

Department of Commerce

Timeline of Growth

by Tad DeHaven

- **1789:** The U.S. Constitution goes into effect and the young nation goes on to become a great economic power. The rise in prosperity is fueled by entrepreneurship and the vast investment of private capital unhindered by the small and distant federal government.
- **1789:** The ninth law passed by Congress transfers lighthouse operations from the states to the federal government.¹ When the Department of Commerce was created in the early 20th century, lighthouses were the department's largest activity.
- **1790:** The first national census is taken. The Constitution requires an enumeration of citizens every 10 years to apportion seats in the House of Representatives. Today, the Bureau of Census within Commerce collects a vast array of information beyond the basic decennial population data.
- **1795:** The House of Representatives creates a Committee on Commerce and Manufactures. The Senate follows suit in 1816 with a committee of the same name.
- **1802:** The Patent Bureau is established. It is moved to Commerce in 1925, where it remains as the Patent and Trademark Office. The granting of patents is an enumerated federal power under the Constitution.
- **1807:** President Thomas Jefferson signs legislation providing for a "Survey of the Coast." Federal mapping and surveying activities would end up in Commerce a century later, and then be incorporated into the National Oceanic and Atmospheric Administration in 1970.²
- **1820:** The Department of Treasury begins collecting and publishing statistics on foreign trade. Treasury's collection of economic data expands in subsequent decades, and the activity is moved to Commerce in 1903.³
- **1842:** The Department of State begins collecting information about foreign trade regulations. This activity expands over time and is also moved to Commerce in 1903.
- **1870:** A national weather service is established under the Signal Corps of the U.S. Army. Later housed in the Department of Agriculture, it is transferred to Commerce in 1940.⁴
- **1871:** A Commissioner of Fish and Fisheries is created. It is moved to Commerce in 1903, then moved to the Department of the Interior for a while, then back to Commerce, where it resides today as the National Marine Fisheries Service.
- **1901:** In his first State of the Union address, President Theodore Roosevelt calls for the creation of a Secretary of Commerce and Industries. The purpose is to create a "comprehensive and far-reaching scheme" to oversee "our business interests," he said.⁵ Roosevelt wanted to collect detailed economic information in order to increase federal regulation on businesses.
- **1901:** The National Bureau of Standards is created and moved to Commerce two years later. The Constitution provides for the federal government to "fix the standard of weights and measures," but the current National Institute of Standards and Technology pursues activities beyond that limited mandate.
- **1902:** The Census Office is given permanent status. Previously, an organization to carry out the census was created and disbanded every ten years.
- **1903:** The Department of Commerce and Labor is established with about 10,000 employees.⁶ Today, the Department of Commerce has about 40,000 employees.⁷
- **1909:** The Department of Commerce and Labor has 11,999 employees, including 1,860 at headquarters and 10,139 outside of Washington, with the latter including the Lighthouse Service (7,067), Immigration Service (1,537), and Steamboat Inspection Service (303).⁸ In census-taking years, such as 1910, the number of employees balloons.
- **1913:** The "Department of Commerce" is born when the Bureau of Labor is split off to form a new Department of Labor. An official history of the Department of Labor notes that its founding "was the direct product of a half-century campaign by organized labor for a 'Voice in the Cabinet.'"⁹
- **1915:** The Bureau of Corporations within Commerce is moved to the new Federal Trade Commission.
- **1918:** Lighthouse Service workers are granted the first federal employee retirement plans. Today, overly generous pension and retiree health benefits for federal workers has created an enormous \$5 trillion unfunded obligation.¹⁰
- **1926:** The Aeronautics Branch is created in Commerce, the forerunner of today's Federal Aviation Administration.
- **1927:** A Radio Division is created in Commerce. Its activities are later moved to the Federal Radio Commission, and then the Federal Communications Commission.
- **1932:** The current Commerce headquarters building is opened. It is a massive edifice covering eight acres, and the largest office complex in the world at the time.¹¹
- **1933:** Some senators supportive of the New Deal consider abolishing the Department of Commerce and transferring its indispensable functions to other agencies.¹²
- **1942:** The Bureau of Census provides detailed information about the neighborhoods where Japanese-Americans live in order to help the War Department round 120,000 people up and put them into internment camps.¹³ In some cases, the bureau provides lists to federal authorities that include the names and addresses of individual Japanese-Americans.
- **1945:** The Office of Business Economics—now the Bureau of Economic Analysis—is established.
- **1961:** The Area Redevelopment Administration is created to distribute subsidies to depressed areas of the country. It is replaced in 1965 by the Economic Development Administration. The ARA and the EDA achieve notoriety for wasteful pork barrel spending, the latter becoming a frequent target of Sen. William Proxmire's "Golden Fleece" citations.¹⁴
- **1966:** The transportation activities of Commerce are moved to the new Department of Transportation.

- **1969:** The Office of Minority Business Enterprise is established. Today it is the Minority Business Development Agency.
- **1970:** The Office of Telecommunications is created, and later becomes the National Telecommunications and Information Administration.
- **1970:** The National Technical Information Service is established.
- **1970:** The National Oceanic and Atmospheric Administration is formed. Apparently, it is housed in Commerce because President Richard Nixon did not get along with his Secretary of the Interior.¹⁵
- **1977:** The Office of Energy Programs in Commerce is moved to the new Department of Energy.
- **1980:** The International Trade Administration is created in Commerce. The ITA's activities include subsidizing exports and enforcing barriers to imports.
- **1981:** The U.S. Travel and Tourism Administration is created. This agency was closed in 1996, but Commerce still operates an Office of Travel and Tourism Industries.
- **1988:** The Advanced Technology Program and the Manufacturing Extension Partnership are established to subsidize businesses in response to concerns that U.S. industry is falling behind foreign competition. ATP is renamed the Technology Innovation Program in 2007.
- **1993:** President Bill Clinton names political operative, Ron Brown, to be Secretary of Commerce. Brown's tenure is marred by investigations into how he used taxpayer financed foreign trade junkets to raise campaign contributions.¹⁶ The *Boston Globe* found that "coveted slots on U.S. foreign trade missions generated a major fund-raising bonanza for the Democratic Party."¹⁷
- **1995:** The new Republican House majority fails in an attempt to dismantle Commerce. Former Secretary of Commerce, Robert Mosbacher, calls the agency "nothing more than a hall closet where you throw in everything that you don't know what to do with."¹⁸
- **1998:** U.S. District Judge Royce Lamberth determines that Commerce officials systematically concealed and destroyed documents relating to the Brown trade mission scandal.¹⁹ He compares the behavior of Commerce officials to that of "con artists" and "scofflaws," pointing to the "flurry of document shredding in the Secretary's office" after Brown died.²⁰ The scandal illustrates the dangers of entangling the government in promoting private business interests.
- **1999:** Political operative and deputy assistant secretary for international economic affairs at Commerce, John Huang, pleads guilty of campaign finance violations after steering millions of dollars to the Democratic Party, often from unknown sources.²¹ At Commerce, Huang received dozens of classified briefings at the same time that he was keeping in close contact with foreign governments and business interests.²²
- **2006:** In response to a congressional inquiry, the department admits more than 1,100 laptops have gone missing since 2001, many containing sensitive personal data.²³
- **2008:** The Inspector General of Commerce reports that 10 percent of the department's 2006 budget consisted of congressional earmarks.²⁴

¹ www.nps.gov/history/maritime/light/admin.htm.

² Helen Bowers, *From Lighthouses to Laserbeams: A History of the U.S. Department of Commerce* (Washington: U.S. Department of Commerce, 1988), p. 9.

³ A useful history is *The Department of Commerce: Panama-Pacific International Exposition Edition 1913* (Washington: Government Printing Office, 1915).

⁴ John Upton Terrell, *The United States Department of Commerce: A Story of Industry, Science, and Trade* (New York: Duell, Sloan, and Pearce, 1966), pp. 45, 46.

⁵ Theodore Roosevelt's first annual message to Congress, December 3, 1901, www.presidency.ucsb.edu/ws/index.php?pid=29542.

⁶ Helen Bowers, *From Lighthouses to Laserbeams: A History of the U.S. Department of Commerce* (Washington: U.S. Department of Commerce, 1988), pp. 7, 9.

⁷ *Budget of the United States Government: Fiscal Year 2009: Analytical Perspectives* (Washington: Government Printing Office, 2008), p. 365.

⁸ U.S. Bureau of the Census, *Statistical Abstract of the United States, 1910* (Washington: Government Printing Office, 1911), p. 641. Available online at www2.census.gov/prod2/statcomp/documents/1910-01.pdf.

⁹ Judson MacLaury, Department of Labor Historian, "History of the Department of Labor, 1913-1988," Department of Labor, 1988, www.dol.gov/oasam/programs/history/hs75menu.htm.

¹⁰ *Budget of the U.S. Government, FY2009, Analytical Perspectives* (Washington: Government Printing Office, 2008), p. 185.

¹¹ Helen Bowers, *From Lighthouses to Laserbeams: A History of the U.S. Department of Commerce* (Washington: U.S. Department of Commerce, 1988), pp. 105, 110.

¹² Helen Bowers, *From Lighthouses to Laserbeams: A History of the U.S. Department of Commerce* (Washington: U.S. Department of Commerce, 1988), p. 17.

¹³ Steven Holmes, "Report Says Census Bureau Helped Relocate Japanese," *New York Times*, March 17, 2000. And see Haya El Nasser, "Papers Show Census Role in WWII Camps," *USA Today*, March 30, 2007.

¹⁴ For example, see United Press International, "Proxmire's Golden Fleece Goes to Jobs Program," December 17, 1986.

¹⁵ Dwight Ink, Institute of Public Administration, Testimony before the Subcommittee on Government Management, Information, and

Technology, Committee on Government Reform and Oversight, U.S. House of Representatives, September 6, 1995, p. 311.

¹⁶ Paul Blustein, "A Cloud Over Commerce; Politics May Have Tainted Choices, Policy," *Washington Post*, December 22, 1996, p. A1.

¹⁷> Jill Zuckman and Walter V. Robinson, "Trade Trips Generated Millions for Democrats," *Boston Globe*, February 9, 1997.

¹⁸ Dick Chrysler, "Trade Will Go On, Even without Commerce," *Washington Times*, May 30, 1995, p. A15.

¹⁹ Bill Miller, "Judge Assails Shredding in Commerce Case," *Washington Post*, December 23, 1998, p. A4.

²⁰ Neil A. Lewis, "After Judge's Rebuke, Commerce Secretary Widens Inquiry Into Mishandling of Papers," *New York Times*, January 3, 1999.

²¹ Edward Walsh and Roberto Suro, "Clinton Fund-Raiser Huang to Offer Guilty Plea," *Washington Post*, May 26, 1999, p. A12.

²² Judi Hasson, "Huang's Security Clearance Questioned," *USA Today*, July 17, 1997.

²³ Alan Sipress, "1,100 Laptops Missing From Commerce Dept.," *Washington Post*, September 22, 2006, p. A3.

²⁴ U.S. Department of Commerce, Office of Inspector General, "Review of Fiscal Year 2006 Congressional Earmarks," Final Audit Report no. DEN-19021, May 2008, p. i.

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