

## LEADERS OF NATION GIVE SUPPORT TO IMPARTIAL BODY

THAT there is a wide demand for impartial determinations of those facts which bear upon economic, social and industrial problems is demonstrated by the increasing number of subscribers to the work of the National Bureau of Economic Research. Leaders of the most divergent schools of thought and representatives of the most varied interests are thus emphasizing their appreciation of the Bureau's usefulness.

To the following subscribers enrolled since the last issue of the News-Bulletin and up to February 1, 1924, the Bureau makes grateful acknowledgment:

W. R. Abbott American Cast Iron Pipe Co. Amos Tuck School of Administration, Arthur Andersen & Co. George Arents Jr. Armstrong Cork Co. Associated Industries Associated Tile Manufacturers Atlas Portland Cement Co. Babson's Statistical Organization J. P. Barnes Charles E. Barry Barton, Durstine & Osborn Bernard M. Baruch Henry Mahan Beardsley A. G. Becker & Co. Boles & Westwood Z. M. Bowden Bridgeport Brass Co. Brotherhood of Railway Carmen Arthur A. Brown Bureau of Raw Material Campbell-Ewald Co. Matthew Carey Cheney Brothers Chevrolet Motor Co. Chicago Tribune Colgate and Co. Commonwealth Edison Co. Wilson Compton Congoleum Co., Inc. Library of Congress Consumers League of Ohio Continental & Commercial Nat'l Bank Jacob D. Cox Jr. Paul D. Cravath Crompton & Knowles Loom Works Cross Austin & Ireland Lumber Co. Ernest Crowther Gen. William Crozier W. L. Crum D'Arcy Advertising Co. Alvan L. Davis Eugene Dietzgen, Switzerland Guy D. C. Dobbin, Canada Dodge Bros. K. J. Dunstan, Canada T. C. Dye Eastman Kodak Co. Cecil F. Elmes Equitable Life Assurance Socy. Edward W. Evans Dr. Max Farrand Federal Council of Churches of Christ Federal Reserve Bank of Richmond Federal Trade Commission W. H. Finley Firestone Tire & Rubber Co. Prof. Irving Fisher Fuller Brush Co. Ernest H. Gaunt Fred A. Geier General Electric Co. Glass Bottle Blowers' Ass'n. Goulds Manufacturing Co. Jerome D. Greene John Hancock Mutual Life Insurance Co. J. W. Helburn A. W. Henn E. M. Herr Hess & Hess Hills Brothers Co. Karl F. Hoffmann Noble F. Hoggson Hood Rubber Co. Hoover Co. Leonard S. Horner Ernest Howe Institute for Commercial Research, Kobe, Japan	Carl T. Keller J. Orvis Keller Nicholas Kelley Wm. M. Kerr Laundryowners Nat'l Ass'n. A. C. Lawrence Leather Co. John S. Lawrence Ivy Lee Lee, Higginson & Co. M. E. Leeds F. L. Lipman John H. Love Prof. Esther Lowenthal Sumner T. McCall H. K. McCann Co. George H. McFadden & Bro. A. F. McGoun, Canada Logan G. McPherson G. H. Mead Co. Ogden L. Mills Gilbert H. Montague S. W. Mudd National Automobile Chamber of Commerce National Education Assoc. of the U. S. National Retail Dry Goods Ass'n. Carl H. Nau Business Branch, Public Library, Newark, N. J. Chamber of Commerce, New Haven New Jersey Zinc Co. New York Employing Printers New York State Tax Commission North American Co. Northwestern Mutual Life Insurance Co. Department of Labour, Canada Packard Motor Car Co. Pennsylvania Railroad Pennsylvania School of Social & Health Work Curt G. Pfeiffer George Harrison Phelps Inc. Fayette R. Plumb Provident Mutual Life Insurance Co. Rand Company Inc. Rearick, Dorr, Travis & Marshall George L. Redlein Retail Research Ass'n. Malcolm C. Rorty Frederick A. Ross Aaron B. Salant Prof. Henry R. Seager R. Seybold Simonds Manufacturing Co. George Otis Smith Stevens Sash & Door Co. Joseph Stroock Henry S. Sturgis N. G. Symonds Prof. Fred M. Taylor James S. Taylor David C. Thomas Co. J. Walter Thompson Co. Tide Water Oil Co. Miss Harriet Townsend Travelers Insurance Co. George Vaughan Wahl Company Henry D. Walbridge Paul M. Warburg Philip J. Warner Prof. G. F. Warren Weinstock, Lubin & Co. Welch Grape Juice Co. William Young Westervelt Weston Dodson & Co., Inc. White Company John G. White George W. Wickersham Pope Yeatman
--	---

## REPORT ON PAY AND HOURS IN ALL INDUSTRIAL FIELDS MEETS POPULAR DEMAND

THE first book to summarize for the busy man or woman the salient facts concerning labor in all the great industrial groups, including farming, issued under the title *Employment, Hours and Earnings in Prosperity and Depression* has proved to be one of the most popular reports published by the Bureau. Two printings of this report have been necessary to supply the demand.

Among the interesting questions answered in this volume are:

How are hours, wage rates, and earnings affected by booms and slumps?

What is the comparative security of employment afforded by different industries?

How are different industries, and different sizes of establishments within each industry affected by the business cycle?

In what industries are wages highest? Lowest? Hours longest? Shortest?

When men and women leave the farms what industries do they engage in?

How many return to the farm?

How does the number of persons on payrolls vary during a typical business cycle?

What causes the steady drift from the farm to the city?

Shall we call a man unemployed who will not accept a job at less than his accustomed wage?

How much wage loss is caused by a depression like that of 1921?

*Employment, Hours and Earnings in Prosperity and Depression* is the fifth publication of the National Bureau of Economic Research. It consists of 147 pages, 9 by 6 inches in size, illustrated with numerous charts and voluminous tables. It is appropriately bound in blue cloth with gold lettering. Copies may be obtained upon application to the Bureau accompanied by remittance at the rate of \$3.10 each postpaid.

Other publications of the Bureau are:

**Business Cycles and Unemployment.** Results of an investigation made for the President's Conference on Unemployment. By the staff of the Bureau with 16 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. It was planned to furnish a basis for the recommendations of the Business Cycle Committee, and as a guide to executives who have an active interest in stabilizing employment within their own organizations. Many practical suggestions are also made for the avoidance of the business losses that result during periods of excessive business expansion and depression. Size 9 by 6 inches, 430 pages, illustrated with tables and charts. Bound in blue cloth with gold letters. \$4.10 postpaid.

**Volume I, Income in the United States.** A summary of an investigation of the Amount and Distribution of Income in the United States 1909-1919 intended for readers who are primarily interested in the results. Size 7½ by 5¼ inches, 152 pages, with preface, 29 tables, 31 charts and index. Bound in blue cloth with gold letters. \$1.58 postpaid.

**Volume II, Income in the United States.** A volume giving in full the methods and estimates on which the results shown in the first volume are based. In addition it goes into many details concerning particular industries. It consists of three parts: (1) Estimate by sources of production; (2) Estimate by incomes received; (3) Personal distribution of income in the United States. Size 9¼ by 6¼ inches, 425 pages, 222 tables, 35 charts and index. Bound in blue cloth with gold letters. \$5.15 postpaid.

**Distribution of Income by States in 1919.** A study of the share of each state in the national income with a special analysis of the amount and relative importance of farmers' income. Size 9¼ by 6¼ inches, 32 pages, with preface and 9 tables. Bound in blue cloth with gold letters. \$1.30 postpaid.

**Note:** Persons who wish to receive early copies of all the publications of the Bureau as issued may enroll as contributing subscribers, paying a minimum of \$25 a year. In addition to receiving the publications, the contributing subscribers will be kept in touch with the work of the Bureau as it progresses, and with the work planned for the future.

SAMPLE BULLETIN

An Organization  
for Impartial  
Investigation

# NEWS-BULLETIN

National Bureau of Economic Research, Inc.

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

1319 Broadway

NEW YORK CITY

To Find Facts  
Divested of  
Propaganda

No. 8

NEW YORK CITY

MARCH 10, 1924

## Extensive Research Program for 1924 Outlined

Results of Scientific Investigations Now in Progress Expected  
to Throw Much New Light Upon Nation's  
Pressing Economic, Social, and  
Industrial Problems

OUTLINING an expanded program of scientific activity during 1924, Dr. Wesley C. Mitchell, director of research, in his annual report, describes the work now being carried on by the staff of the National Bureau of Economic Research, and the character of the results that are in prospect.

Completion of the investigation made for Secretary Hoover into the relations of business cycles and unemployment permitted the Bureau to undertake much new work on a variety of subjects in 1923. A number of these studies, it is hoped, will be completed this year. Thus Dr. Mitchell points out, 1924 should be especially fruitful in interesting publications.

Fifteen projects are summarized in Dr. Mitchell's report, ranging from studies of the changes in the amount and distribution of the national income since 1919 to an international business cycle survey. All of these investigations fit together as portions of the general program on which the Bureau has been working since its establishment.

By means of a formula which is now being sought, the Bureau hopes to be able to announce preliminary estimates of the national income within a few months after each year has closed. A revision of the earlier report on the distribution of income by states will include much new data bearing on Purchasing Power.

The new projects upon which the Bureau's enlarged research staff is engaged are as follows:

**Transportation in the United States**—A study of its economic development and present status.

**America's Spendings**—An analysis of the national bill for consumption goods.

**America's Savings**—The various ways in which the National wealth is increased.

**The Middle Man**—An estimate of the proportion of the National Income derived from mercantile pursuits.

**Wages and Salaries**—A systematic separation of these items carried through all industries.

**Fluctuating Wealth**—An estimate of the income or losses resulting from changes in the value of property owned by the American people between the beginning and end of each year.

**The American Farmer**—His position and prospects.

**Migration and the Business Cycle**—Economic aspects of mass movements of population in industry.

**Trade Unions in the Business Cycle**—A study of their variation in membership.

**The Labor Factor in the Business Cycle**—A far reaching series of studies designed to embrace variations in (1) rates of wages, (2) cost of labor, (3) purchasing power of wage earners, (4) real wages.

**Interest Rates in the Business Cycle**—An analysis of monthly variations, carried back to 1859.

**International Business Survey**—A systematic compilation of statistical data exhibiting the manifold phases of business fluctuations in the leading commercial countries.

**Business Cycle Handbook**—An analytic description of the Business Cycle in such form as to be useful to the general public.

Progress in all these directions, Dr. Mitchell points out, is limited only by the amount of funds available and in prospect.

### To New Friends

SO many persons have asked to be kept in touch with the Bureau's work that the issue of this informal periodical has become necessary. While limitations of space make impossible the publication of long reports, the News-Bulletin will give advance summaries of findings approved by the Bureau's directors, report the progress of work under way, and state the topics under consideration for future investigations.

To new acquaintances the Bureau may introduce itself by explaining that it is an organization for the impartial study of questions affecting the public interest and capable of being treated in quantitative terms. It is managed by twenty directors who differ widely in training, interests, and social views but who agree upon the cardinal point of basing social policy upon the study of the underlying facts.

The Bureau believes that the cordial welcome that has been given to each of its publications has been due largely to the impartial nature of the organization, to the rigid provisions of its constitution which prevent it from becoming a profit-seeking or propaganda-spreading organization. Whatever questions it may take up in the future, the Bureau will keep the spirit which has animated its beginnings.

By means of the News-Bulletin, the Bureau hopes to maintain a mutually helpful contact with the growing body of thoughtful men and women who believe with it that economic, social, and industrial programs of whatever sort should rest whenever possible on objective knowledge of fact and not on subjective impressions. The Bureau invites the cooperation of all who hold this faith.

## NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

The National Bureau of Economic Research, Inc., was incorporated in 1920 for the purpose of making impartial investigations in the field of economic, social, and industrial science. No report of the Research staff may be published without the approval of the Board of Directors. Rigid provisions guard the Bureau from becoming a source of profit to its members, directors or officers, and from becoming an agency for propaganda. The Bureau assumes no obligation to present or future contributors, except to determine and publish facts.

### OFFICERS

**M. C. RORTY**, Chairman of the Board of Directors  
**JOHN P. FREY**, President  
**J. E. STERRETT**, Vice-President  
**GEORGE E. ROBERTS**, Treasurer  
**W. C. MITCHELL**, Director of Research  
**O. W. KNAUTH**, Recording Secretary  
**G. R. STAHL**, Executive Secretary

### DIRECTORS AT LARGE:

**T. S. ADAMS**  
*Professor of Political Economy, Yale University*  
**JOHN R. COMMONS**  
*Professor of Political Economy, University of Wisconsin*  
**JOHN P. FREY**  
*Editor, International Molders' Journal, Cincinnati, Ohio*  
**EDWIN F. GAY**  
*Sometime Dean Harvard Graduate School of Business Administration*  
**HARRY W. LAIDLER**  
*Secretary, The League for Industrial Democracy*  
**ELWOOD MEAD**  
*Professor of Rural Institutions, University of California*  
**WESLEY C. MITCHELL**  
*Professor of Economics, Columbia University*  
**DWIGHT W. MORROW**  
*Member of firm of J. P. Morgan and Company, New York*  
**GEORGE SOULE**  
*Director, The Labor Bureau, Inc.*  
**J. E. STERRETT**  
*Member of firm of Price, Waterhouse and Company, N. Y.*  
**N. I. STONE**  
*General Manager, Hickey-Freeman Company, Rochester, N. Y.*

### ALLEN A. YOUNG

*Professor of Economics, Harvard University*

### DIRECTORS BY APPOINTMENT:

**HUGH FRAYNE**  
*American Federation of Labor*  
**DAVID FRIDAY**  
*American Economic Association*  
**WALTER R. INGALLS**  
*American Engineering Council*  
**LEE GALLOWAY**  
*American Management Association*  
**GEORGE E. ROBERTS**  
*American Bankers Association*  
**M. C. RORTY**  
*American Statistical Association*  
**A. W. SHAW**  
*Periodical Publishers' Association*  
**GRAY SILVER**  
*American Farm Bureau Federation*

### RESEARCH STAFF

**WESLEY C. MITCHELL** **FREDERICK R. MACAULAY**  
**WILLFORD I. KING** **LEO WOLMAN**  
**HARRY JEROME** **WILLARD THORP**

## LIST OF OFFICERS FOR 1924 ELECTED AT ANNUAL MEETING

OFFICERS of the National Bureau of Economic Research Inc., were elected at the annual meeting February 4 last, as follows: M. C. Rorty, Chairman of the Board of Directors; John P. Frey, President; J. E. Sterrett, Vice President; George E. Roberts, Treasurer; Wesley C. Mitchell, Director of Research; O. W. Knauth, Recording Secretary.

Messrs. Frey and E. F. Gay were reelected directors at large and Colonel Rorty's renomination by the American Statistical Association was confirmed.

## BUREAU'S GROWTH SHOWN IN TREASURER'S REPORT; 1924 REQUIREMENTS TOLD

**A** GROWING interest in all phases of the Bureau's work, shown by gratifying gains in the number of financial contributors and a continually increasing demand for its research reports, is recorded in the Treasurer's statement for 1923.

Contributors represent most divergent schools of thought, and subscriptions have been received not only from individuals at home and in overseas countries, but also from foreign national and local governments.

### How Contributions Have Increased

Since the Bureau's organization the total number of contributors and amounts, by years, has been as follows:

Year	Number of Contributors	Amount
1920	14	\$23,685.00
1921	10	33,650.00
1922	146	42,306.45*
1923	267	60,071.35

\*Excluding a special grant of \$34,500 on account of the President's Conference on Unemployment.

Special attention has been given to securing the publication of the Bureau's reports at minimum cost with the result that a gratifying increase has been shown in the sales to non-subscribers and the general public. Since the Bureau has undertaken this activity, the receipts from sales have been as follows:

1922	\$4,206.63
1923	9,152.94

The Bureau's affairs are being administered most economically according to the Treasurer's report. Directors give their services. No salaries are paid except to the working staff. The Bureau's expenditures are confined to payments for services and facilities for scientific research, and for making the results known to a wide public.

Expenditures and receipts are covered by regular annual budgets against which both current and cumulative receipts and expenditures are checked throughout the year. In addition the accounts of the Bureau are given a thorough annual audit by expert accountants and are currently maintained according to the requirements of such accountants.

Operating income in 1923 reported by the Treasurer totaled \$66,622.27 against operating expenditures of \$66,875.38. After deducting the deficit item of \$253.11 along with bills payable, from current assets and accounts receivable, the current surplus stood at \$1,425.76 on December 31, 1923.

### Budget for 1924 Outlined

The program of scientific activity as outlined elsewhere in this bulletin calls for expenditures of \$66,555.54 exclusive of publications. Deducting the National Research Council's pledge of \$5,815.54, the balance of an \$8,000 appropriation made for the Migration study, leaves \$60,740 to be raised.

The Carnegie Corporation, as announced in previous issues of the News-Bulletin, will, in recognition of the "excellent work" done by the Bureau, duplicate all other contributions up to \$30,000 for 1924. The Bureau's entire program therefore depends upon the raising of this remainder sum of \$30,740 and the Bureau must look again to its many friends who have so generously assisted it in the past.

Every contribution toward insuring the 1924 program will be of double value, inasmuch as it will be matched by the Carnegie Corporation.

## Nation's Economists Honor Bureau's Research Director

**D**R. Wesley C. Mitchell, Director of Research of the National Bureau of Economic Research since its organization, was elected president of the American Economic Association at its recent meeting in Washington, D. C. Dr. Mitchell is a former president of the American Statistical Association.

## BUREAU'S ORGANIZATION SUCCESSFUL IN PRACTICE; HARMONY IS NOTEWORTHY

Declaring that the Bureau's unique form of organization, which gives representation to the most varied economic, social and industrial viewpoints, had proved to be highly successful in actual operation, President M. C. Rorty in his annual report, said in part:

"On January 29th of this year the Bureau celebrated its fourth birthday and completed somewhat more than three years of active operations. Each succeeding year has shown an increase in activities and a gain in public appreciation of our work.

"Each year, furthermore, has seen definite progress in the formulation and testing out of those policies and practices, which in the aggregate, give character and substance to any organization.

### Scientific Rating is High

"In the early stages of the Bureau's development, its scientific work secured a very enviable standing, both with the public and in scientific circles. This standing has been strengthened from year to year.

"At the time of its organization the Bureau represented, in very truth, a 'Bold Experiment.' It was the belief that scientific minded men of all shades of economic opinion could meet together and cooperate on common ground in an organization which confined itself wholly to the determination of basic facts and was safeguarded against all temptations to express conclusions or indulge in propaganda.

"Critics of this plan claimed that oil and water could never mix, and even some of the best friends of the Bureau have recently confessed their expectation that the experiment, while very well worth the trying, would nevertheless fail in practice. However, the results of three years active work have shown not only that the plan is practicable but that it can work out, and has worked out, with a most amazing degree of internal harmony.

"If a parallel may be permitted, it might be said that, just as physical oil and water may be combined in a healing emulsion for the cure of the gravest physical ills, so economic oil and water may be combined in an equally healing emulsion for the cure of economic ills.

### Harmony and Mutual Confidence

"The facts are that in its internal operations, in the day by day work of the Bureau's staff, in the frequent meetings of its Executive Committee, and in our annual meetings, a degree of harmony and of disinterested service has been attained which is superior to that which your President has observed in any business organization with which he has had acquaintance.

"This spirit of harmony and of mutual confidence within the defined limits of the Bureau's operations has now, I believe, become a firmly established tradition."

## RECORD-BREAKING SERIES OF INTEREST RATE TABLES APPROACHING COMPLETION

**C**ONSTRUCTION of a record-breaking series of tables of interest rates and bond yields on a monthly basis, dating back to 1859, is being completed by the National Bureau of Economic Research as a part of its comprehensive investigation of "Business Cycles and Interest Rates."

Mr. Frederick R. Macaulay and his assistants have been engaged for more than a year in gathering records from original sources in New York, Philadelphia, and Boston.

"In our business cycle program it is particularly desirable to have a number of statistical series which run back fifty years or more," said Dr. Wesley C. Mitchell, director of research, explaining the importance of the work being accomplished by Mr. Macaulay. Continuing Dr. Mitchell said:

"This investigation required an unusual amount of exacting labor and technical training in tracing the history and analyzing the character of each bond used, in verifying quotations, and computing the individual yields at the end of each month.

### Figures Run Back 780 Months

"To the end of last year the table covers 780 months. Over 100 railroad bonds and probably 30 bonds of other classes, including industrials and public utilities, will enter into the final indexes, and a much larger number had to be examined with care in the course of the work.

"The computation of yields is now completed, the working out of index numbers is under way, and Mr. Macaulay is advancing to the more interesting task of analyzing and interpreting the series.

"With these bond yields Mr. Macaulay will include monthly statistics of interest rates on short-time loans, and probably a continuous series of wholesale price indexes by quarters from 1859 to 1900, and by months since the latter date.

### Important Gap Closed

"Such a price series has long been a desideratum. By supplying this lack we shall render a service to many students and business statisticians, and provide an important piece of apparatus for our further studies of business cycles.

"Mr. Macaulay has collected a large number of other statistical series covering long periods of time which he will utilize in his interpretation of fluctuations in interest rates.

"Certainly we shall get from this work a record of interest rates unique in the length of time covered on a monthly basis, in the accuracy of the results, and in the variety of data shown.

"We believe that the results of the investigation will have great practical value not only for theoretical economists but also for all business concerns and individuals who treat their investment problems with care.

### Foundation of Facts Provided

"We hope also that Mr. Macaulay's analysis will constitute a real contribution to economic theory. The interest problem has been discussed voluminously, but mainly on a speculative basis. The few investigators who have attempted 'inductive verification' of their theories have contented themselves with a slender array of rather dubious data.

"Everyone concerned with the problem, either in its theoretical or in its practical aspects, should find the much fuller summary of experience which Mr. Macaulay is providing of fundamental importance."