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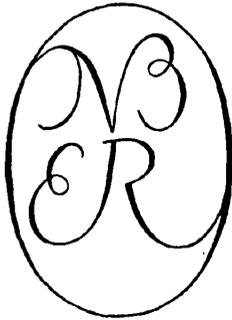
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BY CLARENCE D. LONG

The Johns Hopkins University



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(Resolution adopted October 25, 1926 and revised February 6, 1933 and February 24, 1941)

FOREWORD

This monograph by Professor Clarence D. Long is one of several reports¹ on the history of wage rates and of changes in productivity in the United States over the past century which were made possible by a grant to the National Bureau from the Alfred P. Sloan Foundation. (The Foundation, of course, is not to be held responsible for the conclusions.) The period, 1860-1890, covered by Mr. Long's study is most interesting, for it included a great civil war followed by years of rapid industrialization, and saw a long decline in prices. Intensive study of the period was possible because of the availability for these years of the wage and price data of the Aldrich and Weeks reports, earnings data of the Census, and various collections of wage data by individual states and by the United States Department of Labor.

In reconstructing the wage history of this important segment in American economic development, Mr. Long shows the difficulties encountered in arriving at any single, most acceptable measure of money wages, prices, and real wages for a remote historical period in which the available data were sparse and of doubtful quality. He therefore places before the reader alternative bodies of data, discusses their respective virtues and defects, and finally chooses the series which, for the reasons he gives, appear most satisfactorily to depict the course of events he is engaged in describing.

A major finding is, first, that the money daily wage rate of factory employees in the United States, 1860-1890, increased about 50 per cent. Since hours of work declined during this period, money hourly earnings are found to have risen 60 per cent. By constructing a new index number of the cost of living, based on the index of Miss Ethel D. Hoover of the U.S. Department of Labor for the period 1860-1880 and on retail prices collected by himself for the decade 1880-1890, Mr. Long finds that cost of living in 1890 was 2 per cent less than in 1860. It follows, then, that real daily wages of factory employees, 1860-1890, rose by 50 per cent, and that real hourly earnings increased 60 per cent, or 1.6 per cent a year.

¹ John W. Kendrick, *Productivity Trends: Capital and Labor*, Occasional Paper 53, New York, NBER, 1956, and *Productivity Trends in the United States* (in preparation); Solomon Fabricant, *Basic Facts on Productivity Change*, Occasional Paper 63, New York, NBER, 1959; Albert Rees, *Real Wages in Manufacturing, 1890-1914* (in preparation), and a forthcoming paper presenting some revised statistics of real wages since 1914.

FOREWORD

In addition, Mr. Long throws fresh light on changes in wage differentials—between regions, industries, occupations, and other classes of workers; and, during his discussion, suggests some of the important factors that played a significant role in accounting for the changes in wages and wage structure that he finds.

Everyone interested in the economic history of the United States and in the rate of development—past and future—in this and other countries will be influenced in his thinking by the combinations of data set forth and documented in Mr. Long's study.

LEO WOLMAN

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THE present work was begun at the suggestion of Leo Wolman, who turned over to me some files which had earlier been compiled under his direction. The study has benefited from the critical comments of Gerhard Bry, Richard A. Easterlin, Solomon Fabricant, Geoffrey H. Moore, Albert Rees, George Soule, and Leo Wolman. Much of any merit it possesses was made possible through the careful research assistance of Margaret Chen. H. Irving Forman drew the charts.

CLARENCE D. LONG

Baltimore, Maryland

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