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FOREWORD

The first task essayed by the National Bureau of Economic Research was to determine as accurately as might be the size and distribution of the income produced and consumed by the people of the United States. As our estimates neared completion, we realized that they involved us in a series of new problems. Among these problems one of the most obvious was the considerable fluctuations in the national income from year to year which our figures showed. What produces these fluctuations? How are they shared by the various classes of income receivers—farmers, wage earners, investors, business men? How does a rise or fall of money income one year react upon consumption and production—that is, upon the well-being of the population and the income of future years?

It seemed incumbent upon the National Bureau to answer these questions if it could. They grew out of its own work, they were of grave importance to the country, they could be attacked by quantitative methods—in short, they were questions of precisely the sort which the National Bureau had been organized to treat. Accordingly, after our first two reports had been published, giving estimates of the income of the country in 1909 to 1919, the Executive Committee of the Board of Directors authorized the staff to make a new series of investigations dealing with fluctuations in income. In these studies especial attention was to be given to those alternating expansions and contractions of activity which are known as business cycles.

Soon after this program had been adopted, Secretary Hoover asked the National Bureau to organize an investigation for a committee appointed by the President's Conference on Unemployment. This committee was charged to report upon methods of preventing the recurrence of such periods of widespread unemployment as had led President Harding to call the Conference of 1921. The National Bureau's task was to collect and present materials which might be of use, not only to the committee, but also to all

others interested in mitigating crises and depressions. Of course, changes in the number of men at work for wages are the chief immediate cause of fluctuations in the size and in the distribution of the national income. In responding to Secretary Hoover's call, the National Bureau was beginning to carry out the plans it had already laid.

The two reports which grew out of this connection—*Business Cycles and Unemployment* and *Employment, Hours, and Earnings in Prosperity and Depression*, published in 1923—presented our first results in this field of research.

A second venture in this field was undertaken in 1923 at the instance of the National Research Council. The Laura Spelman Rockefeller Memorial had enabled the Council to inaugurate a series of researches in the scientific problems of human migration. We were asked to participate by investigating the bearings of migration upon labor supply in the United States. A report upon this subject, prepared by Dr. Harry Jerome, is nearing completion and will soon be published under the title *Migration and the Business Cycle*.

The present volume on *The Growth of American Trade Unions, 1880-1923*, is another outgrowth of the program framed in 1922. Its relevance is clear. The trade union movement affects productivity and affects wages—that is, it affects both the size and the distribution of the national income. The varying membership of trade unions from year to year, and the proportions of all wage earners who are thus organized—the leading subjects of the following chapters—concern the general public only less than they concern employers and employees. In determining the facts on these heads as accurately as the materials permit, the National Bureau is following its policy of providing men of all shades of opinion with objective knowledge of the conditions which confront them. As in all our work, so here: we confine ourselves to stating the facts as we find them. With opinions about the promise or the danger to American life from the growth of trade unions we have no concern as an organization of investigators.

While it is devoted to "fact finding," the National Bureau has done much of its work on the frontier of statistics. The growth of a science, like the growth of a nation on a new continent, involves

repeated rough explorations of territory which cannot be mapped with precision for years to come. We have not hesitated to meet the risks which all explorers take when we have thought the public interest would be served by venturing into territory that is but vaguely known. In the present volume we are making a fresh reconnaissance of ground most of which has already been traversed by others; but even our survey makes no claim to precision. The figures it gives are approximations rather than accurate determinations. That is all that figures can be in this territory now; for the statistics of membership in trade unions and still more the census tables of occupations are defective. The author, Dr. Leo Wolman, shows what the chief defects are, and how they leave a margin of uncertainty around many of his results. We believe, however, that these results are as dependable as can be reached in the present state of the original data. We believe further that knowledge is better served by publishing these carefully made approximations than by doing nothing until the data have become satisfactory. The wait might be a long one.

It should be added that the study of trade union membership is a necessary preliminary to further work which Dr. Wolman is carrying on for the National Bureau. Our volumes on *Income in the United States* show that wage earners are much the most numerous class of income receivers, and that wages is much the largest of the income streams. In treating fluctuations of income, we therefore wish to learn all we can about this crucially important factor. Dr. Wolman, whose experience has given him especial competence in such inquiries, is studying wages at large. One of his themes is the fluctuations of labor costs to employers, a difficult problem which involves joint consideration of wage rates and of efficiency. A second theme is the fluctuations in the retail demand for consumers' goods, also a difficult problem involving joint consideration of wage rates and volume of employment. A third theme is the fluctuations in real wages, which involves joint consideration not merely of money earnings and cost of living, but also of leisure.

What results Dr. Wolman will succeed in getting out of the voluminous yet fragmentary data cannot be foretold. If his efforts prosper as we hope, the present volume will be followed at intervals by two or three others, which will make use of the figures of

trade union membership here presented in connection with larger bodies of fresh materials. All these labor studies, together with Dr. Harry Jerome's work on migration, Dr. F. R. Macaulay's investigation of bond yields and discount rates which is nearing completion, and Mr. Willard L. Thorp's collection of business annals and statistics will contribute toward the preparation of the general treatise upon business cycles which the National Bureau has under way.

WESLEY C. MITCHELL.