

Essential Information Found in Cycle Report

Essential information never before obtained concerning any business cycle is found in the Bureau's fifth publication **Employment Hours and Earnings in Prosperity and Depression**, according to Otto H. Mallery, of Philadelphia, reviewing this report in the September issue of the Political Science Quarterly.

"This is a book of the first order of importance," writes Mr. Mallery. "It makes significant additions to our knowledge of the business cycle and is, so far as known, the first serious effort to measure employment in any country.

How It Came About

"The President's Conference on Unemployment in 1921 was the instigator of the study and the National Bureau of Economic Research was the fact-finding body chosen by the conference because so constituted as to safeguard its findings against bias. The method of insuring against bias is the reviewing of all staff work by the Board of Directors of the Bureau, some twenty men representing widely different economic interests and opinions.

"The inquiry was conducted on a large scale, principally through questionnaires, and with the assistance of all available official agencies and many important business groups.

"The result is not only authoritative figures on the changes between the peaks of 1920 and the troughs of 1921 in volume of employment, in numbers on payrolls, and total wage payments, but also essential information never before obtained concerning any business cycle. . . .

Industries Affected Differently

"The first industries to touch bottom in the depression were construction, factories working wood, textiles and leather.

"The next group were manufacturers of food, drink and tobacco. Then followed producers of minerals, metals and paper.

"A whole year after the first group, minimum employment was reached in mining, finance and transportation.

"Hours and wages of farm employees were also fully investigated. The hired girl turns out to be more frequent on the metropolitan stage than on the farm. Unemployed factory workers did not find work on the farm as has been supposed to be the case in previous depressions. . . .

"Seventy-five tables of figures are interpreted in a brief three-page summary for the tired business man, a feat as admirable as rare.

Facts in the Spotlight

"In the spotlight stand the following facts: The number of employees on all payrolls diminished by about 1/7 between the third quarter of 1920 and the third quarter of 1921. The number of hours worked diminished 1/6. Average yearly earnings fell over 1/4 in plants employing over 100 persons, about 1/10 in medium-sized plants, and only about 1/25 in plants employing less than 21 workers. Although large-scale enterprises (those employing over 100 persons) employed only about 1/2 of the total workers, they were responsible for more than 3/4 of the total number laid off during the depression.

"The meaning of this remains to be elucidated. Is large-scale industry the principal victim or the principal villain in the cycle play? Is the better control of the cycle and the partial elimination of peaks and valleys coming within reach of far-sighted business management? This study provides material for those who attempt the answers. . . ."

To Administer Dawes Plan

Mr. J. E. Sterrett, Vice President and Director-at-large of the National Bureau of Economic Research, has been appointed American Member of the Transfer Committee, organized under the scheme of the First Committee of Experts—otherwise known as the Dawes Plan.

Mr. Sterrett recently sailed from New York for Europe to take up his new duties.

Publications of the National Bureau of Economic Research

Income in the United States Its Amount and Distribution 1909-1919

Volume I.—A summary of an investigation intended for readers who are primarily interested in the results. 152 pages, 29 tables, 31 charts, indexed. \$1.58 postpaid.

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Business Cycles and Unemployment

Results of an investigation made for the President's Conference on Unemployment. By the staff of the Bureau with 15 collaborators. Twenty-one topics covered. This report summarizes the known facts of unemployment and describes the various methods suggested to control the business cycle and alleviate cyclical unemployment. 405 pages, illustrated with 56 tables, 56 charts, and indexed. \$4.10 postpaid.

Employment, Hours, and Earnings in Prosperity and Depression

Results of an inquiry conducted by the National Bureau of Economic Research, with the help of the U. S. Bureau of Markets and Crop Estimates and the Bureau of the Census, for the President's Conference on Unemployment. Designed to meet the special needs of all persons interested in the study of labor conditions. Gives full details of investigation summarized in Business Cycles and Unemployment to which it is companion volume. 147 pages, illustrated with 75 tables, 11 charts, and indexed. \$3.10 postpaid.

Copies of these reports may be obtained upon application accompanied by remittance to

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An Organization
for Impartial
Investigation

NEWS-BULLETIN

National Bureau of Economic Research, Inc.

To Find Facts
Divested of
Propaganda

No. 10

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Growth of American Trade Unions Investigated

Data from 300 Sources Utilized in Study Covering Period from 1880 to 1924

REVEALING the extent and character of changes in the membership of American trade unions in the last forty-four years, the results of the most exhaustive investigation of its kind ever undertaken under impartial auspices, have been compiled by the National Bureau of Economic Research.

Data from more than 300 different sources have been assembled. The membership of every union of importance has been traced year by year. In the period covered, 1880 to 1923 inclusive, this means in some cases, from the birth to the death of a particular union.

Gives Birdseye Picture of Movement

How many unions have survived the vicissitudes of the last four decades, how many have gone out of existence, and how many have grown with the years, will be presented in detail in the report.

A birdseye picture of the American Trade Union Movement, from the stormy days of its origin, through periods of prosperity and depression, up to the present time, will thus be available in the form of absolute figures of membership and relative numbers for comparison with other industrial factors.

This study, upon which Dr. Leo Wolman and his assistants, under the general supervision of Dr. Edwin F. Gay, and Dr. Wesley C. Mitchell, as directors of research, have been engaged for two years, was undertaken as one of a series of inquiries into the social and economic effects of changing conditions of business.

Scope of Study is Broadened

As progress was made in the collection of materials, it became clear that the treatment of these materials should not be restricted to a discussion of the influence of the business cycle on the movement of trade union membership. In this range of social phenomena, factors other than business prosperity or depression sometimes play a controlling role. Public policy, development in foreign countries, great strikes, all exert a powerful influence on the rise and decline in the membership of trade unions.

The detailed facts of the changes in the numbers affiliated with labor organizations and their analysis have not up till now been found in any single convenient place. For these reasons there was made a more elaborate collection of statistics than would have been required for a simple analysis of the relation between the business cycle and changes in union membership.

Diverse Elements in Labor Movement

As at present constituted, and almost throughout its whole history, the American labor movement has been composed of many diverse elements. There were for example in 1923, 108 national and international unions affiliated with the American Federation of Labor. Not all of these organizations have been continuously affiliated with the Federation.

Vital Questions Answered in Report on Labor Bodies

AMONG the questions answered in the Bureau's forthcoming report on the "Growth of American Trade Unions" are the following:

What has been the total membership of the Trade Unions of the country year by year from 1880 to 1923?

How does the membership in 1923 compare with the membership in the "peak year" of 1920?

How did the World War affect union membership?

How has union membership moved in foreign countries?

Which industries are most highly organized?—least organized?

Which unions are increasing in membership?—Which are decreasing?

What proportion of the total gainfully employed belong to trade unions?

How many women are enrolled in trade unions?

Are women's unions increasing or diminishing in membership?

In which industries are women's unions most active?

What is the extent of organization among so called "professional workers"?

The bricklayers' union became affiliated with the American Federation of Labor only a few years ago; the Western Federation of Miners remained independent for a long period and finally for a few years became an affiliated organization. As existing organizations are added or dropped from the roster of the Federation, the membership of that organization would show changes not representative of the variations in the total membership of trade unions. In addition to such unions as these, which have had a changing relationship with the American Federation of Labor, there are a group of large national unions, like the railroad brotherhoods and the Amalgamated Clothing Workers, which have always been independent of the Federation. The membership of such unions does not, of course, appear in the Federation proceedings, but will be included in the tables of the National Bureau of Economic Research.

The new tables will indicate also for each union and for each year its state of affiliation with or independence of the American Federation of Labor.

Sources of Union Strength and Weakness

Since statistics of the growth and decline of trade union membership may in themselves be misleading unless compared with the changes in similar periods of the total numbers of wage-earners, the investigation of the National Bureau of Economic Research was extended into this field.

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National Bureau of Economic Research, Inc.

Its Origin and Purposes

THE National Bureau of Economic Research, Incorporated, was organized in 1920 in response to a growing demand for exact and impartial determinations of the facts bearing upon economic, social and industrial problems. The Bureau hopes to aid all thoughtful men, however divergent their views of public policy, to base their discussions on objective knowledge as distinguished from subjective opinion.

Control of the Bureau is vested in a Board of twenty directors, representing learned and scientific societies, financial, industrial, agricultural, commercial, labor, and other organizations. Directors must be men of scientific and judicial habit of thought, possessing knowledge and experience qualifying them to assist in the direction of exact and impartial investigations within the scope of the Bureau's activities.

The directors, through their Executive Committee, choose the topics for investigation and appoint the scientific staff. The by-laws provide that all reports

made by the staff shall be submitted to the directors for criticism before they are published, and that a director who dissents from any finding approved by the majority of the board shall have his dissenting opinion published in the report if he so desires. The Bureau's reports owe much to the active cooperation of the directors, and many suggestions made by them are incorporated in the text. It is believed that this critical review of the staff's work by a group of men representing varied training, experience, and opinions safeguards the reports against bias.

The Bureau assumes no obligation to present or future subscribers, except to determine and publish facts.

Until the Bureau was incorporated, there was not in the United States an institution equipped to undertake fundamental researches of the type outlined from a point of view recognized beyond question as disinterested and in such manner that its findings would be generally accepted.

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Growth of American Trade Unions Investigated

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From the data to be found in the forthcoming report, it will be possible for the reader to discover in considerable detail the sources of growth and of decline of the labor movement and thus to understand the fluctuations in the trends of union membership and of working population.

This demarcation of the field, furthermore, works largely within the boundaries which the trade unions have laid out for themselves. Their strength, and numbers, and control are the subject of inquiry in the areas where they have staked out their claims; and although their claims are often vague and ill defined, the problems so raised are not difficult to settle and indeed elicit new and even more significant problems.

The working population in a country may, indeed, pursue a course quite distinct from that of the total population. It may either increase or decline more rapidly than the total population; or large sections of it, more or less accessible to labor organization, may come to occupy a leading or subordinate position in the work of the country. Phenomena such as these, which would be otherwise concealed, are brought to light by drawing the comparison between the numbers of workers and the numbers of trade union members.

Importance of Fact-finding Report

The results of this investigation should be of interest not only to leaders of organized labor and managers of large enterprises, but also to writers, authors, lecturers, sociologists, public officials and all others who desire impartial information regarding the membership of trade unions.

Like all the other formal publications of the National Bureau of Economic Research, this is to be a fact-finding report solely. The National Bureau of Economic Research is rigidly barred by its constitution and by-laws from becoming an agency for profit or propaganda, and no report may be published without the approval of its Board of Directors, who represent all the principal viewpoints from which economic, social and industrial problems are regarded.

New State Income Data To Cover Series of Years

Since no year is, strictly speaking, a *normal* year, and consequently conditions prevailing in any one year can hardly be accepted as fully descriptive of the position of any state with respect to income, the National Bureau of Economic Research in bringing up to date the figures published in its earlier report "Distribution of Income by States in 1919," has decided to make a thorough study of the data for a series of years.

The new study therefore, will give a picture of conditions in each state through the most representative cycle for which up to date figures are available.

Among the questions which this investigation is expected to answer are:

To what extent does income respond to the inherent differences of the various parts of the country?

What is the net effect of the interaction between the various forces upon the income of the people in each section of the country in different years?

Virtually all the computations necessary have been completed and the analysis of the results is proceeding so rapidly that formal publication may be expected within the near future.

Britons Honor Dr. Mitchell

Dr. Wesley C. Mitchell, director of research, of the National Bureau of Economic Research, has been elected an Honorary Fellow of the Royal Statistical Society, of England.

Changes in Labor Supply And in Use of Machinery

Progressive manufacturers and all others who are concerned with the nature and significance of industrial changes and who believe that an impartial determination and presentation of the facts is the first requirement for the formulation of wise industrial policies, either by the individual manufacturer or by the public, will be interested in an inquiry which is now being conducted by the National Bureau of Economic Research.

While Dr. Harry Jerome who is in charge of this study believes that it will incidentally reveal other significant facts concerning the nature of industrial changes in the United States and the present character of industrial operations, the central question to which an answer is sought is—

To what extent does it appear probable that a decrease in the annual additions to the labor supply due to restrictive immigration laws will be offset by an increased use of machinery designed to make labor more productive?

Complete Picture To Be Presented

As contributory to this major purpose, an analysis will be made of

- historical changes in the degree of mechanization, particularly within the present century;
- existing variances in mechanization between industries, sections of the country, and between large and small establishments;
- differences in the constituency of the labor force and in the proportions between the elements in the expense of production.

Information on the last-named points is needed as an aid in approximating probable changes in the economic inducement to mechanization, for such data will throw light on variances in the extent to which a relative shortage of a given kind of labor will affect the expense of producing and utilizing mechanical devices as compared with the expense of less mechanized alternative methods.

The sole purpose of this investigation is to make a scientific and impartial finding of the facts concerning a matter of large social and industrial importance.

Scientific Bodies Cooperating

The investigation is made possible by an appropriation from the Social Science Research Council, which is an organization composed of representatives of the American Economic Association, the American Sociological Society, the American Political Science Association, and the American Statistical Association. This Research Council was organized in 1923, as a joint agency of the societies named, to further the developments of research methods in the social studies.

"The successful conduct of this investigation," Dr. Jerome points out, "depends upon the cooperation of those persons who are in a position to furnish authoritative information. Correspondence is invited from organizations and individuals who are interested in this project, and any aid extended to the field representatives of the Bureau will be sincerely appreciated."

Bureau's Work Abroad

Col. M. C. Rorty, Chairman of the Board of Directors, returned on October 21 from a business trip lasting nine months during which he visited England, France, Spain, Italy, Belgium and Switzerland. He reports a growing interest in the work of the Bureau among European economists, and government officials. This trip followed an extended trip through South America.

Col. Rorty's book "Some Problems in Current Economics" in which he quotes extensively from the work of the Bureau, is now being translated into Spanish by the Department of Economics of the University of Buenos Aires, of the faculty of which Col. Rorty is a corresponding member.