Belgium, it has been found in practice that these publications are unavailable for that purpose, owing to the inaccuracy of the translations as well as to their tardy appearance. Foreign tariffs, as well as the different decrees modifying them, which are published in the Consular and Trade Reports, are therefore drawn for publication almost entirely from original sources, namely, foreign official gazettes, of which the Bureau is now receiving a considerable number, and reports sent in by American diplomatic and consular officers, which must be verified and edited before publication.

The work of reading, clipping, and filing foreign publications, and translating the various decrees, which is absolutely essential if this important service of the Bureau is to be of any value, is much greater than can properly be accomplished by the limited staff of three men now employed. As a result, the publishing of foreign tariffs lags behind the demand the Department is called upon to supply. Since the last annual report was submitted the tariffs of France, Germany, Italy, Brazil, New Zealand, and the islands of the British West Indies have been published, together with a number of supplements to the tariffs previously issued, and reports from diplomatic and consular officers covering tariff legislation in forty-five countries were published in Daily Consular and Trade Reports. The tariffs that have been published so far are inadequate to meet the numerous inquiries received for rates of duty in foreign countries, and it

therefore frequently becomes necessary to compile extensive lists of rates of duty on various articles in response to inquiries from manufacturers and exporters, which takes more time than would be the case if all the tariffs had been published.

An additional reason for strengthening this branch of the Bureau's work is afforded by the proposed revision of the tariff by Congress, in connection with which the Bureau of Manufactures has been called upon to furnish considerable information on foreign tariff legislation to committees of both Houses of Congress, and will in all probability be required to do so to a larger extent when the subject is taken up by that body.

To enable the Department to meet the demand for information from the business world, as well as from the legislative and executive branches of the Government, an appropriation of at least \$10,000 for the next fiscal year should be made. This amount would be barely sufficient to provide for the increase needed in the clerical force, which would still remain far below that employed by the governments of the leading foreign countries, whose publications must be largely depended upon by this Department for prompt and accurate information on the subject of foreign tariff legislation.

Attention is specially invited to the report of the Chief of the Bureau of Manufactures, which sets forth in detail the work performed and the results accomplished during the year by that Bureau.

NATIONAL COUNCIL OF COMMERCE.

As an aid to the extension of commerce, closer relations should be established between the Department and the commercial organizations of the country. Steps have been taken in that direction, and unquestionably in time the benefits of such a course will be duly recognized and made available. There is hardly anything that could be of more service in extending trade relations than that the Government should have the benefit of the counsel of the men engaged in trade, and whose experience could best point the way for extending exports. The United States is behind other great nations in that respect, and no time should be lost in making use of this valuable means of extending our commerce.

With a view to establishing intimate relations between the Government and the organized business interests of the country, and with a view to promoting foreign and domestic commerce, a circular was addressed October 23, 1907, to boards of trade, chambers of commerce, and similar organizations in the principal cities of the United States inviting them to appoint committees to meet in this city December 5, 1907, for conference with the Department. This invitation was gen-

erally accepted and the conference resulted in an organization under the name of "The National Council of Commerce."

The object of that organization is to supply a connecting link between the government departments and the business community, for whose benefit much of the work of these departments is directed. It was felt that with the exception of the correspondence between the departments in Washington and individual business firms there was no medium by which regular interchange of opinion and active cooperation on a comprehensive scale could take place.

It was realized that the Government in carrying out certain lines of activity was frequently without reliable information as to the desires and needs of those for whose special benefit this work was intended; and, on the other hand, that a large proportion of the business people in the United States had but a vague idea of what the various government departments in general, and the newly created Department of Commerce and Labor in particular, are doing in their behalf. It was felt that a central organization composed of representatives chosen by the various commercial and industrial bodies of the country, meeting from time to time in the city of Washington and having a permanent bureau under a competent head, coming in direct touch with the officials of the departments whose work affected their interests, would be able to furnish the departments with valuable information of a practical character and to advise with the officials of the departments and aid in directing their work along channels of the greatest practical value to the business world. At the same time the departments, through such an organization, would be able to convey to business people information of a character which often, on account of its confidential nature or for other reasons, could not be handled through the usual channel of departmental publications.

This step was taken with the expectation that through the agency of the commercial organizations the country would have an organ such as most of the leading commercial nations of the world already possess to great advantage. Great Britain, Germany, France, Italy, and other countries have such official or semiofficial bodies, through which the commercial interests of the country are able to make their needs and desires known in a proper way, and at the same time to help the respective governments to convey such information as is found helpful to those interests.

That this newly created council of commerce can promote the business interests of the country by bringing about a closer cooperation between them and the Government there can be no doubt. A few instances as to objects to which cooperation can be directed with a reasonable assurance of beneficial results may be cited. The question of evolving some method of organization for better representation of American manufacturers at foreign industrial expositions is of

supreme importance. Many foreign countries have governmental or semipublic organizations for the purpose of taking advantage of the opportunities afforded by these expositions, which, being devoted to special industries, are of greater practical value to manufacturers than the great universal expositions. Such expositions will be held this and the coming year in Europe, as well as in countries of South America.

There is no permanent organization in this country to look after the interests of American manufacturers and exporters at such foreign expositions, yet the leading commercial countries in Europe have every facility in this respect, and keep a sharp lookout for every advantage offered to promote the interests of their respective countries. The Department of Commerce and Labor is usually informed in advance as to the opening of such expositions, and through a representative body like the National Council of Commerce could assist industries in the United States in securing proper representation for them, not only by securing adequate allotments of space, but by taking necessary steps to secure publicity in the foreign countries in which expositions may be held that would bring the industries in touch with foreign buyers. The National Council will have an opportunity to work out with the officials of the Department some scheme for a permanent organization that will look after this special work in the future.

Another instance is the appointment of special agents abroad for the study of foreign markets. While the Bureau of Manufactures is now doing all it can to study foreign markets for the most important exporting industries of this country, it would welcome any additional assistance that the representatives of the American industries could give it by practical suggestions on the subject. In this relation it may be stated that in the appointment of special agents the policy of the Department has been to consult the commercial and industrial interests to be served and to appoint the persons nominated by them, the condition precedent being that nominees shall be approved experts.

Another important field for cooperation between the Department and the business community is in the matter of negotiations with foreign countries relating to commercial questions. This includes not only negotiations of commercial treaties, but also numerous minor yet important questions which arise in the daily transaction of business with foreign countries in which American interests find themselves aggrieved and desire the protection of the Government. While the Government has its officers to look after these matters in this and in other countries, yet these officials, not being themselves engaged in business, can not have the insight into matters that comes from an intimate contact with foreign conditions to people whose personal interests are directly affected thereby.

It is important that the Government should be informed as fully and as early as possible as to the needs of American manufacturers and exporters in foreign markets; as to grievances which exporting interests may have in connection with the treatment accorded their products by foreign customs officials; as to restrictions to which they are subjected; as to any possible discriminations against them, and any other matters which may properly be taken up by the Government in its negotiations with foreign countries.

The Department has taken the first steps to bring about this helpful relation between the Government and the business community. It now remains for the business world to grasp the proffered hand and to do its share in making the new organization a success.

BUREAU OF THE CENSUS.

STATUS OF INTERCENSAL INVESTIGATIONS.

During the year the Bureau of the Census has completed the quinquennial report on manufactures, the report on marriage and divorce covering the forty-year period 1867-1906, and the decennial report on transportation by water. The decennial reports on religious bodies and the express business are rapidly approaching completion. The four annual reports assigned to the Bureau—statistics of mortality for registration areas; statistics of cities of 30,000 population and over; and the statistics of cotton production as returned by the ginners, and of cotton distribution and consumption—were completed this year at dates somewhat earlier than ever before. The field work for the quinquennial report on the electrical industries was finished in August; the compilation of the schedules is now in progress, and the report will be ready for the printer early in the year 1909.

SALES OF PUBLIC DOCUMENTS.

The Bureau has completed the republication of the names of the heads of families, as returned at the First Federal Census, taken in the year 1790, covering the twelve States of Connecticut, Maine, Maryland, Massachusetts, North and South Carolina, New Hampshire, New York, Pennsylvania, Rhode Island, Vermont, and Virginia—all the States whose First Census records were not destroyed when the British captured Washington in 1814. The names for each State are published in a separate pamphlet, copies of which are sold for \$1, in accordance with the act of Congress authorizing the republication. The Director reports that over \$7,000 has already been turned over to the Treasury from the sale of these pamphlets, and the demand for them promises to continue. The success of this experiment in the sale of a series of government documents leads me to believe that the plan can be advantageously extended to other official publications—perhaps to all Census reports, as the Director has repeatedly recommended, as well as to the technical reports of the scientific bureaus of the Department. It would be following the precedent of a number of the European Governments. The waste and extravagance which have long marked the printing for the Government can never be eradicated until the bulk of its publications are sold at a price fixed in accordance with the actual cost of production, after the volume is ready for the press. Under this plan the circulation of this class of publications would be confined to the persons who have actual need for them, and printing bills would be correspond-

ingly reduced. The sale of certain technical publications of other departments is already authorized by law, and I recommend that the Secretary of Commerce and Labor be authorized in his discretion to affix a price to similar publications of this Department.

OFFICIAL REGISTER OF THE UNITED STATES.

The Bureau published the Official Register of the United States prior to December 1 last, the date fixed by law, at a total cost for printing and binding of but \$25,657, as compared with \$70,000, the cost of printing the last previous issue. The radical changes effected in the Official Register were imperative, because the publication in its old form had become unwieldy, the weight of the two volumes amounting to 30 pounds. In its new form it appears to command the approval of those who make the most use of it. Following the completion of the Register, the Bureau of the Census compiled and published, by my direction, a useful register of the Department of Commerce and Labor. It also compiled a second bulletin containing the statistics of the executive civil service of the United States. At the request of the Civil Service Committees of Congress, the Bureau is now using the data collected for this bulletin to determine with exactness certain details of the plan, recommended by the Committee on Department Methods, for dealing with the troublesome question of clerical superannuation.

WORK IN PROGRESS.

With the completion of the reports above enumerated, all the investigations assigned by law to the Bureau of the Census during the intercensal period will have been disposed of, except the census of the fishery industries and the report on savings institutions. Preparatory work upon both these reports is now under way, and they will occupy a portion of the clerical force during the remainder of the current year. Most of the clerks are now engaged, however, in preparatory work for the Thirteenth Census of the United States or in making special statistical compilations undertaken by the Bureau at the order of the President or of the Secretary of Commerce and Labor. Among the special compilations are a report on the utilized water powers of the United States, for the use of the Commission for the Conservation of National Resources; a report on the character and value of state, county, and municipal securities, undertaken at the request of the Secretary of the Treasury for use in the administration of the new law for the emergency currency; and a report on the annual lumber cut of the United States, compiled in collaboration with the Forest Service of the Department of Agriculture.

The special work above indicated is based largely upon data and records already in the Census Bureau, and the ability of the office

to handle these statistics for other departments and for Congress has avoided much duplication of statistical work. It indicates a function of the Bureau which is likely to develop from year to year.

TABULATION AND PUBLICATION OF CUBAN CENSUS.

In December, 1907, the President directed the Bureau of the Census to tabulate and publish the census of the population of the Republic of Cuba, taken in that year under the supervision of the War Department. This order was made on the representation that no facilities existed in Cuba for this class of work, and all the expenses incurred have been paid from the Cuban treasury. The schedules reached the Census Office about May 1, and 136 temporary clerks were appointed to punch the cards, operate the tabulating machines, and complete the tables, under the supervision of experienced clerks detailed from the regular clerical force of the Bureau. The work was substantially completed October 1, at a cost to the Cuban Government of \$42,655, or about 2 cents per capita, which is less than the per capita cost of tabulating the last census of Cuba, when the work was done under private contract, at a cost of 3.5 cents per capita. The work of the Bureau was entirely satisfactory to the authorities in charge, and was a valuable experience for the Bureau in two ways. It permitted a practical test of the proposed plan of piece-price payment for mechanical work at the Thirteenth Census, the results of which test were eminently satisfactory. It demonstrated that in the punching of cards and the operating of tabulating machines differing degrees of aptitude and industry may be so compensated that each operator may be paid in accordance with product, none receiving less than a fair day's wage while the especially apt may receive a much larger compensation than would otherwise be possible, the total cost of the work being at the same time materially reduced.

The Cuban census also permitted a thorough testing of several of the new designs of tabulating apparatus invented in the office for use at the Thirteenth Census. The results exceeded the most sanguine expectations of the Bureau. The new machines did their work perfectly, and indicated that they are adapted to handle the great work of a decennial enumeration more quickly and more economically than any mechanisms hitherto employed for this purpose. The Annual Report of the Director gives full details regarding these experiments, and indicates that a large saving in the cost of the next and subsequent censuses will result from their successful culmination.

MODIFICATION OF CENSUS LEGISLATION.

During the next fiscal year the Census Office must complete the preparations for the thirteenth decennial enumeration of the population and resources of the United States, and actually make the

enumeration. While the legislation under which the Twelfth Census was taken provides also for subsequent censuses, the experience of the Bureau has revealed many points at which the law should be modified, and these changes will greatly reduce the cost and increase the accuracy of the Thirteenth Census. It is highly important that the new law shall be enacted at the earliest practicable date after the reassembling of Congress.

APPROPRIATION FOR THIRTEENTH CENSUS.

Because of the decennial census, the Bureau must pass, with the next fiscal year, from the detailed appropriations of the intercensal years to a lump-sum appropriation, applicable to every form of expense that must be incurred in connection with that great work and in carrying on the regular intercensal work of the Bureau during the three years in which it will be engaged upon the decennial census. It is not possible to apportion the expenditures of the decennial period, either by items or by years; and the appropriation must therefore, as at all previous censuses, be made a continuing one, covering the three years required to complete the work. The Director urges that it will tend to economy and efficiency if the entire estimated cost of the Thirteenth Census is appropriated for at the coming session of Congress. This is especially desirable in view of the fact that the law now requires the main work to be completed and published within two years from the date of the enumeration, a requirement which can not be met if the work has to be stopped at any stage because Congress is not in session to renew the appropriations.

The Director estimates the cost of taking the Thirteenth Census and of continuing at the same time the regular work of the Bureau at \$14,117,000. This estimate contemplates an expenditure, during the three years, of \$1,187,000 to carry on the four annual reports and the two biennial reports which the Bureau is required to make, leaving the sum of \$12,930,000 available for the Thirteenth Census proper. The total appropriations made by Congress (in three separate acts) for the Twelfth Census aggregated \$13,516,210. Of this sum \$11,770,052 had been expended at the time when the act went into effect making the Bureau a permanent office. The date of effectiveness of that act has generally been accepted as marking the completion of the Twelfth Census, and the expenditures up to that date as determining its cost. As a matter of fact, the Bureau was engaged for more than a year after that in finishing the Twelfth Census work, and four expensive Twelfth Census volumes were compiled and published subsequent to the reorganization of the Office on a permanent basis. It is therefore difficult, in fact impossible, to state the exact cost of the Twelfth Census; but it was doubtless in excess of \$12,500,000. It consequently follows that the Director proposes to undertake the

Thirteenth Census for a sum of money no greater than that actually expended upon the Twelfth, notwithstanding that there has been an increase of 20 per cent in the population to be enumerated, a much greater increase in the growth of agriculture and manufactures, while the island of Porto Rico and perhaps other insular possessions must now be included.

The Director bases his expectations upon several considerations, the most important of which is the existence of the permanent Office and the enormous saving that will result in the cost of preparation. The other considerations are the omission of the vital statistics schedule; the omission of the canvass of the hand, household, and neighborhood industries in the manufacturing census; the application of the piece-price method in payment for machine work in connection with the tabulation, and, finally, the fact that the Bureau will build and own the necessary tabulating apparatus instead of renting it as heretofore. Whether or not the sum of money asked will prove sufficient, the Director should be afforded every facility to carry out his plan. If the work can be done for the money he asks, it will be the first time in the history of the country that the cost of a decennial census has not greatly exceeded the cost of the prior census. It will be the direct result of the establishment of a permanent Census Office, and only one of many proofs that the legislation accomplishing this was not only wise but in the interest of economy.

HOUSING OF TEMPORARY EMPLOYEES.

The Director calls especial attention in his report to the fact that if the Bureau is to complete the census for the money asked it must be given quarters in which to do the work. Suitable provision for housing the temporary clerical force during the three-year decennial census period was urged upon Congress in my last annual report. Nothing, however, was done at the last session. The building now temporarily occupied by the Census was only half large enough to accommodate the force required to compile the Twelfth Census. The accumulation of records, the installation of the machine shop, and the taking over from the Department of the Interior of all the accumulation of prior census reports have so far reduced the available space in this building that not more than one-third of the clerical force can now be provided for within its walls. To scatter the remainder of the force throughout the city in such separate and unsuitable buildings as can now be rented will add enormously to the cost and the difficulties of the work. I again ask the attention of Congress to the plan suggested in my last annual report for meeting this emergency situation by the purchase of the present building and the construction of a suitable annex. If prompt action is taken, it will be possible to complete the proposed annex by the time it will be needed.

BUREAU OF NAVIGATION.

The output of our shipyards during the fiscal year ended June 30, 1908, was the largest in American history. The vessels built and documented numbered 1,457, of 614,216 gross tons. For an annual product approaching this we must go back to the year 1855, hitherto the record year, when the tonnage built and documented in the United States aggregated 583,450 gross tons. The figures, however, do not indicate an early return to the rank we held on the ocean in the generation before the outbreak of the civil war; they serve rather to suggest the considerable changes in the shipbuilding industry and in navigation since that time. Then our square-rigged ships and barks were built to sail every sea; last year, of all the vessels built, probably not one will ever engage entirely in the foreign trade, and very few will ever serve otherwise than as parts of our domestic transportation system.

With the nearly complete substitution of steel for wood as the principal material of construction, the centers of the shipbuilding trade have shifted and its industrial organization has changed. Fifty years ago a large number of relatively small yards on the Atlantic seaboard built most of our vessels; last year more than half of our merchant tonnage was built by a few large corporations on the Great Lakes.

Unfortunately the record product of the past fiscal year can not be taken as an index of conditions in the near future. On the contrary, it is apparently the culmination of nearly a decade of exceptional activity in shipbuilding, both at home and abroad. At home this activity has been part of the remarkable development of all our industries during that period, and in part it has been due to the anticipation of favorable legislation which thus far has not been realized. The domestic shipbuilding industry is as essentially a part of our resources for national defense as are battle ships and batteries. For reasons of national policy as well as of industrial welfare it is to be regretted that the outlook for shipbuilding during the current fiscal year is less favorable than at any corresponding time in late years. The conditions, however, may serve to impress upon the country the desirability of legislation in the line of national policies which incidentally will strengthen the industry.

On July 30, 1908, the total documented merchant shipping of the United States comprised 25,425 vessels, aggregating 7,365,445 gross tons. This tonnage, of course, is the largest in our history, and the increase over the previous fiscal year is the largest annual increase recorded. Nearly three-fourths of the increase has been on the Great

Lakes, and Pacific-coast shipping, both relatively and absolutely, has increased more than the shipping of the Atlantic and Gulf seaboards.

I renew the recommendation of my last annual report in favor of a measure that shall insure us superior mail communication 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 China and Japan. A bill which in its essentials accords with that recommendation has passed the Senate and now awaits action by the House of Representatives.

The Department of Commerce and Labor has a threefold interest in the improvement of our ocean-mail service. It is concerned in the development of American ocean-mail steamship lines, especially to South America and on the Pacific, because such steamships afford the opportunities for buyers and sellers to travel to and from this country, for the speedy and regular transmission of mail orders, and for the transportation of classes of manufactured goods for which especially we seek markets. Under modern conditions of international competition such opportunities must be made satisfactory, if our producers, both capitalists and laboring men, are to have a fair chance with those of other nations in the relatively new markets of the world. That such opportunities are not now satisfactory is shown by an unbroken line of undisputed testimony of competent witnesses.

It is not now possible to travel with satisfactory speed and comfort from the United States to many South American countries or to Australasia unless the voyage is made by way of European or Canadian ports. Perhaps in time foreign steamship lines may find it to their profit to improve present conditions, but our reliance upon such foreign lines is already so great as to impair that independence on the sea which ought to be the aim of a country holding the present rank of the United States among nations. Since the adjournment of Congress the American battle-ship fleet has sailed nearly around the world on a mission of peace. The attending fleet of foreign colliers has been evidence to all the world that this voyage would have been well-nigh impossible in time of war, and that during hostilities the radius of action of our battle ships will be practically restricted to their limited coal-carrying capacity so long as our merchant marine on the sea remains dwarfed.

An ocean-mail act will not, of course, lead directly to the construction of colliers. In the development of modern shipping corporations, however, the cargo steamer has usually followed the faster ocean-mail steamer. Such has been our own experience under the ocean-mail act of 1891, in so far as its rates of compensation have sufficed to produce results, and such doubtless will be the effect of a satisfactory amendment to that act. The construction of such cargo

steamers will still further increase our ocean-transportation facilities for the benefit of the interior productive fields of the United States.

Again, the cost of construction of ships is the initial, though not the sole, obstacle in the way of the development of the American merchant marine in over-sea trade. Our extensive programme of naval construction and our coastwise-trade law have created our modern shipyards on the seaboard, but it is not to be expected that they will always suffice to maintain them. The transportation of ocean mails is as legitimate a function of government as the transportation of domestic mails. As such the ocean-mail service seems to me to be entitled to the support of the entire Congress, regardless of the general economic theories which may be held by individual members. If such support shall involve indirectly the increase of our fleet of cargo-carrying ocean steamers and the upbuilding of domestic shipyards, then the gain to the whole country is the greater.

Congress in 1891 appreciated the importance of an American ocean-mail service. The act of that year has since stood free from successful criticism of its principle and purpose. It has produced results in certain directions and it has failed in other directions, where failure was foreseen by its advocates. We stopped with that act, while other nations have advanced. We should bring that legislation abreast of the day. In my report last year I stated:

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.

Even under favorable conditions at least two years and possibly three years must elapse before American ocean-mail lines to South America south of the Caribbean can be established and a line to Australasia reestablished. Accordingly, I earnestly recommend the passage by the House of Representatives of the ocean-mail bill which has already passed the Senate.

We ought to provide better facilities for passengers between Hawaii and the mainland of the United States. It would be preferable to use American steamships for the purpose, and the passage of the ocean-mail bill recommended would bring about that result. Pending the establishment of such American mail lines our coasting laws in this particular could very properly be modified as proposed in a bill which has passed the House and is now on the Senate Calendar.

Tonnage duties during the fiscal year amounted to \$1,076,571.69, the largest sum received since the method of collection was changed, in 1884. In 1884 the revenue from this source was \$1,295,772, which,

during the year following, upon the change in the law, dropped to \$390,875. The rates of tonnage tax imposed in the United States are substantially the same as the rates for light dues imposed in the United Kingdom, and are materially less than corresponding charges on shipping imposed by other countries. Barring occasional slight technical difficulties, the tax is readily collected and at a small cost to the Government.

Little can be said in favor of the law providing for reciprocal tonnage-tax exemptions under sections 11 and 12 of the act of June 19, 1886. That law provides in substance that if vessels of the United States in any foreign port are exempt from tonnage taxes, light dues, or corresponding charges, then foreign vessels from such port entering a port of the United States shall be exempt from our tonnage taxes. Under existing conditions there is almost no possibility of an equal exchange of favors under these sections. The bulk of our tonnage taxes is derived from vessels on the long voyages from Europe, Africa, Asia, Australia, and South America. Of \$901,758.36 received from these sources, American vessels contributed only \$37,130.22. Were all tonnage taxes abolished in the ports of these continents, compelling a corresponding abolition of tonnage taxes in American ports, the direct gain to foreign vessels would be about twenty-five times greater than to American vessels.

Congress in the near future will consider a revision of the tariff, having in mind the principles of reciprocity and of maximum and minimum schedules, and exemptions from tonnage taxes may be granted in return for other trade favors. As an independent proposition under existing law, reciprocal tonnage-tax exemption is the offer by the United States of an unprofitable bargain.

Shipping commissioners at 20 seaports have shipped, reshipped, or discharged 307,299 seamen on American vessels during the past fiscal year, an increase of 47,729 over the previous year. 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, accordingly, seems to indicate the popularity of Federal supervision of labor contracts of this special nature, as in most instances the shipment before commissioners is optional. Of 163,192 men shipped or reshipped, 52,065 were native Americans and 28,713 were naturalized citizens, so that about 50 per cent of those shipped were aliens. These figures do not include Chinese shipped for the round voyage before American consuls at Hongkong and elsewhere in the East on trans-Pacific steamships.

The reconstruction of the barge-office annex at New York will render it necessary for the Department to rent quarters for the shipping commissioner at that port, and an appropriation for that purpose is recommended.

The President last May, at the suggestion of this Department, designated a commission to examine the laws of the United States for the better security of the lives of passengers and crews on board of vessels of the United States, with a view to their revision, and to recommend such changes as in their judgment the public interests seem to require. The commission, consisting of the Chairman of the Light-House Board, the Solicitor of the Department of Commerce and Labor, the Commissioner of Navigation, the Supervising Inspector-General of the Steamboat-Inspection Service, and an engineer officer of the United States Navy, is serving without expense to the Government. It has held frequent meetings at Washington and heard expert evidence on the various questions before it. The commission will report to the President, and I trust that its report may result in remedial legislation.

The navigation of the United States differs from that of England, Germany, France, and other maritime nations in that the amount of oversea passenger business under the American flag is very small. The vast majority of passengers on the water in the United States are carried on ferryboats and excursion boats, running relatively short distances on smooth water, and comparison of casualties under the American and under foreign flags is difficult and inconclusive. The nature of our waters has led to a remarkable growth in the use of motor boats during recent years, and the increasing number of casualties on these boats calls for further regulation of their use. Extension in other directions of the system of Federal inspection of vessels of the United States, in my judgment, is desirable.

Even for the enforcement of existing laws the facilities at the disposal of the Department are inadequate. The violations of these laws occur usually, of course, on the water, and unless collectors of customs and other officers charged with the enforcement of the laws have facilities for being on the water at times they are handicapped in the performance of their duties. Theoretically, the vessels of the Revenue-Cutter Service are available for the detection of such violations, and to an extent they are efficient agencies. In most cases, however, small launches or motor boats would serve the particular purposes referred to better and more economically.

STEAMBOAT-INSPECTION SERVICE.

In general the work of the Service has been earnestly and effectively devoted to its primary purpose of making safe the lives of passengers on our waterways. Many improvements, both in law and in administration, still remain to be made; but when the relatively small loss of life reported below for water traffic is compared with the tremendous annual loss of life in railway traffic, we get a more just view of the value of the work of the Service in safeguarding the lives of those who travel by water.

In considering the appalling loss of life by railway accident in the past calendar year, and in looking for possible methods of prevention, one is indeed forced to feel that a great advance ought to result therein by the extension of the work of the Service to an inspection of locomotive boilers and equipment, a work for which the Service is well adapted. It is believed that such an extension of its work would immediately justify itself by a reduction in the number of locomotive boiler accidents. It would probably also demonstrate the need and value of a still broader and more general inspection of interstate railway equipment and right of way with a view to the prevention of loss of life. It is obvious that some action must soon be taken toward this end if the United States is not to retain and increase its present unenviable preeminence in railway accidents and resulting loss of life.

Such work by the Government has been successfully performed as to water traffic. The same machinery, with slight modifications, is easily adaptable to a similar work for interstate land traffic, and there is no good reason why the traveler by land should not have as much and as effective protection thrown about his life and limbs as is now enjoyed by the traveler by water.

The total expenses of the Service for the fiscal year ended June 30, 1908, were \$522,181.97. Its personnel at the close of the fiscal year consisted of 243 officers and clerks, and 1 messenger; additional assistant inspectors and clerks, made necessary by the large increase in the volume of work of the Service, were appointed during the year.

The number of vessels certificated was 8,190, showing a decrease in number of 72 but an increased tonnage of 692,124 as compared with the previous fiscal year. Of the vessels certificated 7,403 were domestic steamers, with a tonnage of 4,392,373, a decrease of 133 steamers but an increase in tonnage of 198,664; 291 were motor vessels, with a tonnage of 15,844, a slight increase in both number and tonnage; 44 were sail vessels and barges, with a total tonnage of 20,506,

a slight increase also in both number and tonnage, and 452 were foreign passenger steamers, with a tonnage of 2,916,272, an increase of 33 steamers and 492,968 tons. These figures bear out the well-known present tendency toward construction of larger vessels, especially on the ocean and the Great Lakes. The increase in tonnage inspected indicates at least a part of the increased work of the Service and its growing importance.

There were 26,056 officers of all grades licensed during the fiscal year, and 843 applicants were examined for color-blindness, of whom 52 were rejected.

There were inspected at the various mills 3,691 steel plates for the construction and repair of marine boilers (a decrease from the previous year of 2,133), of which 567 were rejected. In addition to these plates, there were inspected at the mills a large number of steel bars for braces and stay bolts in marine boilers, and also several hundred plates for stock and repair purposes. Many requests were received from other branches of the Government, particularly from the Isthmian Canal Commission, for tests of material. All requests were immediately answered, the material was inspected as soon as the mills were ready for the inspection, and the reports were promptly sent to the persons making the requests.

There were examined and tested at the various manufactories during the year 181,654 life-preservers, of which 2,146 were rejected.

The total number of accidents of all kinds resulting in loss of life during the fiscal year upon vessels subject to the steamboat-inspection laws was 64, an increase of 9 over the previous year. The total number of lives lost was 385, a decrease of 120 from the fatalities of the previous year. Of the total number of lives lost, 165 were from causes for which the victims were entirely responsible and which were beyond the power of the Service to avert, such as suicide, leaving 220 lives lost that can be fairly charged to accident, collision, or foundering.

During the calendar year ended December 31, 1907, there were 372,347,279 passengers carried on vessels which by law are required to report the number of passengers carried, or a ratio of 967,135 passengers carried for each life lost, whether of passengers or crew, and from all causes.

A special committee of the Department has been engaged in considering the entire body of statutes relating to the Service, with a view to pointing out needed improvement and correction therein. This committee has not yet reported its findings.

LIGHT-HOUSE BOARD.

During the fiscal year the Light-House Establishment was considerably enlarged by the addition of tenders, light-vessels, and other aids to navigation, which became necessary on account of improvements to harbors and increase in commerce. There were newly established during the year 33 lights, 10 fog signals, 18 submarine signals, and 199 buoys, besides 133 daymarks and 150 post lanterns.

Nine first-class light-vessels and 8 first-class seagoing tenders were constructed and delivered. Of these, 3 tenders and 3 light-vessels are destined for duty on the Pacific coast and started on their journey by way of the Straits of Magellan September 21. The tender built for service on Lake Superior sailed from Tompkinsville, N. Y., for her station August 15, 1908.

The installation of the incandescent oil-vapor system of lighting is being carried out as rapidly as is consistent with efficiency and economy. The use of this vapor, instead of the oil itself, increases enormously the intensity of the light, which is of course the first consideration. It has also proved economical, except in the smaller lights; but it is in the smaller lights that the increase in intensity is greatest. By vaporizing the oil the following are, approximately, the results attained: A first-order fixed light has become four times as brilliant on one-quarter of the amount of oil consumed; a first-order flash light, seven times as brilliant on one-quarter of the amount of oil consumed; a second-order light, seven times as brilliant on 88 per cent of the amount of oil, and a third-order light has increased to twelve times its former brilliancy, but the amount of oil consumed is doubled.

The use of acetylene as an illuminant is receiving the careful consideration of the Board's officers, whose investigations will be treated at length in the Annual Report of the Board.

The installation of submarine fog signals has been continued, and now all principal offshore light-vessels have been equipped with them. This signal has proved to be an efficient aid to deep-water navigation during foggy weather. To have some prominent headlands equipped with this apparatus, the bell to be some distance offshore and struck by electricity, is under consideration.

A special committee appointed by the Light-House Board made a careful investigation of the rates of salaries paid to the various employees of the Establishment with a view to adjusting many existing irregularities and inconsistencies. The report of this committee was approved by the Light-House Board and the Department, and the recommendations made therein are now being carried into effect. The report recommends a slight increase of salaries throughout, and

an adjustment thereof so that employees who do similar work will receive the same compensation. This, together with the law that was passed at the last session of Congress authorizing one ration per day to each light-house keeper, or commutation thereof at the rate of 30 cents per day, will place the service on a much more satisfactory basis than it has been heretofore.

There are at present on the rolls of the Light-House Establishment 1,631 keepers, assistant keepers, and laborers in charge of lights. The number authorized by statute is 1,650. One hundred and twenty-five lights are to be established during the present fiscal year, requiring the services of 87 keepers. In view of these facts, it is recommended that the authorized number of keepers, assistant keepers, and laborers be increased at once to 1,725, and after July 1, 1909, to 1,750.

Legislation is recommended authorizing the Board to pay the surgical and hospital expenses of seamen employed on board vessels of the Light-House Establishment and injured in the performance of duty. They are now entitled to treatment at the nearest marine hospital, but such a hospital may be many miles from the scene of the accident, while private medical assistance might be obtained in the immediate vicinity. In such cases the United States, and not the seaman, should bear the expense of treatment, but there is at present no law authorizing it.

The necessity for legislation creating 3 additional light-house districts still exists. Under the present law the Light-House Establishment of the United States is arranged into districts not to exceed 16 in number, and that number has now been attained. The Territory of Alaska, the island of Porto Rico, and the Hawaiian Islands, together with the other Pacific islands, are in process of being provided with proper lights and other aids to navigation for the assistance of the commerce which is rapidly increasing in these localities. As the 16 districts allowed are already in existence, it has been necessary to place the three sections referred to under the control of other districts by calling them subdistricts, and placing inspectors and engineer officers in charge of them. These officers are not vested with the necessary authority for properly handling the work which must be done, and as a result frequent delays ensue which should be avoided. The recommendation to increase the number of districts to not exceeding 19 is therefore made.

The law at present requires that the Light-House Board shall be composed of "two officers of the Navy of high rank, two officers of the Corps of Engineers of the Army, and two civilians of high scientific attainments, whose services may be at the disposal of the President, together with an officer of the Navy and an officer of engineers of the Army, as secretaries," and that the Secretary of Commerce and

Labor shall be ex officio president of the Board. This Board, according to law, discharges all administrative duties relating to the Light-House Establishment. Of the nine members of the Board only four devote their whole time to its duties, the remaining members having other duties or pursuits to follow. Regular meetings are held once a month, and during the rest of the month the affairs of the Establishment are carried on by three executive officers—the Chairman, the Naval Secretary, and the Engineer Secretary—who carry out the instructions of the Board issued at the monthly meeting and decide upon questions which may come up during the month but which are not of sufficient importance for the convening of the Board in extra session. Upon all such questions the action of these three officers is controlled by the majority.

The Light-House Board was created nearly sixty years ago, when the Establishment was still in its infancy and when designing and experimenting were the great consideration and little executive administration was necessary. With the large personnel which this service now has, and the thousands of aids which have since been created, such a board is not a proper administrative head, nor can the office duties be properly executed by a committee of three officers where a majority vote governs. I therefore recommend that legislation be enacted so that—

First. The Light-House Board may become an advisory instead of an administrative body.

Second. The Chairman of the Board may be named by the President instead of being elected by the Board.

Third. The Chairman of the Board may be the executive head of the Light-House Establishment, with the same powers as a chief of bureau.

On several occasions I have taken the opportunity to visit light stations in company with the Chairman, or the inspector of the district, for the purpose of acquainting myself with the methods of this service, and have frequently accompanied these officers on their visits of inspection. These tours have proved to be very instructive, and have served to bring to the attention of the head of the Department facts of which he should be cognizant. Such visits by the Secretary, who is also President ex officio of the Board, or by any other member of the Board, have a good effect on the employees in the service.

BUREAU OF FISHERIES.

FISH-CULTURE.

The operations of the Government in the interests of the fisheries and the fish supply have a widely diversified character, being the outcome of many years' growth and experience and a reliable reflex of the popular interest shown in this important work. Beginning a third of a century ago as a mere inquiry into the condition of certain fisheries, this work has broadened until to-day it is addressed to practically every important phase of the question of conserving, increasing, and utilizing the aquatic resources of the interior, coastal, and offshore waters of the country. The growth in this service has been most noteworthy in the cultivation and distribution of food and game fishes, which has come to affect not only every State and Territory but almost every community.

The fish-cultural efforts of the Bureau of Fisheries in 1908 were directed chiefly to increasing the take of eggs and the output of young fish. While the possibilities of expansion and development in nearly every line are almost unlimited—depending largely on the funds available for opening up new fields—the public need and popular demand seemed best subserved at this time by the concentration of efforts for immediate results in quantity in the fields already occupied. Thus, with the same funds as during the year before, the hatchery work in 1908 yielded 376,000,000 young fish more than in any previous year, and produced about 458,000,000 eggs, which were delivered to state and foreign hatcheries. The total output was nearly 3,000,000,000, of which over 2,500,000,000 were young fish.

The conspicuous increases were in Great-Lakes whitefish; silver, blueback, and humpback salmons; rainbow and brook trouts; large-mouth and small-mouth black basses; yellow perch and white perch; cod, flatfish, and lobsters, all of which were produced in greater quantities than ever before. There was likewise an increase in shad, due entirely to improved conditions in the Albemarle region of North Carolina. The output of lake trout and pike perch fell behind the 1907 record, as did also that of chinook salmon and Atlantic salmon. These fluctuations in the production of most of the fishes handled are, however, inevitable, being due to weather conditions or other adversities which can not be controlled.

The fish-cultural work in 1908 was not without new features. The yellow bass, prized as a game and food fish in the Gulf States and the Middle West, was added to the list of species propagated; and in response to a growing and insistent demand there were distributed

in several instances a brood stock of carp, which species the Bureau has not been distributing for many years. Some waters not suited to any other fish are suited to carp, and the purpose of the Bureau to supply this fish for such waters—preferably by transfer from other waters—should not provoke the criticism justly addressed to carp misplaced.

To increase the effectiveness of the distributions of fish and at the same time to facilitate the office work, there has been established a card-index system by which will be preserved all obtainable data pertaining to plants of fish in the many thousands of ponds, lakes, and streams that have been stocked by the Bureau. Owing to the yearly growing interest in the utilization of private and minor waters generally for raising fish and the consequent greater demand for suitable fishes to plant in such waters, this information will constitute a history which will be an invaluable guide in the assignment of species to the various applicants. Effort is also being made to collect and correlate observations relating to particular characters in the water supply at the hatching stations. Recent experience has developed hitherto unsuspected causes of difficulty and success and points the way to important reforms and improved procedure. The rôle of aquatic plants and algal growths in breeding and rearing ponds is becoming better understood, and certain chemical qualities of the water are being studied in relation to the abundance of fish food. Such problems are of obvious importance in fish-cultural work, and it is hoped by greater knowledge on the subject to increase the efficiency of the present hatcheries as well as insure a wise choice of sites for hatcheries to be erected in future.

The new salmon station at Afognak, Alaska, has been nearly completed, and will be ready for operation the present season. At various other stations new buildings have been erected and grounds, water supply, and other facilities improved.

SCIENTIFIC INQUIRY.

Important work of the Bureau in scientific inquiry has been the continued investigation of the natural history of the pearly mussels of the Mississippi Valley, which support the pearl-button industry of the United States. This industry has an invested capital of \$2,000,000 and produces an annual output valued at about \$6,000,000, but the supply of fresh-water mussels which constitute its raw material is becoming rapidly exhausted. Effort is being made to locate all possible sources of supply, to determine the extent of the depletion, and to acquire knowledge of the habits of the mussels which will make it feasible to recommend protective legislation. Artificial propagation was undertaken at once, and the experiments

were so successful from the beginning that the work is even now being conducted on a scale promising practical results; and Congress, at the solicitation of the pearl-button interests, has provided for the establishment of a station especially for mussel culture, which will probably be ready for operation during the present fiscal year.

Cooperation with the State of Maryland in the survey of the oyster grounds of Chesapeake Bay has continued, in conjunction with the Coast and Geodetic Survey, and experiments and inquiries relating to the condition of the oyster industry in other States also have been conducted. As an instance of the way in which intelligent and well-directed scientific effort may redound to the benefit of a community or State, reference may be made to the remarkable results of several years' endeavor in behalf of the oyster industry of Louisiana. Here the aim has been to develop unproductive grounds, and the success of the experimental plants last year led at once to the leasing of large areas of bottom by prospective planters; while the Bureau's plants in Baratavia Bay, where there had previously been no oysters at all, this year made good their promise by yielding at the extraordinary rate of 1,500 to 2,000 bushels of marketable oysters per acre at the end of two years from the time the cultch was deposited on barren bottom. The fitness for oyster culture of thousands of acres of barren bottom has been demonstrated, and these grounds will undoubtedly be taken up, with great profit to the State as well as to cultivators.

The experiments in sponge culture which have been in progress for a number of years have reached a stage where the methods may be recommended for commercial purposes, and a report upon the work will shortly be published. Sponges 6 inches and more in diameter have been produced in four years from cuttings planted by inexpensive means, and it is believed that the system can be commercially employed with profit. The experiments will be continued with a view to the development of improved methods and the acclimatization of nonindigenous varieties of sponges.

Physical and biological studies of lakes have been undertaken in various parts of the country. In cooperation with the Geological Survey of Wisconsin, attention has been directed to the determination of the gaseous content of lake waters in that State, deficiency in this respect having been found to be responsible for the absence of fish and the failure of efforts to stock these lakes. Devils Lake, North Dakota, was also a field of investigation, by which were developed facts which enabled the Bureau to make practical suggestions for the reintroduction of food fish and to point out a source of ample supply. The results of this work have general application to all the numerous alkaline lakes of the West. Investigations were conducted also in Sebago Lake, Maine, and Lake Maxinkuckee, Indiana, and Lake

Drummond and other fresh waters of southern Virginia and North Carolina also received attention.

The biological laboratories at Woods Hole, Mass., and Beaufort, N. C., were open and occupied as usual by investigators from numerous educational institutions, and were provided with an official staff engaged in biological experiment and faunal studies.

The steamer *Albatross* was sent to the Philippine Islands in September, 1907, to undertake investigations designed to develop the fishery resources of these insular possessions of the United States. The work resulted in most valuable biological collections and gives promise of great economic benefit to the islands, where fishing methods are at present primitive and commercial possibilities not appreciated. The *Albatross* will continue the work for at least another year.

COMMERCIAL FISHERIES.

One division of the Bureau has always been occupied with inquiries designed to afford a complete census of the commercial fisheries. During the past year, however, this work has been less statistical in character and devoted chiefly to the accumulation of data descriptive of apparatus and methods of fishing throughout the country, with a view to the compilation of a complete report upon this subject. The only strictly statistical inquiries have been the work of the agents stationed permanently at Boston and Gloucester, the two greatest fishing ports of the east coast, for which the monthly bulletins of fish landed by American vessels have been issued as usual. The annual summary of these reports, covering the calendar year 1907, shows a total of 191,571,752 pounds of fish, valued at \$5,263,103, taken on banks off the east coast of the United States and Newfoundland and other British provinces.

In 1908, as in the two previous years, the Bureau, at the request of the State Department, detailed a representative to note the operations of American fishing vessels in Newfoundland waters and report as to the observance of the *modus vivendi*.

The Alaska salmon agents were in the field, as usual, for the work of inspecting the conditions of the fishery and its dependent industries, and enforcing the laws controlling it. Three instances of violation were found, and the offenders indicted and fined. The season's inquiries covered also the examination of possible hatchery sites with a view to recommendation, and the collection of fishery statistics for the entire region. All of this information has been published in detail in the special report of the Alaska salmon agents, issued in May, 1908, which shows for all the fisheries of Alaska in 1907 an investment of \$9,216,028 and products amounting to 178,358,301 pounds, valued at \$10,160,183.

CONSERVATION OF FISHERY RESOURCES.

The movement for the conservation of our natural resources has important relation to the fishes and other inhabitants of the interior and coastal waters. The necessity for concerted action by the States has long been appreciated, and this necessity has become more pressing with the greater drains on the supply of food and game fishes consequent on increased population. A special subject that has never received adequate consideration and should have careful attention at the hands of the National Conservation Commission is the rights that should be accorded the inhabitants of the waters and the definite determination of the relations that should exist between the fisheries on the one hand and agriculture, forestry, mining, irrigation, and navigation on the other.

The general decline in the shad fishery, and consequently in the hatchery work, for which eggs are obtained from fish caught for market, has been arrested only in North Carolina among all the States in which the Bureau engages in shad cultivation. The immediate effect of adequate protective measures in this State shows the results that may be expected to follow similar legislation affecting the shad in the various important shad streams, such as the Potomac, Susquehanna, and Delaware, for which it seems impossible to obtain concerted legislative action from the States interested.

Reports of the salmon fishery of the Columbia River indicate a decline which is cause for serious concern, and which is the graver in portent because the States having jurisdiction fail to take action insuring the protection of the fish. The situation demands prompt and judicious action if this fishery is to be preserved, yet factional considerations in Washington and Oregon have been allowed to interfere with the passage of the needed laws and the condition is unrelieved. The Bureau is without power to act further than to continue its efforts in artificial propagation; and these are negated by the indifference of the States. The situation presents another illustration of the necessity for Federal control of interstate waters.

In the case of the international waters of the United States and Canada, the two Governments have arisen to the necessity for uniform protective laws, and have assumed, in the United States, at least, unprecedented jurisdiction. The International Fishery Commission, appointed a year ago to investigate conditions from the standpoint of law and biology, is the outcome of an international agreement to regulate and conserve the fishery resources of the Great Lakes and the west-coast salmon waters. Its recommendations, to be submitted by January 1, 1909, will be the basis for legislation to be enforced by the respective Governments, instead of under the mixed jurisdiction of the various States and Provinces, whose contending interests have hitherto produced such inadequate and incompetent regulations.

RECOMMENDATIONS.

Among the matters affecting the welfare of the fisheries and the related work of the Government to which the Commissioner of Fisheries addresses recommendations are the following:

The extensive and rapidly growing demands of recent years have created a genuine need for new hatcheries, especially in the vast Mississippi Valley and southwestern regions, for the cultivation of commercial and game fishes adapted for ponds. It is accordingly recommended that Congress during the coming session authorize the establishment of such hatcheries.

The abolishment of the Fish Lakes in Washington has deprived the Bureau of the only facilities it possessed for conducting important experimental work in fish-culture and aquatic biology under the supervision of the executive staff. The need for this kind of work is growing and progress in certain lines has been greatly delayed. It is accordingly urged that provision be made for a composite fish-cultural station in the vicinity of the capital, in Maryland or Virginia, where many practical problems awaiting settlement may be studied and elucidated.

In view of the growing need for better protection of the fish life in interstate waters, in the interests of conservation, it is considered most important that provision be made for Federal control affecting at least the migratory fishes in such waters; and it is furthermore regarded as of very great importance that protective measures adopted by the States be made more effective by an application of the principles of the Lacey Act to interstate trade in fish and other water products.

The growth of the fishery service and its special requirements in the way of laboratory and aquarium facilities, in addition to offices and storerooms, make most urgent the need of new quarters for the Bureau of Fisheries. The previous recommendations to this effect are accordingly renewed and emphasized.

ALASKAN FUR-SEAL SERVICE.

The report of the government agent in charge of the fur-seal fisheries at the Pribilof Islands, Alaska, shows that during the sealing season ended July 31, 1908, 12,500 sealskins were taken on the island of St. Paul and 2,500 on the island of St. George, or 15,000 in all. Of this catch there were shipped by the lessee company 14,964 merchantable skins.

The trapping of foxes last winter upon St. George Island resulted in the taking by the natives of 438 blue-fox skins and 8 white skins. This is an increase of 72 skins over the catch of the last preceding year. No foxes were trapped on the island of St. Paul.

The operations of the pelagic sealers still continue to affect adversely the sealing industry and to threaten the practical extinction of the seal herd. Eight vessels only were sent out as the British Columbia fleet, their cruising in Bering Sea being confined to the waters outside of the 60-mile zone from the Pribilofs. Thirty-seven Japanese sailing vessels were reported as cruising during the season in the waters adjacent to the seal islands, and two of these, which had penetrated within the 3-mile territorial limit, were discovered by the captain of the revenue-cutter *Bear* with their small boats down and actually engaged in seal poaching. These vessels, known as the *Kinsei Maru* and the *Saikai Maru*, together with their guns and small boats, were accordingly seized by the cutter's commander, and their masters and crews arrested. The latter were transported to Unga and given a preliminary hearing, and were subsequently transferred to Valdez for trial before the United States court. The vessels were left at Unalaska, pending action of the court.

The fleet of revenue cutters patrolling the Bering Sea for the protection of the sealing interest was increased to four for the season, and it is largely due to the activity of this fleet, in cooperation with the island guard, that the incursions of the lawless pelagic hunters upon the rookeries have been held in check.

In addition to the fleet of revenue vessels the United States gunboat *Yorktown* cruised in Bering Sea under orders of the Secretary of the Navy for the protection of the seal herd.

Presentation has been made in former reports of the Department that the humane provisions of the Paris Tribunal of Arbitration for the protection of the seal life, in prescribing a 60-mile zone from the Pribilof Islands within which seals should not be taken on the sea, were rendered nugatory through their restriction to vessels of Great Britain and the United States alone. The vessels of Japan, that nation not being bound by the Paris convention, are not restrained from pursuing sealing upon the ocean even up to the territorial waters

of the islands. Indeed, the immune zone becomes to them the most inviting field for hunting the seal, from the very fact that the sealing craft of certain other nationalities are forbidden to enter it.

The rookeries extend over a space of the shore line estimated at about 10 miles on St. Paul, the larger of our seal islands, and about half as great on St. George. It is obvious that the Japanese fleet of 37 schooners, carrying approximately 250 small boats, form a cordon through which the breeding females, when driven to the open sea in search of food, can penetrate only with the slaughter of many of their number. On St. Paul Island instances were noted the past season of the boats from half a dozen Japanese schooners, at a time when fog veiled their movements, advancing abreast on a rookery until within a short distance from shore, when their occupants opened a fusillade with shotguns, with the effect of alarming the seals and driving many of them into the water. The fog lifting, the boats withdrew to a safe distance from shore, and their crews proceeded to kill the seals which they had stampeded.

Long experience and the most painstaking investigations have demonstrated that pelagic sealing alone is responsible for the continuous diminution of the herd, and that no patrol, however great in numbers and active in duty; no measures of conservation, however wise and vigorous, can adequately avail for protection during the continuance of such destructive practice. The 60-mile zone of exemption prescribed by the Paris convention was long ago found an insufficient safeguard, and since that zone has been swept aside by the intrusion of a new foe to the seal life the swift and certain extermination of this valuable animal, from the commercial standpoint, becomes a matter of near approach.

From more than 1,000,000 breeding females, estimated before pelagic sealing became of considerable extent, the number has become reduced to fewer than 50,000.

Of the five nations which possess seal rookeries of importance—Russia, Japan, Chile, Uruguay, and the United States—this country possesses by far the largest and most valuable herd. When at its maximum the yield of merchantable skins was 100,000 yearly. The number of people necessarily employed in the taking of the skins of this great herd, in handling and preparing, transporting, dressing and dyeing, in finishing and distributing to the manufacturer and finally to the retail merchant as a completed garment, was very great. From the economic standpoint it accordingly becomes a question of no small moment whether this animal shall be preserved to the world and the herd restored to its former condition.

It is evident that the time is at hand when the negotiations so long pending for an international arrangement for the settlement of the seal question should be brought to a conclusion. Pelagic sealing, without doubt, ought to be abolished, and every effort should be made to bring about that benign result.

COAST AND GEODETIC SURVEY.

The important operations of this Bureau, one of the oldest scientific organizations in the government service, have been extended from time to time as the country expanded, but strictly within the sphere originally assigned it. The acquisition of territory in Florida, on the Gulf of Mexico, on the Pacific coast, in Alaska, the Hawaiian Islands, the Philippines, the West Indies, and on the Isthmus has increased the coast line under its jurisdiction more than tenfold, but so farseeing was the original plan upon which the work was based that, save for modification of details brought about by modern advances in science, no important changes have proved necessary, and the business methods followed are as simple and economical as they were three quarters of a century ago.

The extension of the work of the Survey from the shores of the thirteen original States to possessions extending from the Arctic Circle to the Tropics, and nearly halfway around the globe, together with the growing importance of commerce, the increased size and draft of vessels, and the great values involved, have greatly increased the technical and administrative difficulties of the home office, and have taxed the ingenuity of its trained officers in meeting them.

The progress made in the past year in the collection of the various classes of data required in the preparation of navigational and magnetic charts, sailing directions, and tide tables has been very satisfactory, while the marking of international boundaries, under the direction of the Superintendent as United States Boundary Commissioner, is being pushed rapidly forward. The demarcation of the one hundred and forty-first meridian, which forms the boundary between the territory of Alaska and Canada, now in progress, will furnish a line of geographic positions from Mount St. Elias to the Arctic Ocean. The Yukon, which intersects this boundary near its middle point, is one of the great rivers of the world, and provision should be made, without delay, for a triangulation down its valley from the boundary to its mouth in order to furnish a connected line of geographic positions as a base for local surveys which Congress has already authorized and which the economic development of the country already demands.

Interesting details of the work of the year are given in the report of the Superintendent.

BUREAU OF STANDARDS.

The Bureau of Standards has continued to encourage and make possible uniform and exact measurements, by the improvement of standards, measuring instruments, and methods of measurement, and 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.

During the year the services of the Bureau have been utilized by many manufacturing industries requiring standards and measurements of every description, by the scientific investigators of the principal universities, colleges, and technical schools, by weights-and-measures officials throughout the country, by public-service commissions, and by all departments of the Government doing scientific or construction work.

WEIGHTS AND MEASURES.

The Bureau has encouraged and assisted several States in the preparation of regulations governing the use of weights and measures and in the establishment of efficient methods of inspection of the weights and measures used in local trade and of the meters used in the distribution of public utilities. In one State a new law has been enacted, based upon a model law recommended by the Bureau. The Territory of New Mexico procured a set of state standards, and six sets of secondary standards for the use of as many local sealers; these were compared with the standards of the Bureau. This example might well be followed by many of the States.

In addition to the inquiries received from State officials, many individuals have applied for information relative to the laws and practices as to weights and measures in their own and other States. The Bureau should be provided with the means for collecting and publishing this information, since it would tend to promote uniformity in such matters throughout the country. While the inspection of commercial weights and measures should be left in the hands of the local authorities, there is an urgent need for national laws fixing the standard weights and sizes of packages, barrels, crates, etc., since commodities sold in such containers frequently are packed in one State and sold in others.

ELECTRICITY.

In view of the meeting of the International Conference on Electrical Units and Standards in London, October 12-21, 1908, considerable work has been done during the year on the improvement of the

standards of electromotive force and standards of resistance, and on the determination of electric current in absolute measure—the practical units in terms of which all electric current and power are measured. In order that these units shall be the same throughout the world, international conferences or congresses have been held from time to time to agree upon their values. The units now in use were agreed upon at the International Electrical Congress held in Chicago in 1893, and they were enacted into law by act of Congress approved July 12, 1894. Subsequent investigation has shown the necessity for changes in some of the units and a revision of their definitions, and it is for this reason that the researches mentioned above are of especial importance. The results of this work will be reported to the Electrical Congress and will doubtless form an important factor in the conclusions reached.

The Bureau has done much work during the year in the testing of electrical instruments and standards, in the development of methods of measurement, and in the improvement of the instruments employed.

Several important problems involved in the measurement of the magnetic properties of iron and steel, including the iron so extensively used by manufacturers of electrical machinery, have been investigated, and the Bureau is now in position to prepare specifications for and test specimens of these materials.

HEAT AND THERMOMETRY.

The demands made upon the Bureau for the testing of heat-measuring instruments have been far in excess of its facilities; this is especially true of precision thermometers used in scientific laboratories, and the instruments for measuring high temperatures—known as pyrometers—on the indications of which depend the quality of the product of many manufacturing industries. Such instruments are also used in determining the melting points, specific heats, conductivities, and radiating power of various substances, the properties of refractory materials, and the critical temperatures of steels and other alloys. So great has been the demand for the Bureau's services in this direction that it has been unable to make the investigations necessary for the establishment of its own standards or to do much work toward the determination of the heat constants, many of which are very much needed in connection with the standardization of heat measurements and in the use of materials. One such investigation, however, has been nearly completed, namely, the determination of the specific heat of calcium chloride brine, a constant used by refrigerating engineers in calculating the capacity of refrigerating plants and in designing refrigerating machinery. The heat value of coal, gas, and other fuels is measured by instruments known as calorim-

eters; the Bureau is planning to carry out an intercomparison and investigation of such instruments and to determine the heat value of pure substances to be used in their standardization.

Since the measurement of very high temperatures depends upon a knowledge of the laws of radiation, several investigations have been completed with the view to determining these laws with greater accuracy.

PHOTOMETRY.

The photometric work of the Bureau includes the study of problems in the accurate measurement of light sources and standards of candlepower, the testing and certification of such standards, and the inspection and testing of electric lamps purchased by the Government. The Bureau maintains the standard of candlepower for the electrical industries of the country, thereby insuring uniformity of electric lamps. An effort is being made to secure uniformity in the value of the standard candle in England, France, and the United States, by a slight modification of the units employed at present, and to induce the gas industry of this country to adopt the modified unit, in order that a candlepower may be the same in gas and electric lighting. The International Photometric Conference held at Zurich in 1907 recommended that the several national laboratories undertake a redetermination of the Violle standards of light. The national laboratories of England and Germany are preparing to carry on their part of this work and it is very important that the Bureau should cooperate with them.

SPECTROSCOPY AND POLARIMETRY.

In addition to photometry, the optical work of the Bureau includes such branches of spectroscopy as refer to standards of illumination, color, wave length, or the optical properties of materials; and polarimetry, which deals with measurements and methods dependent upon polarized light, an important application of which may be found in the analysis of imported sugars in connection with the collection of duties. As the authority on questions relating to polariscopic testing, the Bureau is called upon to certify as to the accuracy of polariscopes, quartz-control plates, and other instruments used in sugar analysis, as well as to provide chemically pure sugar for standardization purposes and to maintain a testing laboratory for sugars in which a daily check is kept on the work of the laboratories of those custom-houses where duty on sugar is collected.

CHEMISTRY.

The importance of the work of the chemical division to that of the various other divisions of the Bureau can not be overestimated, since scarcely any problem arises in connection with standards or the

properties of materials that does not involve the services of a chemist. This is true to such an extent that the Bureau has never been able to assign sufficient space or assistance to chemistry to meet even the most urgent cases of its own work. Furthermore, the work of this division is as closely related to the industrial and scientific interests of the country as is that of any of the other divisions of the Bureau.

There is also a wide field of chemical usefulness open to the Bureau in lines of investigation relating to the purchase of government supplies. The requests for assistance in the preparation of specifications and the testing of supplies purchased by the Government have been so numerous that the Bureau has only been able to give attention to a few of the most urgent cases. It is earnestly hoped that facilities will soon be provided for placing this very important branch of the Bureau's work upon a much larger and more effective basis, since the investigations aiming at the improvement in the quality and in the methods of testing the materials purchased for the Government have hardly been begun and will consume much time if results of real value are to be attained.

At the request of the American Foundrymen's Association and the Association of American Steel Manufacturers, the Bureau issues samples of standardized irons and steels of known composition, which are used to check the analyses made of these materials in connection with their manufacture and sale. The rapidly increasing demand for these samples on the part of industrial and commercial chemists is an indication of their great value to the iron and steel industries.

The Bureau is also cooperating with the American Chemical Society with respect to securing uniformity in technical analyses and improving the quality of chemical reagents.

NEW BUILDING.

The new building provided for by Congress at its last session will afford additional space for several divisions of the Bureau's work, and especially for the testing of engineering instruments and the determination of the properties of materials. This building will also provide quarters for the testing machines recently transferred from the Watertown Arsenal to the Department of Commerce and Labor. This additional space and equipment will enable the Bureau to determine many properties of materials which are urgently needed in connection with their use in construction. The work of these machines in the past has been of great service to the engineering interests, and it is hoped that their usefulness may be increased by associating them with the Bureau's facilities in other branches of physical and chemical research.

OFFICE OF THE SECRETARY.

APPOINTMENT DIVISION.

The Appointment Division was organized in February, 1904. On July 1, 1906, it became recognized by statute. The Division recently completed the fourth year of its existence, and at the present time is organized and equipped for the performance of any kind of work that may properly be assigned to it.

STATISTICS OF THE PERSONNEL.

The accompanying table shows the number of regular positions in the service of the Department on July 1, 1908. Items of actual decrease in the personnel during the past year are the discontinuance of some 750 special agents in the Bureau of the Census and 127 laborers and mechanics in the Light-House Service. The principal items of increase are in the Bureau of Labor (91) and in the Bureau of Immigration and Naturalization (170). The increase in the Bureau first named is occasioned entirely by the investigation now being conducted into the condition of woman and child workers.

POSITIONS IN THE DEPARTMENT OF COMMERCE AND LABOR, JULY 1, 1908.

Bureau.	Statutory.	Non-statutory.	In District of Columbia.	Outside District of Columbia.	Total.
Office of the Secretary	141	.....	137	4	141
Bureau of Manufactures	25	9	28	6	34
Bureau of Corporations	59	45	104	.....	104
Bureau of Labor	80	112	192	.....	192
Light-House Establishment	41	5,576	47	5,570	5,617
Bureau of the Census	626	748	637	737	1,374
Coast and Geodetic Survey	246	105	207	144	351
Bureau of Statistics	55	2	57	.....	57
Steamboat-Inspection Service	107	145	9	243	252
Bureau of Fisheries	322	5	78	249	327
Bureau of Navigation	23	53	23	53	76
Bureau of Immigration and Naturalization	74	1,362	79	1,357	1,436
Bureau of Standards	118	.....	118	.....	118
Total	1,917	8,162	1,716	8,363	10,079

REMOVALS.

Of 69 removals made for cause during the year, there were 15 cases in which the Department did not require that reasons be submitted to the employees in writing, and a reasonable time allowed for reply,

before final action was taken. In 2 of these 15 cases it was not possible to communicate with the employees, but the violations of duty were so flagrant that such action was not necessary; in 1 oral notice was given, in 1 the dereliction was investigated before action was taken, and in 1 the employee admitted to his chief that he deserved dismissal. So that there were actually but 10 cases of removal for cause where opportunity to make written answer was not given the employee when possible to do so, and in these 10 cases the culpability was well established and well understood by the employees and by the Department. For instance, one was removed because he had been found with stolen property in his possession, and another (now serving a term of imprisonment) was removed for aiding and assisting the escape of an alien under order of deportation. In no case did the Department exercise the power of removal without furnishing a copy of charges, etc., except where the benefit to the service by such action was unquestioned. Of the 69 removals, at least 15 were made upon charges of intoxication.

EFFICIENCY RATINGS.

On July 1, 1907, the chiefs of bureaus and divisions were directed to report the efficiency ratings of all persons who were shown by the ratings of 1906 to be below the required standard of ability either as to the quantity or quality of work performed. These reports showed that the effect of the warning given in January, 1907, that an immediate improvement was expected in their work, was most salutary. A number of instances were reported in which there had been material improvement either as to quality or quantity, or both. There were some cases, however, in which there was apparently no improvement. Several of these cases have been adjusted by discontinuance without prejudice, reduction in salary, or by resignation. As a rule, the persons rated below the required standard are employees of advanced age who have given many years of service to the Government. The obstacles in the way of the separation of such employees are real and not fancied. The head of the Department, while not forgetful of his responsibility, finds it a difficult task to direct removal, although it is conceded that the persons are no longer rendering efficient service. This is not so much due to the sympathy of the appointing officer—although it is possible that this may have some weight—as to the great pressure immediately brought to bear by public and prominent men and women to prevent dismissal. This is a condition and not a theory, and is perhaps the strongest reason for the enactment of a law for the retirement of superannuated employees.

EXECUTIVE ORDERS AFFECTING THE PERSONNEL.

During the past year there were promulgated a number of executive orders applying, both generally and individually, to the personnel of the Department. Among the former class may be mentioned the order amending the transfer rule so as to permit the reinstatement and immediate transfer of a person separated from the service without inefficiency and because of necessary reduction of force; the order authorizing the Civil Service Commission, in its discretion, to waive examination in transfers and promotions and to substitute other tests therefor; the order transferring to the excepted class shipping commissioners whose compensation for the fiscal year ended June 30, 1907, was \$2,500 or over (this applied to the shipping commissioners at the ports of New York, San Francisco, Port Townsend, and Boston); the order in regard to the procedure to be followed in recommendations for a particular method of appointment; the order directing the departments to put into effect, as far as possible, the schedule of salaries recommended by the Committee on Grades and Salaries appointed under the executive order of June 11, 1907, and the orders amending Civil-Service Rules VII and VIII, relating to temporary appointments. While it has always been the policy of the Department to confine temporary appointments to cases of actual necessity, the effect of the executive order last mentioned has been beneficial in still further reducing the number of temporary appointments, and also in reducing the work of the Appointment Division to quite an appreciable extent. At first the new rule threatened to work hardship on the service in certain cases, but the interpretations given by the Civil Service Commission resulted in a working construction which is in the main satisfactory.

THE SERVICE-RECORD SYSTEM.

The service-record system in use in the Appointment Division consists of a complete card record of employees and positions in the Department, arranged by bureaus and subdivided by grades and classes. Changes in status are posted daily upon this record. The system provides the means for prompt reply to almost every conceivable question relative to the status of employees or positions and for the compilation of statistical reports and tables required by the Department for its own use and in connection with replies to inquiries frequently received from Congress, committees appointed by the President, and many other sources. The system of keeping records of the personnel, as now established and maintained, is believed to be superior to any in use elsewhere in the government service, except, possibly, in the departments and offices in which the card originally introduced by this Department has been adopted.

DISBURSING OFFICE.

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, 1908, 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, 1908, of all appropriations made for public works in the various services of the Department, which, under the law, may be disbursed without regard to any particular fiscal year, and of all permanent indefinite appropriations.

	Annual appropriations, 1908.	Appropriations for public works.	Permanent indefinite appropriations.	Totals.
Office of the Secretary of Commerce and Labor	\$251,559.80	.....	.....	\$251,559.80
Bureau of Corporations.....	247,720.00	.....	.....	247,720.00
Bureau of Manufactures.....	86,500.00	.....	.....	86,500.00
Bureau of Labor.....	322,570.00	.....	.....	322,570.00
Light-House Board.....	46,640.00	.....	.....	46,640.00
Light-House Establishment.....	4,386,000.00	.....	.....	4,386,000.00
Light-houses; beacons, fog signals, etc.....	.....	\$3,111,840.00	.....	3,111,840.00
Bureau of the Census.....	1,266,204.31	.....	.....	1,266,204.31
Bureau of Statistics.....	74,110.00	.....	.....	74,110.00
Office of Supervising Inspector-General, Steamboat-Inspection Service.....	13,440.00	.....	.....	13,440.00
Steamboat-Inspection Service.....	.....	.....	\$556,643.13	556,643.13
Bureau of Navigation.....	32,260.00	.....	.....	32,260.00
Shipping service.....	9,100.00	.....	62,450.25	71,550.25
Refunding penalties or charges erroneously exacted.....	.....	.....	5,951.36	5,951.36
Refunding moneys erroneously received and covered into the Treasury.....	.....	.....	310.00	310.00
Bureau of Immigration and Naturalization.....	127,060.00	.....	.....	127,060.00
Enforcement of the Chinese-exclusion act.....	500,000.00	.....	.....	500,000.00
Expenses of regulating immigration.....	.....	.....	2,270,532.75	2,270,532.75
Immigrant stations at Ellis Island, N. Y., New Orleans, La., Galveston, Tex., and Charleston, S. C.....	.....	1,393,000.00	.....	1,393,000.00
Bureau of Standards.....	189,112.63	.....	.....	189,112.63
Coast and Geodetic Survey.....	a 941,676.55	.....	.....	941,676.55
Bureau of Fisheries.....	663,660.00	.....	.....	663,660.00
Fish hatcheries.....	.....	40,850.00	.....	40,850.00
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, United States courts.....	31.15	.....	.....	31.15
Judgments, Court of Claims.....	3,239.28	.....	.....	3,239.28
Reliefs, refund of fines, etc.....	1,865.63	.....	.....	1,865.63
Total.....	9,193,679.35	4,545,690.00	2,895,887.49	16,635,256.84

a Of this amount \$25,000 can 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, 1908, 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, 1907.....	\$7,134.88				\$7,134.88
Salaries, Office of Secretary of Commerce and Labor, 1908.....	22,643.81	\$45,835.96	\$37,946.81	\$37,373.52	143,800.10
Contingent expenses, Department of Commerce and Labor, 1907.....	15,794.35	8,219.50			19,013.85
Contingent expenses, Department of Commerce and Labor, 1908.....	7,607.89	23,681.04	25,441.23	18,616.26	75,346.42
Rent, Department of Commerce and Labor, 1907.....	2,718.33				2,718.33
Rent, Department of Commerce and Labor, 1908.....	5,703.28	9,179.94	8,929.94	8,929.94	32,743.10
Salaries and traveling expenses of agents at seal fisheries in Alaska, 1906.....	2,750.75				2,750.75
Salaries, agents at seal fisheries in Alaska, 1907.....	2,853.34	240.00			3,093.34
Salaries, agents at seal fisheries in Alaska, 1908.....	973.33	1,551.24	1,368.75	973.33	4,866.65
Supplies for native inhabitants, Alaska, 1907.....		19,496.95			19,496.95
Total.....					310,964.37
BUREAU OF CORPORATIONS.					
Salaries, Bureau of Corporations, 1907.....	2,893.45				2,893.45
Salaries, Bureau of Corporations, 1908.....	11,070.25	20,308.37	17,062.74	17,572.67	66,014.03
Salaries and expenses, special attorneys, examiners, etc., Bureau of Corporations, 1907.....	7,800.42	223.79			8,024.21
Salaries and expenses, special attorneys, examiners, etc., Bureau of Corporations, 1908.....	20,560.96	33,968.91	30,730.64	35,433.46	120,693.97
Total.....					197,625.66
BUREAU OF MANUFACTURES.					
Salaries, Bureau of Manufactures, 1907.....	1,076.28	335.00			1,411.28
Salaries, Bureau of Manufactures, 1908.....	5,010.80	8,973.33	7,501.34	7,350.00	28,835.47
Salaries and expenses, special agents, Department of Commerce and Labor, 1907.....	2,068.31	6.82			2,075.13
Salaries and expenses, special agents, Department of Commerce and Labor, 1908.....		1.00	1.16	.20	2.36
Collating tariffs of foreign countries, 1906.....	24.30				24.30
Collating tariffs of foreign countries, 1907.....	231.67				231.67
Collating tariffs of foreign countries, 1908.....	649.99	1,260.83	1,337.05	1,275.00	4,522.87
Total.....					37,103.08
BUREAU OF LABOR.					
Salaries, Bureau of Labor, 1907.....	4,453.09				4,453.09
Salaries, Bureau of Labor, 1908.....	17,614.75	31,190.68	26,851.89	26,424.45	102,081.77

Bureaus and titles of appropriations.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Totals.
BUREAU OF LABOR—Continued.					
Miscellaneous expenses, Bureau of Labor, 1907.....	\$4,001.17	\$1,475.50	.....	.....	\$5,476.67
Miscellaneous expenses, Bureau of Labor, 1908.....	8,467.62	15,573.07	\$13,232.52	\$13,760.31	51,033.52
Library, Bureau of Labor, 1907.....	97.06	.....	.....	.....	97.06
Library, Bureau of Labor, 1908.....	194.80	25.00	122.35	215.32	557.47
Investigating the condition of woman and child workers, 1907-8.....	577.88	17,107.36	50,950.17	60,147.09	128,782.50
Total.....	.....	.....	.....	.....	292,482.08
STEAMBOAT-INSPECTION SERVICE.					
Salaries, Office of Supervising Inspector-General, Steamboat-Inspection Service, 1907.....	548.36	.....	.....	.....	548.36
Salaries, Office of Supervising Inspector-General, Steamboat-Inspection Service, 1908.....	2,239.97	3,964.45	3,315.56	3,348.89	12,868.87
Salaries, Steamboat-Inspection Service.....	100,516.04	101,781.95	102,761.94	103,865.84	408,925.77
Contingent expenses, Steamboat-Inspection Service.....	36,488.01	21,973.00	18,184.26	23,984.31	100,629.58
Total.....	.....	.....	.....	.....	522,972.58
BUREAU OF STATISTICS.					
Salaries, Bureau of Statistics, 1907....	2,773.47	38.27	.....	.....	2,811.74
Salaries, Bureau of Statistics, 1908....	11,349.80	20,569.46	17,372.62	17,346.25	66,638.13
Collecting statistics relating to commerce, 1907.....	491.67	.....	.....	.....	491.67
Collecting statistics relating to commerce, 1908.....	696.43	1,065.88	904.15	875.00	3,541.46
Total.....	.....	.....	.....	.....	73,483.00
BUREAU OF NAVIGATION.					
Salaries, Bureau of Navigation, 1907....	1,343.36	.....	.....	.....	1,343.36
Salaries, Bureau of Navigation, 1908....	5,176.62	9,555.06	8,057.97	7,976.11	30,765.76
Contingent expenses, shipping service, 1907.....	876.88	145.04	.....	.....	1,021.92
Contingent expenses, shipping service, 1908.....	671.01	1,357.00	1,590.27	1,662.24	5,280.52
Rent of quarters for shipping commissioner, San Francisco, Cal., 1907....	125.00	.....	.....	.....	125.00
Total.....	.....	.....	.....	.....	38,536.56
LIGHT-HOUSE BOARD.					
Salaries, Office of Light-House Board, 1907.....	1,992.27	82.33	.....	.....	2,074.60
Salaries, Office of Light-House Board, 1908.....	7,608.96	13,587.33	11,564.59	11,660.00	44,415.88
Total.....	.....	.....	.....	.....	46,490.48
BUREAU OF STANDARDS.					
Salaries, Bureau of Standards, 1907....	4,774.02	75.00	.....	.....	4,849.02
Salaries, Bureau of Standards, 1908....	20,794.61	35,887.18	31,311.89	30,797.83	118,791.51
Equipment, Bureau of Standards, 1907....	5,134.76	417.77	.....	.....	5,552.53
Equipment, Bureau of Standards, 1908....	3,486.05	6,949.23	9,070.01	7,749.28	27,254.57
Equipment, Bureau of Standards, 1907-8.....	.....	2,500.00	.....	.....	2,500.00
General expenses, Bureau of Standards, 1907.....	1,159.20	95.86	.....	.....	1,255.06
General expenses, Bureau of Standards, 1908.....	2,076.51	3,666.50	4,314.27	2,292.51	12,349.79

Bureaus and titles of appropriations.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Totals.
BUREAU OF STANDARDS—continued.					
Improvement and care of grounds, Bureau of Standards, 1907-8.....	\$492.63				\$492.63
Improvement and care of grounds, Bureau of Standards, 1908.....	644.01	\$803.82	\$164.42	\$285.12	1,897.37
Total.....					174,942.48
BUREAU OF IMMIGRATION AND NATURALIZATION.					
Salaries, Bureau of Immigration and Naturalization, 1907.....	1,452.57				1,452.57
Salaries, Bureau of Immigration and Naturalization, 1908.....	14,382.16	25,569.66	22,531.77	23,867.62	86,351.21
Enforcement of the Chinese-exclusion act, 1907.....	24,633.79	1,255.01			25,888.80
Enforcement of the Chinese-exclusion act, 1908.....	54,928.73	97,062.79	105,531.88	97,607.72	355,131.12
Naturalization of aliens, 1907.....	2,423.05	3.95			2,427.00
Expenses of regulating immigration.	471,943.39	586,282.06	564,665.31	523,006.23	2,145,846.99
Immigrant station, Ellis Island, N. Y.	137,706.46	157,733.43	98,811.01	51,516.01	445,766.91
Immigrant station, Galveston, Tex.				11.20	11.20
Immigrant station, San Francisco, Cal.....	21,381.32	19,770.67	22,733.09	36,598.90	100,483.98
Total.....					3,163,359.78
BUREAU OF FISHERIES.					
Salaries, Bureau of Fisheries, 1907....	19,019.70				19,019.70
Salaries, Bureau of Fisheries, 1908....	46,398.95	73,955.08	70,510.91	70,826.60	261,691.54
Miscellaneous expenses, Bureau of Fisheries, 1907.....	37,548.92	1,802.29			39,351.21
Miscellaneous expenses, Bureau of Fisheries, 1908.....	45,574.40	108,405.77	65,568.81	70,503.62	290,052.60
Salaries, agents at salmon fisheries in Alaska, 1907.....	190.84				190.84
Salaries, agents at salmon fisheries in Alaska, 1908.....	749.99	1,312.50	1,125.00	708.34	3,895.83
Fish hatcheries, Alaska.....	11,093.78	8,493.24	5,260.29	2,220.06	27,067.37
Fish hatchery, Baird, Cal.....	259.81	1,298.67	5,018.00	969.30	7,545.78
Fish hatchery, Battle Creek, Cal.....				250.25	250.25
Fish hatchery, Boothbay Harbor, Me.....		70.00	3,000.00		3,070.00
Fish hatchery, Green Lake, Me.....			100.00		100.00
Fish hatchery, Iowa.....	2,134.08	1,637.65	1,126.75	161.56	5,060.04
Fish hatchery, Lake County, Colo.....	24.00	189.70	173.40	168.78	555.88
Fish hatchery, Mammoth Spring, Ark.	105.15	26.05	20.29		151.49
Fish hatchery, Montana.....	3.42	28.85	62.35	6.45	101.07
Fish hatchery, Neosho, Mo.....			550.00	98.40	648.40
Fish hatchery, Put-in-Bay, Ohio.....	28.40	2.10			30.50
Fish hatchery, South Dakota.....	81.00	2,238.96	2,516.23	89.50	4,925.69
Fish hatchery, Tennessee.....				50.00	50.00
Fish hatchery, Tupelo, Miss.....	2,400.00	17.57		11.50	2,429.07
Fish hatchery, Vermont.....		55.15	104.77		159.92
Fish hatchery, Woods Hole, Mass.....	281.76	1,153.86	653.97	91.08	2,180.67
Fish hatchery, Wytheville, Va.....	2,439.89	1,564.80			4,004.69
Repairs to schooner Grampus.....		6,446.23	868.99	114.94	7,430.16
Total.....					679,062.70
Totals.....	1,263,612.96	1,554,495.46	1,401,021.36	1,318,702.99	5,537,922.77

The following statement shows the expenditures during the fiscal year ended June 30, 1908, on account of all appropriations under the control of the Department of Commerce and Labor, giving the total amounts disbursed by the various disbursing officers of the Department, and miscellaneous receipts for the same period:

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 of 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 foregoing table of disbursements)-----	\$5, 537, 922. 77
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-----	6, 221, 149. 08
By the disbursing clerk, Bureau of the Census, on account of salaries and expenses of the Bureau of the Census-----	1, 253, 694. 14
By the special disbursing agent, Coast and Geodetic Survey, on account of salaries and expenses of the Coast and Geodetic Survey	922, 033. 20
By the special disbursing agents of the Immigration Service-----	30, 083. 95
By the special agents of the Department investigating trade conditions abroad, as special disbursing agents-----	31, 071. 93
By customs officers on account of witnesses' fees in steamboat investigations -----	668. 40
By special disbursing agents, Fisheries Service-----	2, 172. 19
By special disbursing agent, Bureau of Corporations-----	3, 414. 44
By warrants drawn on the Treasurer of the United States to satisfy accounts settled by the Auditor for the State and other Departments -----	199, 504. 13
Total -----	14, 201, 714. 23
Miscellaneous receipts:	
Naturalization fees (sec. 13, act June 29, 1906)-----	149, 760. 15
Proceeds of sale of government property-----	4, 851. 31
Total -----	154, 611. 46

DIVISION OF PRINTING.

The annual and special reports of the Department are the media through which the public is made familiar with its activities, and efforts to improve these publications engage its thoughtful consideration at all times. The Assistant Secretary of Commerce and Labor, the Chief Clerk of the Bureau of Labor, and the Chief of the Division of Printing constitute an advisory committee on printing and publication, appointed in accordance with the executive order of January 26, 1906, and every item of printing is closely scrutinized either by this committee or in the Division of Printing, with the result that duplication and unnecessary printing of all kinds are avoided. Also the bureaus are required to submit to the committee outlines of all proposed new publications before actual compilation is begun, and when these proposed publications are found undesirable the outlines are rejected, and thus much waste of labor in their compilation is prevented. Finally, there is careful editing and preparation of all manuscripts before they are sent to the printer, with accuracy, conciseness, clearness, and economy as the aims in view.

The efforts of the committee to curtail and systematize the publication work of the Department have borne much good fruit, and it is but rarely that a bureau now makes a request for printing that is not necessary for the proper conduct of the public business or for imparting useful information to the public. The success of the Department along these lines is a source of much satisfaction, and it is gratifying to note that though its sphere of work is being constantly broadened the printing bills of the Department are kept within reasonable bounds.

For the fiscal year ended June 30, 1908, the Department was allotted \$500,000 for printing and binding, and of this sum \$125,000 was for the Bureau of the Census, which renders a separate accounting of its expenditures. Of the \$375,000 remaining for printing and binding for the other offices, bureaus, and services of the Department, \$342,972.31 was expended and \$32,027.69 was covered back into the Treasury. As compared with like expenditures for the fiscal year 1907, namely, \$332,185.05, the past year's expenditures represent an increase of \$10,787.26 in the total cost of printing for the Department.

Considering the natural growth of the Department, and the fact that the cost of much of the printing for the fiscal year 1908 was based upon scales of charges in excess of those for work in previous years, this slight increase indicates that the printing bills have been held to the lowest level.

BUILDING FOR THE DEPARTMENT.

The situation in regard to overcrowding of buildings occupied by the Department has changed very little during the past year. The last session of Congress appropriated an additional sum for rent of buildings, and in pursuance of this appropriation quarters have been rented in the Adams Building for the Bureau of Manufactures, and this Bureau has been moved thereto from the quarters it formerly occupied in the building of the Bureau of the Census. Additional room has been procured for the Division of Naturalization, and temporary quarters have been rented for the large force of employees engaged upon the compilation of the special report on woman and child labor. The Disbursing Clerk, under the direction of the Secretary, has been negotiating for quarters to relieve the congestion in other offices, and to allow of a partial concentration of bureaus, but thus far it has been found impossible to make any suitable arrangements with the funds available.

The public buildings act of the last session of Congress authorized and directed the Secretary of the Treasury to acquire the whole of squares 226, 227, 228, 229, and 230, in the city of Washington, as a site for buildings for the Departments of State, Justice, and Commerce and Labor, and appropriated \$2,500,000 for this purpose. This act, however, made no appropriation for the drawing of plans or the erection of buildings on the site mentioned. The speedy erection of buildings on this site should receive the attention of Congress at the coming session, in order that commodious quarters may be provided at the earliest possible moment to relieve the overcrowding of present quarters.

CONCLUSION.

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



