

Chapter II.

Carroll Wright: Setting the Course

Carroll D. Wright, the first Commissioner of the agency that came to be known as the Bureau of Labor Statistics, had little formal training or apparent inclination for labor statistics. Yet, by the turn of the century, he was the most widely known and respected social scientist in the Nation, and perhaps in the world. How did he come to play such a prominent role in his country's service? "Because," his biographer has responded, "to the confusion and misinformation surrounding labor reform, Wright brought high administrative ability, a nonpartisan interest in facts, and a humane idealism that dignified his character and work."¹

Carroll Wright took office in January 1885 as head of the newly established Bureau of Labor. He was to lead the agency for the next 20 years. Over these years, government would play a more active role in social and economic affairs in response to the demands of labor, social reformers, and the growing Progressive movement, and the services of Wright's Bureau would be increasingly called upon. Although the Bureau would undergo several metamorphoses which reflected shifting political forces, Wright's leadership gave steady direction to its

work in "conducting judicious investigations and the fearless publication of the results. . . ."

Wright was born in Dunbarton, New Hampshire, in 1840, the son of a Universalist parson and farmer. His early life gave no hint of his later career except for its heavy emphasis on religion and civic duty. Wright taught school while he studied at academies, and later read for the law. During the Civil War, at the age of 22, he enlisted in the New Hampshire Volunteers, making a distinguished record and receiving his commission as colonel in the fall of 1864. Ill health, which was to plague him periodically the rest of his life, cut short his service, and he returned to his old neighborhoods in Massachusetts and New Hampshire.

Wright established himself as a patent attorney in Boston with a residence in Reading, Massachusetts. He had a brief political career, winning a seat in the State Senate in 1871 and again in 1872, before declining renomination, as was the custom, in 1873. He sought nomination to Congress in 1874, 1876, and 1878, failing each time.

In the meantime, in 1873, Governor William B. Washburton appointed him Chief of the Massachusetts Bureau of Statistics of Labor, which, under earlier leadership, had become embroiled in controversy. Wright moved quickly to put the Bureau on a solid foundation of objectivity and impartiality, soon making an international reputation for himself and the agency.

As Chief, Wright investigated wages and prices, and supervised the Massachusetts Census of 1875 and the State section of the 1880 Federal Census. He also directed studies on such social problems as drunkenness, education of youth, and convict labor. He continued as head of the Massachusetts Bureau for 15 years, until 1888, a tenure which overlapped his Federal appointment for 3 years.

Self-trained, Wright pioneered in the development of the fields of economics and sociology in the United States. He contributed through statistical reports, papers, lectures, and new professional associations to the pragmatic approach to economic thinking, which had been limited to the narrower abstractions of classical economics. His optimistic view of human prospects made its mark on the direction of economic thought in the United States.²

Wright's views

A belief in the ability of man to study his situation and to devise ways to improve it put Wright in the forefront of the opposition to the prevailing doctrines of Social Darwinism. He has been linked to Lester Frank Ward, the great pioneer sociologist, in the "faith that mankind is intelligent enough, or may become so, to play a constructive part in the creation and organization of his social as well as of his physical environment."³

Wright expressed his ethical consciousness in a lecture delivered before the Lowell Institute in 1879 in which he attacked John Stuart Mill and others of the "old school" as urging, "Love thyself; seek thine own advantage; promote thine own welfare; put money in thy purse; the welfare of others is not thy business." In contrast, he spoke hopefully of the "new school" which sought "the amelioration of unfavorable industrial and social relations wherever found as the surest road to comparatively permanent material prosperity." The "new" would combine "with the old question the old school always asks, 'Will it pay?' another and higher query, 'Is it right?'" Wright would repeat this theme many times.⁴

Unrest in labor-management relations did not trouble Wright, who saw it as the basis of continuing improvement in the human condition. But it was the responsibility of government to provide information to educate those in the midst of the unrest. In the *Eighth Annual Report of the Massachusetts Bureau (1877)*, Chief Wright explained, "Any means which the Legislature can adopt which will add to the information of the people on subjects which concern their daily lives are of untold value. . . . To popularize statistics, to put them before the masses in a way which shall attract, and yet not deceive, is a work every government which cares for its future stability should encourage and enlarge." In his 1886 presidential address to the American Social Science Association, he declared, "With the enlightenment of the workers of society, the reforms so much sought for will come as a natural consequence."⁵

Wright saw the benefits as well as the evils of the factory system. He praised the industrialist: "He is something more than a producer, he is an instrument of God for the upbuilding of the race."⁶ At the same time he stated, "The evils of the factory system are sufficient to call out all the sentiments of justice and philanthropy which enable us

to deal with wrong and oppression; all this I do not dispute, but I claim that, with all its faults and attendant evils, the factory system is a vast improvement upon the domestic system of industry in almost every respect."⁷ He wrote, in *The Outline of Practical Sociology* in 1899, "Every material improvement by which society is permanently benefitted temporarily hurts somebody or disturbs some interest; every advance in civilization means the temporary discomfort, inconvenience, and loss, even, to some man or some set of men." The introduction of machines displaced some individuals; however, he argued, "Machines not only create new demands in old lines, they also create occupations that never existed prior to their introduction."⁸ Thus, society as a whole benefitted.

In 1892, before the Buffalo Liberal Club, Wright declared, "In those countries where machinery has been developed to little or no purpose, poverty reigns, ignorance is the prevailing condition, and civilization consequently far in the rear." In "The Factory as an Element in Social Life," he stated, "The modern system of industry gives the skilled and intelligent workman an opportunity to rise in the scale of employment, in intellectual development, in educational acquirements, in the grade of services rendered, and hence in his social standing in his community."⁹

His views on the entry of women into the factory system were advanced for his time. Although initially he had felt that factory work would degrade women and disrupt the family, he later declared that the results of various investigations had caused him to change his mind. In one statement, he stressed the independence accruing to the working woman: "As woman has the power given her to support herself, she will be less inclined to seek marriage relations simply for the purpose of securing what may seem to be a home and protection. The necessity under which many young women live, of looking to marriage as a freedom from the bondage of some kinds of labor, tends, in my mind, to be the worst form of prostitution that exists. I cannot see much difference between a woman who sells her whole freedom and her soul to a man for life because he furnishes her with certain conveniences and one who sells her temporary freedom and her soul for a temporary remuneration, except this, that the former may be worse than the latter."¹⁰

He argued that working women had as high a moral standard "as any class in the community" and that "regular employment is conducive to regular living."¹¹

In early expressions of his philosophy, Wright placed great faith in the power of the individual to bring about reforms. Increasingly, however, at a time of strong opposition to union organization and collective action, he supported both, although he did not accept all union demands. He threw out as "absurd" the claim on the part "of great employers that they can deal only with individual employees. . . ." Rather, "organizations must recognize organizations and the committees of the two must meet in friendly spirit for the purpose of fairly and honestly discussing the questions under consideration."¹² And he saw collective bargaining—"a new force comparatively, and one which expresses the most important principles of industrial management"—as the means for achieving what legislation or socialist revolution or unilateral trade union rules could not do to avoid strikes or satisfy strikers.¹³

While recognizing that strikes were sometimes necessary, Wright constantly urged the use of voluntary means to avoid or settle them. He favored mediation and conciliation but opposed compulsory arbitration, which he viewed as an indirect means of fixing wages and prices by law. Voluntary collective action, then, provided the "practical application of the moral principles of cooperative work."¹⁴

Wright did not believe, however, that resolution of the labor-management problem could be easily achieved. "The Bureau cannot solve the labor question, for it is not solvable; it has contributed and can contribute much in the way of general progress. The labor question, like the social problem, must be content to grow towards a higher condition along with the universal progress of education and broadened civilization. There is no panacea."¹⁵

Wright's frank expression of his views did not jeopardize his high standing with either labor or business interests. During his tenure as Commissioner in both Democratic and Republican administrations, and after his retirement, he was listened to with respect and was sought after as a commentator on the current scene.

Laying the foundation

After taking office in 1885, Wright moved quickly to establish professionalism and impartiality in the national Bureau, as he had in Massachusetts. He firmly spelled out the guidelines: Study all social and economic conditions; publish the results; and let the people, individually and collectively, assess the facts and act on them. Facts, not theories, were the foundation stones for constructive action. And facts were to be gained, according to Wright, "only by the most faithful application of the statistical method."¹⁶

Staff

He gathered a small force of investigators—capable, well-educated men and women who shared his views on the utility of public education for social reform. If, in the early years, some lacked formal training, as did Wright himself, others were fresh from European universities. The staff reflected Wright's broad interests and contacts with various academic, professional, and reform groups. Several went on to careers in other agencies or to academic pursuits, and some carried public administration into the territories gained during the national expansion of the 1890's.

Among these first staff members was Oren W. Weaver, who served as Chief Clerk from the Bureau's inception until his death in April 1900. Weaver had worked for Wright in Massachusetts, and Wright had recommended him for the post of Commissioner of the national Bureau. G.W.W. Hanger was Chief Clerk until 1913, when he left to become a member of the new Board of Mediation and Conciliation. Gustavus A. Weber, first a special agent and then head of the division of law and research work, went on to the Institute for Government Research, which was to become a part of The Brookings Institution. Other early staff members included William F. Willoughby and Elgin R.L. Gould. Willoughby, a graduate of Johns Hopkins, wrote extensively on foreign labor laws and U.S. factory legislation while at the Bureau, and later became Treasurer of Puerto Rico. Gould, who spent 5 years in Europe conducting several surveys for the Bureau, later played an important role in a number of political and social reform movements.

Wright also reached outside for assistance in special projects. Caroline L. Hunt conducted the fieldwork for a study of the Italians

in Chicago, and Florence Kelley served as the expert in Chicago during an investigation of the slums of large cities.

At one time, John R. Commons also worked with Wright, on *Regulation and Restriction of Output* (XI Special Report, 1904). Commons later criticized Wright's method of leadership, writing that he had "developed the military organization of privates carrying out the detailed orders of their commander." The agents, he continued, "were remarkably accurate in copying figures and making calculations. . . . But they had no insight or understanding of what it was all about."¹⁷

But other contemporaries and associates of Wright evaluated his influence as broadly leavening in the developing social science field. Walter F. Willcox, in writing of the need to give practical assistance and experience to students of theoretical statistics, spotlighted "the group of young men who gathered around Carroll D. Wright" and complained that, after Wright's retirement, no agencies gave the "opportunity to get a training in statistics which would qualify one to rise to the most important statistical positions. . . ." And S.N.D. North declared of Wright, "His Bureau at Washington has been a university for the education of experts in statistics, in sociology, in economics, and in industrial studies."¹⁸

Conduct of studies

The principles underlying Wright's methods for the conduct of original studies were defined and applied early. These were: Firsthand data collection, voluntary reporting, and confidentiality of returns.

Wright explained his data collection methods: "The information under any investigation is usually collected on properly prepared schedules of inquiry in the hands of special agents, by which means only the information which pertains to an investigation is secured." The schedule would avoid the collection of "nebulous and rambling observations." Mail collection, though it might be used occasionally, was deemed a failure. "With properly instructed special agents, who secure exactly the information required, who are on the spot to make any explanation to parties from whom data are sought, and who can consult the books of accounts at the establishment under investigation, the best and most accurate information can be secured." The completed schedules were then scrutinized under strict supervision to ensure internal consistency. The final statistics were carefully checked and rechecked, as were the analytical results presented by the staff.¹⁹

Wright's British counterpart, Robert Giffen, head of the Bureau of Labour Statistics in the Board of Trade, sharply criticized Wright's methods, especially the use of field agents. Questioning the accuracy of their direct inquiries, Giffen declared in 1892, "I think I may say that there are no persons in the world whom I would trust with the kind of inquiries which some of the American agents make. . . ."²⁰

Cooperation from businessmen was essential to the Bureau, since they were virtually the sole source of information on many subjects. Wright opposed making reporting mandatory to avoid the appearance of adversarial relations between the Bureau and business. And with voluntary reporting there were increasingly fewer refusals. Generally, agents were received in friendly fashion, even if information was refused, and substitutions were made for refusing establishments.

Cooperation was heightened by the businessman's knowledge that the Bureau maintained strict confidentiality regarding the identity of reporters. "The Bureau never allows the names of parties furnishing facts to be given in its reports," Wright assured respondents.²¹

Thus, in 1898, he wired a San Francisco businessman: "I pledge my word as a government officer that names of your plants and of city and State in which located shall be concealed. This will be done for all plants. If senator or representative should ask for these names, he should not have them."²² E.R.L. Gould explained to the International Statistical Institute in 1891, "Impartiality, fair-dealing, and a respect for confidence bestowed have not only disarmed suspicion but engendered even willing cooperation."²³

Wright's reputation for impartiality and objectivity gave him entree to the business community, through organizations such as the National Civic Federation and the National Association of Manufacturers. His contacts were helpful in the planning and conduct of studies. For example, in developing its studies of production costs, the Bureau sought the advice of producers in various industries.²⁴

Similarly, his labor contacts helped smooth the way for the Bureau's investigators. When Wright found that unions did not always cooperate, Gompers urged cooperation. "Let there be light," Gompers wrote, "confident that impartial investigations create numberless sympathizers in our great cause."²⁵ Moreover, Gompers supported putting the census into the Bureau of Labor, advocated publication of a regular bulletin, and suggested topics for investigations.

Wright sought to expand the scope of the Bureau's coverage by joining forces with the State labor agencies. He was one of the founders of the National Association of Officials of the Bureaus of Labor Statistics and was its president throughout his term of office. He envisioned a nationwide network of collaborating State and Federal agents—"a powerful chain of investigators," he called it. He planned, he said in 1885, to ask Congress to authorize a system whereby the Federal Bureau could compensate State agencies for their assistance and to allow the Federal Bureau to place agents in States without bureaus.²⁶

Although he had little success in carrying out joint studies with the States, the State bureaus drew increasingly on the Federal Bureau's experience, so that by 1900 the reports of work in progress in the States demonstrated a substantial degree of uniformity in inquiries covered.²⁷

Achieving departmental status

While Wright was laying the foundation for his agency, forces were at work to expand its power and influence. The Knights of Labor under Terence Powderly had been active in the campaign to establish the Bureau. Early in 1886, Powderly asked President Cleveland to increase the powers of the Bureau and also to have the Commissioner investigate the railroad strike in the Southwest then in progress.²⁸ In April, Cleveland sent to Congress the first special message dealing with strictly labor matters, recommending that a mediation and arbitration commission be grafted onto the existing Bureau. Congress, however, adjourned without taking action.

Powderly persevered, and, at the Knights of Labor convention in October 1887, he urged establishment of a Department of Labor with its Secretary a member of the Cabinet. The next year, he scored a partial success. It was again a Presidential election year with labor difficulties on the southwestern railroads. In June 1888, Congress established a Department of Labor, independent but without Cabinet status. A separate statute, the Arbitration Act of 1888, authorized the Commissioner of Labor, with two ad hoc commissioners, to act as a board of inquiry in railroad disputes.

The growing reputation of the Bureau under Wright had contributed to its rise in status. Reflecting Wright's concerns, the act estab-

lishing the Department specifically called for studies of the domestic and foreign costs of producing goods, national trade and industrial activity, the causes and circumstances of strikes, and other special topics. The basic functions of the agency were not changed, but, for 15 years, it was to be more independent.

Any uncertainty regarding Wright's continuance in the new agency was soon dissipated. Although it was reported that the Knights of Labor and the Federation would oppose his retention because of his opposition to the Knights of Labor, his protectionist views, and his Republican associations, in fact, observers in the labor press commented favorably on Commissioner Wright, his staff, and the Bureau's endeavors.

The *National Labor Tribune* declared, "Inasmuch as Commissioner Wright conducted the Bureau with rare skill, energy, and impartiality and not as a politician, there does not seem to be any reason why there should be haste in changing."²⁹

Powderly later wrote that President Cleveland had offered him the position but he had refused. At the time, however, in the *Journal of United Labor*, Powderly disclaimed all interest in the post of Commissioner. In fact, he declared that the campaign to boom him for the job was a conspiracy by his enemies to embarrass him and the Knights.³⁰

Wright continued as Commissioner, now head of the Department of Labor. The Act of 1888 authorized 55 clerks and experts for the Department and substantially increased its appropriations. Until the early 1900's, Wright presided over the enlarged and independent operation largely without challenge.

A sister agency: Bureau of the Census

Wright took a prominent part in the establishment of a permanent Bureau of the Census in 1902. Until that time, each decennial census was conducted under temporary arrangements by a Superintendent of the Census appointed by the President. As early as 1884, during his service as Chief of the Massachusetts Bureau, Wright had testified before Congress on the benefits to be gained from the creation of a permanent census agency. Prominent academicians and Francis A. Walker, Superintendent of the 1870 and 1880 censuses, went beyond merely proposing a permanent agency; they proposed placing it in

Wright's Department for greater efficiency and to take it out of the political arena.³¹

Although there was support for a permanent agency, the 1890 census was still conducted under a temporary arrangement. But the impetus for a permanent agency increased in 1890, and the Secretary of the Interior recommended establishment of a permanent census office. In 1891, the Senate called for a report from the Secretary, and, in response, Robert P. Porter, then Superintendent of the Census, also suggested formation of a permanent agency. In his report, Porter included a letter from Wright supporting the idea.³²

Widespread dissatisfaction with the conduct of the 1890 census, with especially sharp controversy in New York City, focused attention on the shortcomings of the periodic temporary arrangements. The immediate unhappiness was dissipated when, with the change of administrations and the resignation of Porter, Cleveland appointed Wright as Superintendent of the Census, a post he held concurrently with his leadership of the Department of Labor from 1893 until 1897.³³ Years later, in a eulogy on Wright, S.N.D. North, first head of the permanent Bureau of the Census in the Department of Commerce and Labor, stated that Cleveland appointed Wright "because no other available man was so conspicuously fitted" for the task.³⁴

Calls for legislation continued. In 1892, the House Select Committee on the Eleventh Census held hearings on Porter's report and, in 1893, recommended a permanent Census Bureau, but Congress took no action.³⁵

Two years later, the International Statistical Institute suggested studying ways to conduct a uniform worldwide census at the end of the century, and, in 1896, Congress directed Wright to correspond with various experts on the International Institute's suggestion and to report on the best organization for the upcoming 1900 canvass. Wright submitted his report with a draft of a bill providing for an independent office. He opposed putting the work in the Department of the Interior because the Secretary changed with each administration and appointments were subject to political pressures. In his view, the proposed office could include the activities of the Division of Statistics in the Department of Agriculture and of his Department of Labor, but he opposed such a transfer. When pressed on the question, he responded, "Personally, I should dislike very much to be put in charge of census duties." But he did admit that, from an administrative

point of view, "the work of the Department of Labor and that of the Census Office could be carried along together."³⁶

Bills were introduced, one drawn by Wright for an independent agency and one to place census work in the Wright-led Department of Labor. The House Committee on Appropriations, in February 1897, favorably reported the bill putting the work in the Labor Department, characterizing that agency as "admirably equipped for statistical work."³⁷ However, Congress took no action that session.

During the next session, Senator Henry M. Teller of Colorado commented, "The Census Office ought to be a bureau under some Department, and the Department of Labor is the proper place for this work." Then he offered an amendment putting the work in the Department of Labor, "out of which ought to grow in that Department a statistical force, and that Department ought to become the statistical department of this Government."³⁸

Senator Henry C. Lodge of Massachusetts stated that he preferred that the Census Office be separate and independent but, "if it is to go anywhere," the Department of Labor was the natural choice. He opposed "jumbling it, with public lands, Indians, Pacific railroads, and every other kind of thing, into a department already absolutely heterogeneous and overloaded."³⁹

Senator William B. Allison of Iowa favored putting the work in Interior. He pointed out that the Secretary of the Interior was a Cabinet officer. Moreover, in his view, it would not be fair to the Department of Labor as it would interfere with the work of that agency and the Department officials did not want the new work.⁴⁰

Some Senators opposed the idea of a permanent Census Bureau as an extravagance.

In a compromise, in 1899, a Census Bureau was attached to the Department of the Interior specifically to conduct the 1900 census. In 1902, a permanent Census Bureau was formed and, a year later, transferred to the new Department of Commerce and Labor.⁴¹

In regard to Wright's statement that, "Personally, I should dislike very much to be put in charge of census duties," there is little but inference from surrounding events to explain his view. It may have been that, in serving 4 years as Superintendent of the Census while he was also Commissioner of Labor, he had had his fill of the administrative burdens and political pressures such a position would bring.

The Department of Commerce and Labor

The depression conditions of the 1890's led business interests to advocate a Cabinet-level department to further the growth of industry and foreign and domestic commerce. The National Association of Manufacturers, organized in 1895, had as a principal goal the formation of a Department of Commerce and Industry which would include the hitherto independent Department of Labor along with other agencies.⁴² To counter the growing NAM drive, Gompers proposed a Cabinet-level Department of Labor for "a direct representative in the councils of the President."⁴³

Congress also launched an initiative, creating the U.S. Industrial Commission in 1898 to investigate the Nation's many social and economic problems, including the growing role of corporate trusts, rising labor unrest bordering on class warfare, agricultural discontent, the vast influx of immigrants, and intensified competition in foreign markets. The commission reported in 1901 but produced little of significance.

The succession to the Presidency of Theodore Roosevelt in September 1901 brought into office an energetic and innovative leader who was prepared to meet the problems of the day through increased governmental activity. He sought to bridge the contending positions of business and labor, and in 1901, in his first State of the Union message, he recommended the creation of a Department of Commerce and Labor with power to investigate corporate earnings and to guard the rights of the workingman.

Roosevelt's enthusiasm for such a department, along with his party's control of Congress, made the matter a foregone conclusion, but the Democratic minority fought hard. Proponents of the bill, including Senator Marcus A. Hanna of Ohio, prominent in the National Civic Federation, saw no conflict between the interests of capital and labor and insisted that the concerns of labor would be well represented in such a department. All sides in the congressional debate praised Wright, and proponents urged that his role and that of his agency would only gain if transferred to the new department. The AFL and the unaffiliated railroad unions opposed the merger and supported instead the establishment of a Cabinet-level Department of Labor. Among labor groups, only the almost defunct Knights of Labor favored the merger.⁴⁴

At the 1901 AFL convention, Gompers had argued that, on many questions of national importance, the Cabinet was deprived of labor representation and had to act without receiving advice on the workers' viewpoint. In January 1902, he wrote Senator William P. Frye of Maine, the President pro tempore of the Senate, that the proposed dual department would "minimize the importance of labor's interests and minimize the present Department of Labor. Against such a procedure, in the name of American labor, I enter my most solemn protest."⁴⁵

At hearings on the bill, Thomas F. Tracy, an AFL representative, did not oppose a Department of Commerce but asked for a separate Department of Labor. H.R. Fuller, of the railroad brotherhoods, declared that a businessman "is not capable to speak for labor, even though he felt honestly disposed to do so." Andrew Furuseth, of the Seamen's Union, stated that the value of the existing department lay "in the absolute reliability of the information it furnishes. We do not believe it could remain that under the condition that is proposed."⁴⁶

But the Federation and the brotherhoods did not give Wright and the Department of Labor their unqualified approval. Tracy expressed some reservations. "While they are not all that we would desire, while the Department is limited to a great extent and we would like to see the scope of the Department enlarged, the statistics and reports that are gathered in the Department of Labor are very beneficial and are very useful to the members of organized labor and are looked at very carefully and closely on many occasions."⁴⁷

At these same hearings, businessmen presented their reasons for establishing a Department of Commerce. Theodore C. Search, of the National Association of Manufacturers, said the role of the agency would be "to assist in every feasible way in the extension of the export trade of our manufacturers." L.W. Noyes explained, "I can conceive of no other permanent and sure relief to this constantly recurring danger [depression] than the cultivation, establishment, and maintenance of foreign markets for our surplus, and labor will profit more by this department, through this means, than any other class of individuals."⁴⁸

In the congressional debates, it was argued that the proposed organization would promote a more harmonious administration that would make for greater efficiency and service. Further, the new arrangement would provide increased facilities for the Commissioner

of Labor. Indeed, the House report contended, under the new setup the Bureau would increase the scope of its activities and be more worthy of elevation to Cabinet status.

Southern Democrats constituted the major opposition. Their main point was that business and labor interests "naturally conflict. One wants what he can get, and the other wants to keep what he has, and, consequently, the two will always be in natural conflict." Further, the proposed grouping would place the labor agency "in an overshadowed and subordinate position." The minority on the House Committee reported that they feared "that distrust and suspicion will result in friction or create such relations as would seriously impair the usefulness and efficiency of the Department."⁴⁹

Senator Hanna retorted that it would be unwise to recognize separate interests, "to divide this industrial question by raising the issue that one part of it is labor and the other part capital. Those interests are identical and mutual." Similar views were expressed in the House.⁵⁰

The position of Wright and the Department on the legislation is difficult to determine. Senator Nelson stated his opinion that the opposition to the bill was "inspired from the inside of the Department of Labor." Yet Senator Lodge stated that, while he had not recently asked Wright, "I have certainly understood in the past that he favored that scheme." During the debate, Wright himself wrote, "I have declined to give any expression upon the proposed bill creating a Department of Commerce and Labor. This is in accordance with my long-continued practice of not making public statements relative to pending legislation, especially when that legislation bears upon this Department."⁵¹

The controversy was partially resolved by changing the agency's name to the Department of Commerce and Labor. President Roosevelt signed the bill on February 14, 1903, and named George B. Cortelyou the first Secretary. The Department of Labor became once more the Bureau of Labor, 1 of 18 agencies in the new Department. In 1904, it accounted for only 100 of the Department's 9,210 employees and about 1.5 percent of its appropriations.⁵²

In his message to Congress in December 1904, Roosevelt reaffirmed the role of the Bureau of Labor in the new Department of Commerce and Labor, giving official recognition and praise to the developmental work of the Bureau under Carroll Wright. Further,

Roosevelt in effect proposed a quasi-policy status for the Bureau's ongoing factual studies, requesting that the Bureau provide Congress with information on the labor laws of the various States and be given "the means to investigate and report to the Congress upon the labor conditions in the manufacturing and mining regions throughout the country, both as to wages, as to hours of labor, as to the labor of women and children, and as to the effect in the various labor centers of immigration from abroad."⁵³

This description of the scope of the Bureau's responsibilities coincided with Wright's formulation. Under the broad statutory authority, Wright held, "The Commissioner can undertake any investigation which in his judgment relates to the welfare of the working people of the country, and which can be carried out with the means and force at his disposal."⁵⁴ And in practice, Wright and the Bureau initiated most of the studies that were undertaken, although customarily the Commissioner sought either congressional or, later, departmental approval. But increasingly, there were demands from Congress, the White House, and, later, from social reform groups for specific studies even as the broad social studies of the early years continued.

The Bureau's work

During the 20 years of Wright's direction, the Bureau's investigations ranged widely over economic and social developments in the United States and also, for comparative purposes, in other industrial nations. Initially, studies were broadly conceived and directed at social issues such as marriage and divorce, temperance, and laboring women and children, but, with periodic economic depressions and a growing industrial labor force, the Bureau was called upon increasingly to deal with more strictly economic issues such as wages, hours of work, prices, and the cost of living. In addition, with the growth of unions and formal collective bargaining arrangements, the Bureau's reports and articles increasingly reflected these developments.

The Bureau's studies placed Wright and the agency in the forefront of the movement to develop quantitative methods for studying social and economic problems. Statistical concepts and techniques were developed and refined, although they remained rough hewn, reflecting the early stage of development of statistical methods.

The Bureau produced an impressive range and volume of studies considering the limited resources available. Publications during Wright's tenure included 20 annual reports, 12 special reports, several miscellaneous reports, and, for 9 years, the bimonthly *Bulletin*. But the failure of appropriations to keep pace with the demands on the agency posed a number of administrative problems, and Wright had to drop work he might otherwise have continued. While appropriations rose every year from 1885 to 1893, they did not approach the level of

Table 1. Appropriations for Bureau of Labor, 1885-1905
(in thousands)

Fiscal year ended June 30 —	Total ¹	Salaries
1885	\$25	\$25
1886	40	25
1887	96	53
1888	114	53
1889	139	85
1890	144	85
1891	150	86
1892	170	101
1893	192	101
1894	159	101
1895	170	101
1896	166	101
1897	172	101
1898	180	103
1899	173	103
1900	173	103
1901	177	103
1902	178	103
1903	184	106
1904	184	106
1905	184	106

¹Includes salaries, per diem, rent, library, contingencies, and special and deficiency appropriations, but not allocations for printing and binding.

SOURCES: National Archives Record Group 257, Bureau of Labor Statistics, Appropriations Ledger, 1887-1903. Legislative, Executive, and Judicial Appropriations.

1893 during the rest of his term. Table 1 shows the annual funding by fiscal year during Wright's tenure.

In 1892, Wright could say that Congress "has been very liberal." The Department, he continued, "has met with the most generous confidence on the part of Congress and of the President and been aided in all reasonable ways in bringing its work to a high standard of excellence."⁵⁵ By 1896, however, congressional demands had grown beyond the Bureau's resources and Wright asked for more funds, declaring, "I am now struggling under two investigations Congress has ordered, and to carry out the third one, which Congress has already ordered, I have not force enough." Little improvement had occurred by 1902, when Wright testified, "I have not asked for any increase of special agents since the office was established, and I may say further that there has been no increase in the salary appropriations since 1892. It was then \$101,000, and it is now \$102,000. That is the only increase in 10 years in the salary list of my Department."⁵⁶

The first report: Industrial Depressions

The Bureau's first annual report (1886) was on industrial depressions. The study originated in concern over the depressed conditions of the mid-1880's and the accompanying labor unrest, particularly in the railroad industry. The report surveyed depressions from 1830 on, covering the United States, Great Britain, France, Belgium, and Germany through information obtained directly by 20 Bureau agents in the United States and Europe. Workers' wages and living costs in the foreign industrialized countries were included. The ongoing depression was analyzed in terms of "alleged causes," and a catalog of "suggested remedies" was presented. Among the remedies, Wright suggested that capital and labor "treat with the other through representatives" in disputes, and that "the party which declines resort to conciliatory methods of arbitration [is] morally responsible for all effects growing out of the contest." The report noted the advantages of mechanization, although asserting that in the short run the displacement of labor contributed to "crippling the consuming power of the community."⁵⁷

The study was a test case, as Wright later described it, conducted under the "critical watchfulness of friend and foe, and with the idea prevailing among labor organizations that the duty of the new office was in the nature of propagandism, and not of the educational func-

tions of gathering and publishing facts." Wright pointed to the successful conclusion and acceptance of the report. He saw it as innovative in bringing out for "the first time, the relation of nations to each other as producers and the various influences bearing upon discontent."⁵⁸

Gompers cited figures from the report at the 1887 AFL convention, referring to "one of the most important facts with which the labor movement has to grapple. The displacement of labor by machinery in the past few years has exceeded that of any like period in our history."⁵⁹

A leading contemporary economist found in this first report "a mass of information of very considerable value," while noting two mild criticisms: The subject was too broad and diverse and the statistics were not sufficiently analyzed.⁶⁰

In his conclusions, Wright emphasized overproduction/underconsumption and speculative investment. Later, such students of the business cycle as Alvin H. Hansen praised Wright's comments on the relation between investment—notably in canals and railroads—and business fluctuations. Hansen referred to Wright's "penetrating insight into the changing character of modern industry."⁶¹

The persistent depression of the early 1890's gave rise to another important Bureau study, which looked into whether machines were depressing wages and causing widespread unemployment. In 1894, a joint resolution of Congress called on the Commissioner to investigate the effect of machinery on costs of production, productivity, wages, and employment, including comparisons with manual labor. The study took almost 4 years of difficult work. Agents observed current machine methods for an article's production and then, with greater difficulty, attempted to secure information on the "hand" production of the same article. The report provided information on the production time required and the total costs under the two methods.

In carefully qualified conclusions, Wright suggested the benefits contributed by the introduction of machinery to rising wages and broadened employment opportunities. "The general tendency of wages since the introduction of power machinery and the employment of women and children in its operation has been upward, but it will be difficult to decide positively whether such increase is due absolutely to the use of machinery, or to a higher standard of living, or to the increased productivity of labor supplemented by machinery, or

to all these causes combined, or to other causes." He found further that "there has been a larger increase in the number of persons required for the production of the articles considered, in order to meet present demands, than would have been necessary to meet the limited demands under the hand-labor system."⁶²

Strike investigations and industrial relations studies

Turbulence on the railroads, an industry crucial to the economic development of the country, led to both congressional and Bureau investigations. For an early Bureau study, *Strikes and Lockouts* (1887), Bureau agents collected information on the Missouri and Wabash strike of 1885 and the Southwest strike of 1886, and Wright offered the material to the congressional committee investigating the disturbances. Later, Wright devoted an entire annual report to railway labor, the first U.S. study to deal with labor turnover.⁶³

Further studies on strikes and lockouts were published in 1894 and 1901, presenting exhaustive treatments of strikes during the 19th century. The 1887 and 1894 reports included estimates of the losses to management and labor because of lost worktime. A union periodical expressed the criticism in 1895 that "statistics of losses sustained through strikes by labor are carefully noted, but no estimates are given of the gains made by labor," and called on the Commissioner of Labor to "so far forget himself as to do a little statistical work from an employee's rather than employer's standpoint."⁶⁴

The 1901 report contained additional information, including results of strikes ordered by unions as against those not so ordered. This time, the same union periodical welcomed the report for showing that "the United States Government says that only 36.19 percent of all strikes in 20 years failed, and that most of the wages lost in strikes is subsequently made up by extra work, and that with the increase in labor unions, has come an increase in successful strikes."⁶⁵

In 1904, with President Roosevelt's encouragement, Wright investigated violence in Colorado mining areas. Drawn-out labor disturbances had caused the governor to call out the State militia, and the Western Federation of Miners demanded Federal intervention. Wright's lengthy report covered some 25 years and 13 strikes in the region and contained an account of the violations of civil law and constitutional rights of the State's striking miners.⁶⁶

The Bureau studied many other aspects of industrial relations in addition to the causes and effects of strikes. From the mid-1890's on, it published extensively on new developments in collective bargaining and State and foreign social legislation and practices such as accident prevention; workmen's compensation; insurance against sickness, accidents, old age, and invalidity; and union welfare and benefit plans.

One of the most innovative studies was the special report, *Regulation and Restriction of Output*, published in 1904. Conducted under the direction of John R. Commons, the study covered union management relations in the United States and England, particularly in the building trades and in the iron and steel, cigar, boot and shoe, and coal industries. It discussed both employers' objectives of stable conditions, fair prices, and fair wages, and workers' efforts, working through unions, to improve wages, working conditions, and skills. It pointed out the restrictive practices of employers, unions, and nonunion workers.⁶⁷

Wright's role in dispute settlement

On several occasions, Wright was called upon in his capacity as Commissioner of Labor to participate in the settlement of disputes. The railroad strikes of the 1880's had led to passage of the Arbitration Act of 1888. In addition to providing for voluntary arbitration, it empowered the President to establish committees of three, with the Commissioner of Labor as Chairman, to investigate disputes threatening interstate commerce, make recommendations, and publish a report. In 1894, President Cleveland appointed Wright to the investigating commission on the Pullman strike, and its reports and recommendations bore the imprint of Wright's growing awareness of the importance of labor organizations in balancing employer domination to achieve stability and continuity through agreement.

The strike began in May 1894, when the recently organized workers at the Pullman factory near Chicago walked out, primarily because town officials insisted on maintaining rent levels on the company-owned homes despite wage reductions and layoffs following the depression of 1893. The American Railway Union led by Eugene V. Debs, which had advised against the strike, sought arbitration. When Pullman refused, the union voted to boycott Pullman sleeping cars. The general managers of the railroads retaliated by importing strikebreakers. Management also began to attach mail cars to the sleepers so

that refusal to service the Pullmans would constitute interference with the mails. The managers thus painted the strike as a fight between anarchy and law and sought Federal Government intervention.

President Cleveland and Attorney General Richard Olney obtained an injunction against the strikers, and regular troops were sent in to enforce it. In July, after the strike was broken, the President invoked the Arbitration Act of 1888 and appointed an investigating commission consisting of Wright, John D. Kernan of New York, and Nicholas E. Worthington of Illinois. The commission took extensive testimony in Chicago and Washington before reporting in November.⁶⁸

Samuel Gompers, along with Debs and others, appeared before the commission. Gompers stated his views on strikes when Wright asked him whether sympathetic strike action, such as that in the Pullman strike, was justifiable when it could "paralyze, to any degree, the commercial industry of the country." Gompers replied, "I believe that labor has the right. . . to endeavor to improve its condition. . . . If industry or commerce is incidentally injured, it is not their fault; the better course and the most reasonable course would be for employers to grant the reasonable requests labor usually makes and thus avert the disaster of commerce or industry that you have mentioned." The social losses of widespread unemployment, both persistent and intermittent, were greater than disadvantages from strikes, he insisted, citing Wright's earlier reports. He opposed legislation for arbitration, fearing it would lead to compulsory arbitration, with labor at a disadvantage.⁶⁹

In its recommendations, the Wright-chaired commission cited the quasi-public nature of railroad corporations as permitting the exercise of congressional authority over strikes. It urged employers to recognize unions, stressing that their interests were reciprocal, though not identical. It proposed a permanent commission to investigate and make recommendations in disputes having a major impact on the public, with enforcement by the courts. And it advised that "yellow dog" contracts be outlawed.⁷⁰

Gompers praised the commission's report as trailblazing in an era of employer opposition to union organization, although he implicitly disagreed about special legislation for mediation and arbitration in the railroad industry, which the railroad unions supported. He wrote, "Whatever may be the ultimate result of United States interference

between the railroad managers and the road laborers of this country, we have confidence that none today will refuse to bestow a generous meed of praise on Carroll D. Wright and his companion commissioners for their lucid and conscientious report on the Chicago strike of 1894."⁷¹

The commission's recommendations became the basis for legislation dealing with railroad disputes that had a major impact on the public. Wright helped draft and publicly supported the pertinent bills under congressional consideration between 1895 and 1898.⁷² Addressing the charge that the proposed measures contemplated compulsory arbitration, he pointed out that they sought, first, conciliation or mediation. Only if these failed to bring about agreement was there provision for seeking a board of arbitration, with the award final only "if the parties coming before it agree it shall be."⁷³

In the congressional debates in 1897, Representative Constantine Erdman introduced a letter from Wright stating, "Instead of contemplating involuntary servitude, the bill, it seems to me, places labor and capital on an equality as to the enforcement of contracts." Citing protections against yellow dog contracts and blacklists, Wright explained, "Practically, this is a bill of rights that the workingman, so far as railways are concerned, can not claim at present."⁷⁴ But Wright did not leave any illusions about this being a panacea: "The bill, should it become a law, will not solve any phase of the labor problem, nor prevent strikes entirely, but it will do much to steady the forces involved and afford a powerful and even effective balance wheel in interstate controversies."⁷⁵

The resulting Erdman Act of 1898 revised the 1888 statute by providing for voluntary arbitration and establishing a board of mediation and conciliation composed of the Commissioner of Labor and the Chairman of the Interstate Commerce Commission. Operations of the board were limited since it could function only on the request of the parties, nor did the act include provisions for investigatory committees as found in the earlier act. Yellow dog contracts were prohibited, a provision later voided by the Supreme Court. The arbitration provisions of the act were never utilized, but the board of mediation was called upon later; Wright's successor, Charles P. Neill, was very actively engaged.

Wright also figured prominently in the anthracite coal strike of 1902, in which he emerged as Roosevelt's labor adviser. Roosevelt's

handling of this strike contrasted with Cleveland's actions in the Pullman strike, introducing the Roosevelt policies of seeking to reduce the impact of strikes, of recognizing the right of unions to organize, and of urging the public airing of issues. Wright and Gompers helped to ensure impartiality on the part of the Federal Government in the investigation of the strike, the dispute-resolving machinery, and the findings and recommendations.

The miners had walked out in May when the operators refused to negotiate a new contract. Wright acted as intermediary between Roosevelt and Gompers in discussions of means of settling the strike. In June, Roosevelt directed Wright to investigate the situation, and the Commissioner prepared a report and recommendations for settling the dispute. Although pleased to have the factfinding report, the Mine Workers criticized Wright for not visiting the fields and attacked some of his suggestions. The strike dragged on into the fall.⁷⁶

Frustrated and running out of patience, Roosevelt called the parties to meet with him. Subsequently, with the miners willing to accept arbitration, Roosevelt prevailed on the mine operators to cooperate, and he appointed a commission. Wright acted initially as recorder, later as a member of the commission and as umpire in the continuing conciliation process. His earlier recommendations were apparent in the commission's report settling the strike.

Roosevelt's appointment of Wright to explore the anthracite dispute was welcomed, with one expression that: "No man in this country—and probably there is no man living—has more persistently and intelligently applied himself to the study of labor problems and their remedy than has Colonel Wright." Later, however, as permanent umpire of disputes under the board of conciliation established by the commission's award, he was criticized by the United Mine Workers and Gompers for unfavorable awards.⁷⁷

Studies on working women and children

Wright's early and continuing concern about the impact of changing industrial developments on the family, and particularly on the employment of women and children, was reflected in a series of landmark studies. He had conducted the survey *Working Girls in Boston* in 1884, before leaving Massachusetts. In 1888, the new national Bureau issued *Working Women in Large Cities*, which covered 17,000 "shop girls"

engaged in light manual or mechanical work in factories and stores, representing about 7 percent of such employment in 22 cities.

Notably, the survey was conducted in large measure by women agents of the Department, evidence also of the changing role of women. Of these agents, Wright's report said, "The result of the work of the agents must bear testimony to the efficiency of the women employed by the Department, and to the fact that they are capable of taking up difficult and laborious work. They have stood on an equality in all respects with the male force of the Department, and have been compensated equally with them."⁷⁸

The study reported on the wages, expenditures, health, moral standards, work environment, family backgrounds, and marital status of the women. Commenting on the new opportunities and earnings of women, Wright observed, "A generation ago women were allowed to enter but few occupations. Now there are hundreds of vocations in which they can find employment. The present report names 343 industries in which they have been found actively engaged. . . . By the progress or change in industrial conditions, the limit to the employment of women has been removed or at least greatly extended, and their opportunities for earning wages correspondingly increased and the wages themselves greatly enhanced. . . ." He noted, however, that women were willing to work for lower wages than men.⁷⁹

Depression conditions in the 1890's raised the question of whether women and children were replacing men, and Wright received congressional authorization for a study of industrial establishments. In pointing out the need for the study, he noted the doubling of the number of women in gainful employment since the 1870 census and the "serious economical and ethical question as to the reasons for such a vast increase."⁸⁰

The scope of the 1895-96 survey was characterized as covering "specifically the employment and wages of women and children in comparison with the employment of men in like occupations, how far women and children are superseding men, and the relative efficiency of men, women, and children when employed in doing like work." Agents visited over a thousand establishments, mainly in manufacturing industries, in 30 States. Current data were collected for almost 150,000 men and women employed during the survey period, while information for some week at least 10 years earlier was collected for 100,000 workers. The published tables provided information on the

occupations, hours worked, and comparative earnings of men, women, and children of "the same grade of efficiency," and the reasons usually given for the employment of women and girls. The data confirmed the continued rapid increase of women in manufacturing employment. Comparisons of average earnings of men, women, and children in the same occupation and grade of efficiency showed that men earned over 50 percent more than women, and that children earned substantially less than adult workers.

One academician criticized the report, arguing that its emphasis on manufacturing created a downward bias in reflecting the employment of women and girls, since the vast majority were employed in nonmanufacturing industries. Such coverage, the sociologist contended, would have shown a much greater increase in the employment of women and girls.⁸¹

In the early years of the new century, Wright directed another of the landmark studies on the employment of children, *Child Labor in the United States* (Bulletin 52, 1904). Hannah R. Sewall and Edith Parsons investigated conditions for children under 16 years of age through visits with employers, parents, and youth.

Wright also gave considerable attention to the training of youth. He explained the growing need: "Training in trade schools in the United States is intended to supply the place of the old-time apprenticeship, which has nearly disappeared under the conditions of present-day industry." He had studied vocational education back in Massachusetts and, in fact, participated in surveys there after leaving the Bureau. While he was Commissioner, two of the Bureau's annual reports focused on industrial schools.⁸²

Urban and ethnic studies

Several Bureau studies reported on problems of the burgeoning urban centers. One of these was conducted during the depression of the early 1890's, when Congress directed the Bureau to study the slums of the major cities. Wright noted the reasons for the study: "The popular idea is that the slums of cities are populated almost entirely by foreigners, and by foreigners of a class not desirable as industrial factors and who do not assimilate with our people." He added, "The alleged tendency of colored people to crowd into cities becomes a part of this wide subject and emphasizes the necessity of the investigation."⁸³ In 1894, the Bureau issued *The Slums of Baltimore, Chicago, New York,*

and Philadelphia, which gave figures on nativity, illiteracy, occupations, earnings, and health and presented information on liquor, saloons, and arrests.

On the liquor issue, Wright had stated earlier, "You cannot discuss the labor question from either the ethical or economical side without consideration of the temperance question."⁸⁴ He was a member of the "Committee of Fifty," a group of prominent citizens headed by Seth Low studying the liquor problem, and planned a major Bureau study to supplement the committee's work. In 1897, the Bureau's *Economic Aspects of the Liquor Problem* reported on production and consumption, traffic, revenues, and the practices of employers in the liquor industry.

In *The Housing of the Working People* (1895), the Bureau presented data on sanitary laws, building regulations, public intervention, and model buildings in the United States and Europe. The role of building and loan associations, cooperative methods for saving, and home financing available to wage earners also were subjects of Bureau studies.

In the late 1890's, Wright turned his attention to other municipal problems. One report dealt with public ownership of public utilities, which was favored by reformers. The report, Wright stated, was intended to provide clarification, not "material for local contention." In 1899, at the direction of Congress, the Bureau began the annual series, "Statistics of Cities," which surveyed conditions in cities with a population of at least 30,000. This work occupied a disproportionate amount of the Bureau's time, and, when the Bureau of the Census was established, Wright succeeded in having the work transferred. Even so, Wright claimed a constructive influence for the data. "The annual publication of these statistics. . . has stimulated many cities to reform their methods of accounting, and this. . . has already had most beneficial results."⁸⁵

Ethnic studies of the condition of Negroes and of newly arrived immigrant groups were among Wright's important contributions. Wright's interest in the status of Negroes under the conditions of Reconstruction and migration to the cities had been evident in his study of Negroes as part of the Massachusetts Census of 1875. He had sought to conduct a major study of Negro labor when the Bureau was established, but had failed to receive authorization.⁸⁶ However, in the late 1890's, he provided assistance for and published a number of

regional studies of the condition of blacks in cities and agricultural areas. W.E.B. Du Bois was notable among the black sociologists conducting the studies, contributing three of the nine articles published in the Bureau's *Bulletin* between 1897 and 1903.

In 1901, when Representative Leonidas F. Livingston of Georgia introduced a bill appropriating funds for Negro studies in the Department, Wright explained that he certainly had no objections and that, in fact, the Bureau had been conducting such work for several years: "Professor Du Bois, whom I presume you know, has done excellent work along this line, and I hope to be able to continue him."⁸⁷ However, after the relocation of the Bureau to the new Department of Commerce and Labor, Wright noted obstacles. In August 1903, he wrote Du Bois, "I do not believe it will be possible for us in the near future to take up the question of the Lowndes County Negroes. This is a financial question with us at the present time."⁸⁸

Apparently Wright finally found a means of funding a major study of Negroes after he left office. He headed the Department of Economics and Sociology at the newly formed Carnegie Institution which, in 1906, added a division called The Negro in Slavery and Freedom.⁸⁹

About the time Wright launched the black studies in the Bureau, he also directed investigations of the Italian community. The 1890's had witnessed an increased influx of Italians into the cities and also a rise in violence, to an extent set off by "native" fear of the so-called "mafia." In fact, the whole issue of immigration and importation of contract labor continued to arouse considerable passion.⁹⁰ *The Italians in Chicago: A Social and Economic Study* (1897), based on materials collected by Caroline L. Hunt under Wright's supervision, presented the general economic conditions of the Italian community. It also provided data on literacy, nativity, diet, size of family, weekly earnings, and unemployment and gave some comparisons with the earlier study of slum conditions. An 1897 *Bulletin* article, "The Padrone System and Padrone Banks," also dealt with the Italian community.

Many of the subjects of these early Bureau studies were later to come under the jurisdiction of other government agencies. The Census Bureau took up the statistics of cities; savings and loan associations came under the Bureau of Corporations in the new Department of Commerce and Labor; and women and children were to be repre-

sented by their own agencies in the Cabinet-level Department of Labor before too long.

Tariff studies and price and wage statistics

The enactment of the McKinley tariff in 1890 gave rise to several Bureau studies and stimulated groundbreaking work in the development of statistical methods and data on wages, prices, and the cost of living. In 1891, to determine the effect of the new tariff law, the Senate Committee on Finance, headed by Nelson W. Aldrich of Rhode Island, called on Wright to collect data on prices, wages, and hours of work, and hired Roland P. Falkner of the University of Pennsylvania to analyze the material. There was the "constant demand from legislators and economic students for reliable statistics in regard to the course of prices and wages in the United States," for, the committee report stated, "Without them it has been impossible to judge even with approximate accuracy of the progress of the people of the country and the changes which have taken place from time to time in their condition."⁹¹

Wright's activities had already anticipated the need. The Act of 1888 elevating the Bureau to departmental status had specifically called for studies of "the cost of producing articles at the time dutiable in the United States" and "the effect of the customs laws."⁹² Bureau studies of the cost of production in the iron and steel, coal, textile, and glass industries in the United States and abroad were already well underway. Along with wage data for workers in these industries, cost-of-living and budget information was collected. The term "cost of living" referred to family expenditures, and thus the study sought to reflect the standard of living supported by the actual levels of family income. In all, 8,544 families were covered. Of these, 2,562 were viewed as "normal" families, defined as families consisting of a husband and wife, up to five children under the age of 15, and without other dependents or boarders.

Two reports prepared by the Bureau for the Aldrich Committee became landmark sources of data on prices and wages. Some wholesale price data were assembled for the preceding half century; for the 28 months preceding September 1891, prices were collected for 218 articles in 7 cities. Retail price collection was limited to the 28-month period, covering 215 commodities, including 67 food items, in 70 localities. Wage data were also assembled for the preceding half cen-

ture in 22 industries; for the 28-month period, the data covered 20 general occupations in 70 localities and specialized occupations in 32 localities.

Falkner's methodological innovations related to weighting and indexing the price and wage data. Indexing techniques, although known, had not been used to any extent in analyzing economic phenomena. To weight the wholesale and retail price indexes, Falkner used the family expenditure patterns developed in the Bureau's cost of production studies, supplemented by additional budgets developed for the Senate committee. The wage indexes, however, were based on unweighted data.⁹³

The academic community was generally pleased with the recognition accorded professional statistical and economic analysis by the Aldrich Committee, although some found fault with Falkner's methods. The *Quarterly Journal of Economics* referred to the wholesale price statistics as a "monument of thorough and skillful statistical work" and a "careful and complete investigation of the course of prices." Frank W. Taussig wrote, "The skill and judgment of Commissioner Wright have yielded results whose importance and interest to the economist can hardly be overstated. . . ." Yet Richmond Mayo-Smith criticized Falkner's method for risking distortion in the general wholesale price index by placing "undue emphasis upon certain kinds of commodities" in order to utilize family expenditures as weights.⁹⁴

Frederick C. Waite said of the two reports, "Together they constitute the most valuable contribution to the history of American economic conditions that has yet appeared." However, Waite criticized Wright and Falkner for making "a series of fallacious deductions." Waite complained that the wage index was based on too few occupations and too few returns—and all of them collected in the Northeast. He further alleged problems in the methodology in that Falkner should have used a multiyear base instead of the single year 1860 and that he should have weighted the wage data in making the index.⁹⁵ And, in further comment, some critics did not see that the reports would resolve the disputes surrounding the tariff question.

The work on wholesale prices, begun for the Aldrich Committee, was developed further by Falkner and the Bureau in 1900 and thereafter. They directed their efforts towards overcoming the undue representation of consumer goods arising from the use of the weights determined from the family expenditure studies. In 1900, in revising

his indexes, Falkner maintained the weighting system based on family expenditures, but sought to improve the price representation of specific commodities. However, criticism of his use of family expenditure weights continued; Taussig commented that these were better suited to retail prices.⁹⁶

The Bureau's own Wholesale Price Index, covering 1890 to 1901, appeared in 1902, marking the Bureau's entry into the field of current economic measures. Although the Bureau sought to link its effort as much as possible to the earlier work, the index of 1902 was based on an entirely new survey and concept. Because a weighting system based on national consumption patterns was not deemed feasible, and weighting by family expenditures was held to miss too many manufactured items, the Bureau used "a large number of representative staple articles, selecting them in such a manner as to make them, to a large extent, weight themselves."⁹⁷ A subsequent revision in 1914, however, turned to computing the weights "from the aggregate values of commodities exchanged year by year," utilizing the 1909 Census of Manufactures.⁹⁸

To lay the groundwork for an index of retail prices, the Bureau conducted a massive survey of family expenditures during 1901-03, 10 years after the Aldrich study. Unlike the earlier surveys, which had covered workers' families in specific industries and areas, the new survey aimed to be representative of the conditions of workers in the whole country. Special agents of the Bureau visited 25,440 families of wage earners and of salaried workers earning up to \$1,200 a year in the principal industrial centers in 33 States. Native—including Negro—and foreign-born families were included, without reference to industry. The agents recorded one year's expenditures on food, rent, principal and interest on homes, fuel, lighting, clothing, furniture, insurance, taxes, books and newspapers, and other personal expenditures. They also obtained information on earnings of family members.

Detailed data on income and expenditures of 2,500 families provided a basis for determining the relative expenditures, or weights, for the principal items entering into the cost of living. In particular, weights were determined for the principal articles of food consumed.

The Bureau also obtained information on prices for the period 1890 to 1903 from 800 retail merchants for the same items and localities as those reflected in the budgets of the expenditure survey. This

was the first known collection of retail price data covering a period as long as 3 years.

With the expenditure and price data, the Bureau prepared its first weighted retail price index: "Relative Retail Price of Food, Weighted According to the Average Family Consumption, 1890 to 1902 (base of 1890-1899)." It provided monthly quotations of 30 principal items of food and summarized them in terms of "average price of the article" and "relative price," presenting these as averages and as weighted by consumption. Coverage was soon expanded to over 1,000 retail establishments in 40 States. The index was maintained through 1907.⁹⁹

Wage data were collected as part of the same set of surveys. Previously, the agency's wage work had been sporadic and for specific purposes. In releasing the results of the study in 1904, in *Wages and Hours of Labor*, the Bureau explained that it had undertaken "a very painstaking and complete investigation which would result in thoroughly representative figures for a period of years [1890 to 1903] and which would serve as the basis for the regular annual collection and presentation of data from the establishments covered."

The study covered 519 occupations, "only the important and distinctive occupations which are considered representative of each industry," in 3,475 establishments in 67 manufacturing and mechanical industries. The voluminous data included actual and relative wages and hours by occupation; relative wages by industry; and relative wages and hours for all industries covered, weighted according to census data for aggregate wages in each industry. The new series appeared formally in 1905, as "Wages and Hours of Labor in Manufacturing Industries, 1890 to 1904," but covered fewer industries and occupations than the original study.¹⁰⁰

The wage and retail price survey results were placed in juxtaposition in an article in the Bureau's *Bulletin* in July 1904, with the observation that, "taking 1903, it is seen that hourly wages were 16.3 percent above the average of 1890-1899, while retail prices of food were 10.3; making the increase in purchasing power of the hourly wage, 5.4 percent."

There were sharp reactions to this conclusion from labor organizations, politicians, and academicians, coming as it did at a time of industrial unrest and strikes due to layoffs, wage reductions, and reduced purchasing power following the panic of 1903—and the Presidential campaign of 1904. Representative William S. Cowherd of

International influences

Missouri, of the Democratic Congressional Committee, attacked the Bureau's results and charged Wright with veiling the truth by manipulating figures to meet party necessities. The *Journal of the United Mine Workers* complained of methodological problems, arguing that the Bureau should show not only the daily wage but also the number of days worked. The *Official Journal of the Amalgamated Meat Cutters and Butcher Workmen* castigated Wright and the wage and cost-of-living figures, alleging that the summary "appears to have been edited solely for political purposes and, to that end, has so many misleading statements that, as a bulletin concerning labor matters, it is entirely unworthy and inaccurate."¹⁰¹

The *Machinists' Monthly Journal* of the International Association of Machinists roundly attacked the figures: "It will take more than the figures given by the Honorable Carroll D. Wright in the July *Bulletin* of the Bureau of Labor to convince the housewives of the nation that wages have increased in proportion to the increase in prices."¹⁰² Ernest Howard wrote in the *Political Science Quarterly*, "The effort made by the Bureau of Labor to find an approximate compensation for the rise of retail prices in the wage increase among certain classes of labor, most highly organized and aggressive, cannot be accepted as representative of the general labor experience."¹⁰³

More moderate views came from two other sources. Wesley C. Mitchell spoke favorably of the improvements in wage data under Wright, especially in classified wage tables and index numbers. Later, he upheld the "high character" of the Bureau's index numbers, specifically in contrast to a Census report that showed different trends. Nevertheless, even Mitchell warned of shortcomings. The new tables, he said, had met "with more favor than they merit" because they continued Falkner's "most serious error"—lack of an adequate system of weights. The National Civic Federation gave a balanced perspective on the issue under the caption "Statistics That Do Not Apply." Commenting that "partisan motives, sharply accentuated by a Presidential campaign, have caused both attack and defense of these data," it pointed out that the Bureau had not intended that the observations apply to the immediate situation. The statistics "share the fault, perhaps inevitable, of all governmental statistics. They may enlighten in retrospect, but as to the immediate present, they are out of date."¹⁰⁴

Wright's interest in developments abroad was apparent early in his career. As Chief of the Massachusetts Bureau, he visited England in 1881 to collect material for a factory study. Later, as Commissioner of the Federal Bureau, he sent members of his staff to Europe and obtained the services of experts studying abroad to collect information for studies.

Wright's reputation and his example, as well as the example of the State bureaus, influenced the rise of labor agencies in the European countries. At an Industrial Remuneration Conference in London in January 1885, several speakers pointed to the American experiments. Charles Bradlaugh, M.P., maintained "there could not be any fair arbitration satisfactory to the men until we had bureaux of the statistics of labour similar to those which had existed for 17 years in Massachusetts, which had been established in Connecticut, and in which an experiment had been made to some extent in Washington." Sir Rawson Rawson, President of the Royal Statistical Society, hoped the conference would impress the government with the importance of following the example of "the American government or the government of Massachusetts."¹⁰⁵

The influence of the U.S. agency was formally recognized in a resolution of the 1891 convention of the International Statistical Institute in Vienna, which expressed the desire "that the governments may be willing to create Bureaus of Labor on the plan of those of the United States, where these offices do not exist, either creating a distinct Bureau or utilizing the organization of existing bureaux of statistics." National bureaus of labor statistics were established in quick succession during the 1890's and early 1900's in France (1891), Britain (1893), Spain (1894), Belgium (1895), Austria (1898), Germany, Italy, and Sweden (1902), and Norway (1903). Other countries, like Denmark (1895) and the Netherlands (1895), established central statistical offices which also collected statistics on labor.¹⁰⁶

During hearings before the British Royal Commission on Labour in 1892, Elgin R.L. Gould, a special agent of Wright's agency, was called upon to testify. Gould had been in Europe to attend a session of the International Statistical Institute and to collect information for several Bureau studies, and he gave a thorough picture of the philosophy and organization of the agency under Wright. One outcome of

the commission's activities was the prompt establishment of the new British Labour Department.¹⁰⁷

Shortly after its establishment, the British agency exerted a reciprocal influence on its American counterpart when it began publication of the monthly *Labour Gazette*, which Wright used as an example to justify congressional authorization of a similar publication. In a letter to Representative Lawrence E. McGann, Wright endorsed the House bill providing for a bulletin, "especially as foreign Governments are now doing precisely what your bill aims to accomplish. The English Department of Labor, which was established only recently, is now publishing, very successfully and with great acceptance to the industrial interests of the country, a labor gazette."¹⁰⁸ Congress approved publication of a bulletin in 1895.

Wright was active in the early international efforts of economists, social reformers, and government labor officials to provide a bridge between trade union concerns, particularly about working conditions, and national government approaches to labor policy. The first conference held under such informal welfare reform auspices was the Congress for International Labor Legislation in Brussels in 1897. Wright and W.F. Willoughby of the Bureau staff attended these first discussions of international cooperation "in the formulation of labor standards and uniform presentation of reports and statistics regarding enforcement."¹⁰⁹

In 1900, Wright attended the Congress of Paris, an outgrowth of the Brussels meetings. From the Paris conference developed the International Labour Office, established at Basel in 1901, and the International Association for Labor Legislation, which first met at Basel that same year. The next year, Wright helped organize an American section of the International Association. From 1903 to 1909, the Bureau carried \$200 in its budget to support the work of the Labour Office, which received generally greater support from European governments.¹¹⁰

The Commissioner also belonged to the International Statistical Institute and the International Institute of Sociology. He was made an honorary member of the Royal Statistical Society of Great Britain and the Imperial Academy of Science of Russia, and a corresponding member of the Institute of France. In 1906, the Italian government honored him and, in 1907, France bestowed on him the Cross of the Legion of Honor for his work in improving industrial conditions.

Wright's other activities

While at the Bureau and after he left, Wright was active in many pursuits. He served as president of the American Social Science Association (1885-1888), the International Association of Governmental Labor Officials (1885-1905), and the American Statistical Association (1897-1909). He also served as president of the American Association for the Advancement of Science (1903) and was active in the Washington Academy of Sciences. He was also president of the Association for the Promotion of Profit Sharing, a short-lived group established in 1893 to promote industrial partnership between employers and workers through profit sharing.

Shortly before leaving the Bureau, he was superintendent of the Department of Social Economy at the Louisiana Purchase Exposition, St. Louis World's Fair (1904). He also served on the Massachusetts Committee on Relations Between Employer and Employee, whose report favored profit sharing, arbitration, child labor restrictions, workmen's compensation, and revision of the laws on injunctions.¹¹¹

From 1895 to 1904, Wright was honorary professor of social economics at the Catholic University of America—where he met the young professor of political economy, Charles P. Neill, who was to succeed him as Commissioner of Labor Statistics. For some of the period he also lectured at Columbian University, later to become George Washington University. He served on the board of trustees of the newly established Carnegie Institution of Washington and, in 1904, became head of its new department of economics and sociology. Meanwhile, in 1902, he had become the first president of Clark College, charged with organizing the undergraduate program for the innovative institution.

After leaving the Bureau, he served as chairman of the Massachusetts Commission on Industrial and Technical Education. At the same time, he helped found and served as president of the National Society for the Promotion of Industrial Education and was active on several committees of the National Civic Federation.¹¹²

Retirement

Carroll Wright retired from government service at the end of January 1905—the 20th anniversary of his joining the new Bureau of Labor in

the Department of the Interior. Near the close of his tenure, Wright reaffirmed his view of the agency's role: "To my mind, all the facts which have so far been gathered and published by the Bureau bear, either directly or indirectly, upon the industrial and humanitarian advance of the age, and are all essential in any intelligent discussion of what is popularly known as the 'labor question.'" He stressed that labor statistics should relate to the "material, social, intellectual, and moral prosperity of society itself," rather than solely to narrow fields. In response to those who called on the Bureau to become "the instrument of propagandism" in the interest of reform, Wright replied, "Whenever the head of the Bureau of Labor attempts to turn its efforts in the direction of sustaining or of defeating any public measure, its usefulness will be past and its days will be few." He continued: "It is only by the fearless publication of the facts, without regard to the influence those facts may have upon any party's position or any partisan's views, that it can justify its continued existence, and its future usefulness will depend upon the nonpartisan character of its personnel."¹¹³

Wright died in February 1909 at the age of 69.

Chapter III.

Charles Neill: Studies for Economic and Social Reform

On December 12, 1904, President Roosevelt appointed Charles P. Neill to succeed Carroll Wright as Commissioner of the Bureau of Labor, effective February 1, 1905. The active role already emerging for the Bureau under Wright in the early years of the Roosevelt administration intensified under Neill as Roosevelt increasingly used the Bureau to further the reform efforts of the Progressive movement. In 1908, the President wrote, "Already our Bureau of Labor, for the past 20 years of necessity largely a statistical bureau, is practically a Department of Sociology, aiming not only to secure exact information about industrial conditions but to discover remedies for industrial evils."¹

As a major figure in the conservative wing of the Progressive movement, Roosevelt was concerned with the social problems of the working population brought on by the increasing industrialization of the economy and the growth of large-scale enterprises. This concern reflected both a sincere interest in reducing the ill effects of industrialization and a desire to forestall the possible alternatives of social instability and radicalism. In relations between capital and labor, neither "government of plutocracy" nor of "mob" was to be controlling.²