

## NUMBER OF SUBSCRIBERS TO BUREAU'S WORK INCREASES

That there is a strong demand for impartial determinations of those facts which bear upon economic, social and industrial problems, is shown by the continued growth of the Bureau's list of subscribers and financial supporters. Individuals and organizations of the most varied policies are finding the Bureau's work of value. In addition to those thanked in previous issues of the NEWS-BULLETIN, the Bureau makes grateful acknowledgment to the following:

- Amalgamated Clothing Workers of America, New York City.
- George R. Baker, New York City.
- Brotherhood of R. R. Signalmen of America, Chicago, Chicago Daily News Company, Chicago, Ill.
- College of Industrial Arts, Denton, Texas.
- Crown Cork & Seal Co., Baltimore, Md.
- Dayton Engineering Laboratories Co., Dayton, Ohio.
- John V. N. Dorr, New York City.
- Electric Bond and Share Co., New York City.
- The Erickson Co., Inc., New York City.
- Evans, Stillman & Company, New York City.
- Federal Reserve Bank of San Francisco, San Francisco, Calif.
- Henry B. Fernald, New York City.
- Edward A. Filene, Boston, Mass.
- Samuel Gompers, American Federation of Labor, Washington, D. C.
- F. M. Hamilton, Terre Haute, Ind.
- Hart, Schaffner & Marx, Chicago, Ill.
- Harvard University Business Administration, Cambridge, Mass.
- Colonel Lucius H. Holt, West Point, N. Y.
- International Association of Machinists, Washington, D. C.
- International Brotherhood of Electrical Workers, Washington, D. C.
- International Ladies' Garment Workers' Union, New York City.
- International Typographical Union, Indianapolis, Ind.
- F. R. Kellogg, New York City.
- H. C. Lewis, New York City.
- Sam A. Lewisohn, New York City.
- A. C. Ludlum, New York City.
- MacManus, Inc., Detroit, Mich.
- McGraw-Hill Co., New York City.
- J. P. Morgan & Co., New York City.
- National Association of Cotton Manufacturers, Boston, Mass.
- National Association of Credit Men, New York City.
- National Brotherhood of Operative Potters, East Liverpool, Ohio.
- National Federation of Post Office Clerks, Washington, D. C.
- National City Bank, New York City.
- Walter E. Sachs, New York City.
- Salomon Bros. & Hutzler, New York City.
- Sanderson & Porter, New York City.
- Eustace Seligman, New York City.
- Standard Oil Company of Indiana, Chicago, Ill.
- Taylor-Wharton Iron & Steel Co., High Bridge, N. J.
- S. Thorne, Jr., New York City.
- United Garment Workers of America, New York City.
- United Mine Workers of America, Indianapolis, Ind.
- Clarissa S. Ware, Chicago, Ill.
- Whiting Williams, New York City.

## LIST OF BUREAU'S REPORTS AND HOW TO OBTAIN THEM

The results of the investigations of the National Bureau of Economic Research, Inc., are published in the form of press releases, News-Bulletins, monographs and bound volumes. Five volumes have already been issued. Their titles with specifications and prices, follow. The prices have been fixed at the lowest practicable figures, and are intended to cover publishing and distribution costs only. Orders and remittances should be addressed directly to the National Bureau of Economic Research, Inc., 474 West 24th Street, New York, N. Y.

*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, 23 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.

*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, 405 pages, illustrated with tables and charts. Bound in blue cloth with gold letters. \$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. Size 9 x 6 inches, 16 pages, illustrated with tables and charts. Bound in blue cloth with gold letters. \$3.10 postpaid.

Persons who wish to receive early copies of the forthcoming publications of the Bureau 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.

An Organization  
for Impartial  
Investigations

# NEWS-BULLETIN

National Bureau of Economic Research, Inc.

To Find Facts  
Divested of  
Propaganda.

NATIONAL BUREAU OF ECONOMIC RESEARCH, Inc.

No. 7

NEW YORK CITY, 1819 Broadway  
NEW YORK CITY

NOV. 15, 1923

## Study of Migration and Labor Supply is Begun

### ECONOMIC ASPECTS OF MASS MOVEMENTS FORM SUBJECT OF SPECIAL INQUIRY BY BUREAU

An investigation of Migration and Labor Supply has been begun by the National Bureau of Economic Research at the request of the National Research Council. The work will be done by Dr. Harry Jerome under the supervision of the Bureau's Director of Research, Dr. Wesley C. Mitchell. Outlining the Bureau's purpose in undertaking this study, Dr. Mitchell says:

"Since the National Bureau of Economic Research aims 'to aid all thoughtful men, however divergent their views of public policy, to base their discussions on objective knowledge as distinguished from subjective opinion,' it is keenly interested in the series of investigations into Human Migration, inaugurated by the National Research Council.

"There are few public questions on which men now differ more sharply than on the wisdom of maintaining, relaxing, or abolishing the present restrictions upon immigration into the United States.

#### Comprehensive Survey Planned

"The Research Council, representing the scientific interests of the country, holds that the national policy should be shaped in the light of the best obtainable knowledge of the causes and effects of mass movements of population from one country to another.

"To gain such knowledge it is necessary to enlist the cooperation of workers from several fields—biology, anthropology, sanitary science, psychology, economics and sociology. Accordingly, a committee of the Council has been appointed to select qualified investigators and to secure such co-ordination of their work as is necessary. But each group of investigators will define its special problems, choose its own methods of work, and publish its results.

"This Committee on Scientific Problems of Human Migration, under the chairmanship of Dr. Robert M. Yerkes, has asked the National Bureau of Economic Research to undertake a study of the relation of migration to the supply of labor.

#### The Plan of the Study

"Much of the Bureau's earlier work will throw light upon the problems of Migration. The bearing of per-capita income figures for various countries is obvious. Our careful estimates of the population of the United States at the beginning and middle of each year since 1900 afford a better basis than the government figures for computing the annual percentages of immigration and emigration.

"The Bureau has also estimated the average number of persons gainfully employed in each year since 1909, and the apportionment of these persons among different industries. These estimates have been published in *Volume II of 'Income*

### CONNECTION WITH BUSINESS CYCLE TO BE CONSIDERED

AMONG the important questions connected with the whole subject of Human Migration, light upon which is expected to be shed by the investigations now under way, are the following:

To what degree and how promptly does immigration respond to an industrial boom or emigration to a depression?

Have fluctuations in migration been so timed that they have increased or decreased the intensity of the upward swing of the cycle?

Has the increase of immigration in periods of activity tended to prolong these periods by moderating the increase of labor costs per unit of output?

On the other hand, how has migration affected unemployment in periods of depression?

Has emigration in large numbers materially mitigated unemployment, or has migration been so tardy in its reaction to changing conditions that it has tended to intensify wage declines and to swell the ranks of the unemployed?

in the United States'.

"Furthermore, there is presented in our recent study of 'Employment Hours and Earnings in Prosperity and Depression' a comprehensive picture of the fluctuations in employment during a typical cycle. In this volume appear for the first time figures showing the absolute changes of employment in all the great industrial groups—figures which provide the long-lacking base which is a prerequisite for measuring the absolute volume of employment in other years.

#### Effect Upon Various Industries

"Upon the foundation laid in the Bureau's work and the Government's records, Dr. Jerome is building an important superstructure. He believes it will be possible to throw light upon the way in which the varying supply of foreign labor has affected the growth of various industries, and how it has modified their industrial technique and organization.

"There is a widespread belief that the remarkable development of labor-saving machinery during the last few years has resulted largely from the relative scarcity of cheap labor. Recent critics have pointed out that the connection between the price of labor and the extent to which machinery is used is far from simple. May it not be, however, that changes in the differences between the wages of the labor that makes machines and the labor that uses machines are of great economic significance?

"In addition to making use of the available published material, Dr. Jerome hopes to secure the cooperation of indus-

(Continued on Page 2)

## 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, President J. P. FREY, Chairman of the Board of Directors  
GRAY SILVER, Vice-President W. C. MITCHELL, Director of Research  
G. E. ROBERTS, Treasurer 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  
President, New York Evening Post  
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.  
ALLYN 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  
WILLARD THORP

## EMPLOYMENT HOURS AND EARNINGS IN PROSPERITY AND DEPRESSION POPULAR

The Bureau's fifth publication, *Employment, Hours and Earnings in Prosperity and Depression*, has been accorded a most gratifying reception, which has exhausted the first edition within five months.

In response to the demand a second edition was put on the press in October and copies are now being distributed.

*Employment Hours and Earnings in Prosperity and Depression* contains the first complete statistical record by quarter years of the fluctuations in employment caused by the Business Cycle. It is the first report on hours and earnings that covers all the industrial fields, including merchandising, manufacturing, farming, professional service, etc.

### Opens Up New Ground

Not until the country was thrown into a business depression as severe as that brought by the latest crisis did the nation realize the inadequacy of its employment statistics. Such indexes of unemployment as had been compiled did not profess to show anything more than relative changes. A bench mark, or starting point from which these fluctuations could be measured, was needed.

To fill this gap, the National Bureau of Economic Research, at the request of Secretary Hoover, conducted a survey of the number of persons at work each quarter during a typical cyclical movement.

In this investigation the Bureau had the cooperation of the Bureau of the Census, the Bureau of Markets and Crop Estimates and the aid of thousands of business men, farmers, wage earners, etc.—facilities for gathering the necessary information never before approached in completeness and desirability from the standpoint of the technical investigator.

### Furnishes Factual Basis for Future Plans

The result is a report, which answers, among others, such important questions as:

How are different industries affected by the Business Cycle? Do large or small concerns have greater stability? How are hours, wage rates, and earnings affected by booms and depression? In what industries are wages highest? lowest? Hours longest? shortest?

With these facts at hand, plans for the future can be made in a manner much more intelligent than has hitherto been possible, since the facts furnish a solid foundation upon which to base positive measures for stabilizing employment.

## MIGRATION AND LABOR SUPPLY TO BE STUDIED BY BUREAU

(Continued from page 1)

trial leaders and experts in the solution of this problem.

"To study the effect of labor supply upon industry is, however, only one phase of the problem. It is just as important to discover the causes as well as the effects of immigration. An effort will be made to measure as accurately as possible the importance of the relative forces which cause foreigners to move from their old homes to our shores, or as is true in many years, to return to their foreign places of residence.

"Needless to say, the field of inquiry is so large that it is impossible to cover it quickly with any degree of completeness, but it is believed that certain fundamental phases of the problem can be successfully analyzed within a short time and that this analysis will give us a much clearer insight than we have formerly possessed into one of the most important problems confronting the American people. If so, the work will be of service to every citizen, and especially to the voters who must share in determining the immigration policy of the United States."

## BUDGETS OF WELL-TO-DO GIVEN IN SECOND VOLUME OF INCOME INVESTIGATION

Many studies have been made of the changes that have occurred in the prices of consumption goods bought by the "working people", but this Bureau has not succeeded in discovering any index showing variations in the prices of those commodities consumed by the wealthier classes. Yet, in any study of the changes in the relative welfare of the different sections of the population, it is, of course, imperative that such an index be available, especially in times of rapidly shifting price levels when quantities shown in terms of money value are almost meaningless. With the hope of filling this gap in the available statistics, the computation of an index of the above-mentioned type was undertaken, and the results published in *Volume II of Income in the United States*.

It was found that the most feasible procedure was first to obtain relative prices for a number of specific classes of commodities and then to compute therefrom a weighted arithmetic average index number, using as constant weights the relative annual expenditures by well-to-do families upon each class of articles. The first problem, then, was to estimate the proportion of expenditures devoted to each purpose.

### Persons of Means Questioned

Recently the Federal Reserve Board made a study of the apportionment of income made by its employees. The relative distribution there shown differs somewhat from that known to exist for wage workers. It therefore seemed reasonable to suppose that the apportionment of their expenditures by persons having still higher incomes would diverge still more widely from that of the wage earners. With a view to obtaining a little more light on the question, a number of persons of means were requested by Dr. Willford I. King of the Bureau's staff to state their views as to the respective shares of income which were, in general, spent by families having total expenditures solely for consumption goods amounting to \$5,000, \$10,000, \$20,000 and \$50,000 for

1. Food for themselves and servants.
2. Clothing.
3. Fuel and light.
4. Housing, including an estimated rent for a residence occupied by the owner.
5. Money wages of servants.
6. Automobiles and yachts, including maintenance and depreciation.
7. All other purposes.

The results of this study are given in Chapter 2 of *Volume II of "Income in the United States"*.

### Variations As Income Grows

Food for family, guests and servants is shown to require 27.2 per cent of the budget of families having a total expenditure annually for consumption goods of \$5,000, and to decrease in percentage steadily as the total expenditures increase, until in the case of a family budget of \$50,000 only 6.1 per cent is required for food.

On the other hand, housing, including rent of homes owned, starting at 18 per cent for the \$5,000 expenditure, increases gradually until the income of \$50,000 has 20.7 devoted to this item.

Fuel and light, as might be expected, dwindle rapidly in percentage as the income mounts.

Wages of servants, on the other hand, occupy an increasing portion of the total expenditure, beginning with 4.5 per cent for the \$5,000 budget and rising to 13.7 per cent for the \$50,000 budget.

Clothing which requires 14.3 per cent of the 5,000 budget drops below 10 per cent as soon as \$20,000 is reached and in the \$50,000 budget requires only 6.4 per cent of the total.

## NEW FIGURES ON INCOME BY STATES ARE IN PREPARATION

The increasing use of the Bureau's Income reports as bases for sales quotas, purchasing power indexes, measures of capacity for taxation and support for various projects, has resulted in a demand for more up-to-date figures bearing on the income of the people in the various states.

The National Bureau of Economic Research has therefore decided to push its new edition of *Distribution of Income by States* to completion as soon as possible. By utilizing new data, and refining upon former methods, results are being obtained which promise to be of important service to all who have occasion to estimate the geographical variations in income or purchasing power per capita.

Several hundred per cent more material than was included in the earlier report will be presented in the revised edition.

As result of numerous requests for copies of the earlier volume, a limited reprint has been made to fill the need until the revised edition is ready.

## BUREAU'S RECENT REPORTS ATTRACT ATTENTION ABROAD

Interesting reviews of the recent publications of the National Bureau of Economic Research have been received from abroad. A detailed review of *Business Cycles and Unemployment* covering seventeen pages appeared in the September, 1923, number of the *International Labour Review*, published by the League of Nations' International Labour Office. The review concludes with these words:

"As a study of non-monetary remedies the information it gives is undoubtedly the most complete and the most valuable that has been brought together in the United States or any other country."

This report also had been the subject of extended comment in the July number of the *Journal of the Royal Statistical Society of England*. Sir Josiah Stamp, England's foremost authority on income statistics, devoted in the same journal seven pages to a review of *Volume II of Income in the United States*.

Sir Josiah remarked: "It (Volume II) serves to set an emphatic seal upon the value of the first (Volume I), and, it has indeed a greater utility than a mere evidence of authority or guarantee of good faith, for it is a masterly compendium of technique in this particular field of statistics."

Reviews of *Income in the United States* have appeared also in the *Rivista del Diritto Commerciale* of Milan and in *La Revue de Sociologie*.

## THREE DIRECTORS CALLED TO COUNTRIES OVERSEAS

Three of the Bureau's directors are now in foreign countries on various missions, Mr. Gray Silver having just left for Europe, Mr. M. C. Rorty being in England on his way home from South America and Dr. Elwood Mead nearing the end of a nine-months absence that took him from California to Australia and thence to Palestine.

Four months Dr. Mead spent in the Antipodes advising the government of New South Wales regarding placing a number of families of British unemployed on farms there. He was then called to Palestine by the Zionist Organization to consult upon land settlement problems.

Dr. Harry Laidler is engaged in the preparation of a text book to be entitled *The History of Socialist Thought*. This volume will be one of the *Social Science Series*.

Dr. Walter Renton Ingalls has considerably revised and enlarged his *Wealth and Income of the American People*. As before, Dr. Ingalls has drawn freely upon the Bureau's publications.