
COTTON STATISTICS.

L E T T E R

FROM

THE SECRETARY OF COMMERCE,

TRANSMITTING

A RESPONSE TO A SENATE RESOLUTION OF JUNE 26, 1913.

JULY 18, 1913.—Referred to the Committee on Finance and ordered to be printed.

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, July 11, 1913.

SIR: By direction of the President, I have the honor to acknowledge receipt of the following resolution of the Senate, under date of June 26, 1913:

IN THE SENATE OF THE UNITED STATES,
June 26, 1913.

Resolved, That the Secretary of Commerce be directed to furnish, for the use of the Senate, detailed information—

First. To show how the figures referring to cotton goods in the table on page 39 of the report of the Department of Commerce entitled "Foreign Tariff Systems and Industrial Conditions" were obtained; and

Second. To establish, if possible, the correctness of the statements that it takes 504 horsepower in the United States to add the same value to cotton goods as 114 horsepower does in the United Kingdom, and that 47 wage earners in the United States add as much to the value of cotton goods as 255 do in the United Kingdom.

Attest:

JAMES M. BAKER, *Secretary.*

The resolution was referred to the Bureau of Foreign and Domestic Commerce and to the Division of Foreign Tariffs therein, in which division the data to which the resolution refers were prepared and their reply follows.

Before quoting it, however, permit me, in justice to my predecessors, by whom this work was authorized and by whose appointees the figures were gathered and the report prepared from beginning to end, to suggest what seems to be misapprehensions in the resolution itself adopted by the Senate. It may be stated also that the work was well advanced before the department came under my charge.

The resolution speaks of "the report of the Department of Commerce entitled 'Foreign Tariff Systems and Industrial Conditions.'" The Department of Commerce took no initiative with respect to this report. The publication bearing this title is a committee document published by the Committee on Ways and Means of the House of Representatives, containing a report prepared at the request of that committee by the Bureau of Foreign and Domestic Commerce, as the title of the pamphlet shows. The Committee on Ways and Means kindly gave to the Department of Commerce 150 copies of the pamphlet; a brief summary, a single page prepared by the authors of the report, was given to the press by the department on May 13, 1913. No edition of the pamphlet was issued by the Department of Commerce.

The resolution mentions "the statements that it takes 504 horsepower in the United States to add the same value to cotton goods as 114 horsepower does in the United Kingdom." If reference is made to page 39 of the pamphlet this language does not quite accurately represent what there appears. It is stated in the table on page 39 that there are 504 horsepower capacity of engines in the United States for every \$100,000 added by manufacture, and that there are 114 horsepower capacity of engines in the United Kingdom for every \$100,000 added by manufacture. It is respectfully pointed out that the statement of the resolution that it "takes 504 horsepower in the United States to add the same value" as 114 horsepower in the United Kingdom is another and very different thing from the statement that there are 504 horsepower capacity of engines in the United States for the same value of output for which there are 114 horsepower capacity of engines in the United Kingdom. It is one thing to have the horsepower capacity exist; it is another and different thing to state that its full use is required for a certain result.

The Bureau of Foreign and Domestic Commerce, Division of Foreign Tariffs, advises:

First. The figures shown in the table on page 39 of the report, with the exception of the last column, are averages based on the statistics presented in the table on pages 36-37. The method adopted for calculating the amount of wages in the United Kingdom, shown in the last column, is fully explained in the third paragraph on page 38.

Second. The averages for the engine capacity in the United Kingdom and the number of wage earners in the United States for every \$100,000 added by manufacture in the case of cotton goods are incorrect. For the former the correct amount, derived from the returns on page 36, is 571 horsepower and for the latter 147 wage earners.

The corrected statement should therefore be that there are 504 horsepower capacity of engines in the United States for every \$100,000 added by manufacture as compared with 571 horsepower capacity of engines in the United Kingdom for every \$100,000 added by manufacture, and that there are 147 wage earners in the United States for every \$100,000 added by manufacture, as compared with

255 wage earners in the United Kingdom for every \$100,000 added by manufacture. Justice to the Bureau of Foreign and Domestic Commerce requires me to point out that the printing of the figure 47, clearly a typographical or clerical error, may perhaps be accounted for by the repetition of the figure 47 in the second line above of the same column of the same table.

In view of the corrections thus brought to the attention of the department a rigorous reexamination of all the statistics contained in the report of the Bureau of Foreign and Domestic Commerce to the Committee on Ways and Means was ordered. Several other purely clerical errors have been discovered, the more significant ones being as follows: (1) Tin plate, capacity of engines in the United Kingdom 707 horsepower (instead of 105 horsepower) for every \$100,000 added by manufacture; (2) Butter, cheese, condensed milk, and oleomargarine, 112 (instead of 49) wage earners in Canada for every \$100,000 added by manufacture, and \$321 (instead of \$141) as wages in Canada for every \$1,000 added by manufacture. Neither has adverse bearing on the question of relative industrial efficiency in the United States.

As soon as the work of review is completed, such errata as exist will be communicated to the chairman of the Committee on Ways and Means, by whose direction the report was printed. The general comparisons shown on pages 41 and 42, under the heading of "Relative industrial efficiency," are not appreciably affected by any of the changes. Neither are the comparisons by industries, on page 39, modified to the disadvantage of the United States in respect to industrial efficiency, save in the change in the relation of wage earners in the cotton industry from 47 to 255 in favor of the United States to 147 to 255, also in favor of the United States.

Respectfully,

WILLIAM C. REDFIELD,
Secretary.

The PRESIDENT OF THE SENATE,
Washington, D. C.

