The Dewey Report On Wages in Manufacturing Industries in the United States

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THE DEVY REPORT ON WAGES IN
MANUFACTURING INDUSTRIES IN THE UNITED STATES

By

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SECTION I.

INTRODUCTION

(a) THE OBJECT OF WAGE STATISTICS.

(b) THE TWELFTH CENSUS REPORT.
WAGES IN MANUFACTURING INDUSTRIES
IN THE UNITED STATES
1890-1900.

SECTION I.

Prof. Mayo Smith in his work "statistics and Economics" P. 295 has the following apt sentences on the object of all statistical investigation in wages: "Their object is to determine the ordinary income of that portion of the population represented by the wage receivers, and what that income is worth in procuring a comfortable subsistence. The chief value of such an inquiry is not to elucidate a theory of distribution of the product into wages, interest, rent and profits, but to answer the question of social well-being."

This definition brings out clearly four fundamental propositions: (1) Wage statistics deal chiefly with incomes, (2) they are limited to a certain definite class in the social organization—the wage-earners, among whom there are no subdivisions except those of income, (3) they are not complete without an inquiry into prices, and (4) wage investigations are social investigations and proposition (1) is the most essential and indispensable. In other words the social significance of wages is solely a
matter of their purchasing power, the necessities, comforts
and luxuries that the average wage-earner can buy with the
labor of his hands. Individual wage-earners may rise or
fall in the social scale but the class remains and it is
the function of wage statistics to indicate the well-being
of that class. This being true the wage received is par-
amount, the work done for it, the degree of skill required
to command it are subordinate, while the particular indus-
try or occupation to which the worker belongs are matters
of secondary importance in a general wage investigation.
Two questions only are to be answered to meet the require-
ments of this social viewpoint-(1) Is he a wage-earner?
(2) What is his wage?

But the other point of view indicated in the sen-
tence quoted above is by no means unimportant. The matter
of "labor cost", the proportion of the total cost of the
finished product which goes to the laborer who produced it,
is of the highest importance to the manufacturer. Such a
statistical investigation is however not an inquiry into
wages. It is merely a statistical study of the "cost of
production" counting the laborer only as the capital, the
coal, the steel, the transportation charges are counted
in assigning that cost to its various factors. It is
statistics of this kind that are found in the regular cen-
sus publications and it was to supply the larger and more
important demands of the social side of the wage problem that the "Twelfth Census Special Report on Employees and Wages" was made. This report is commonly known as the "Dewey Report" from the name of the statistician who conducted the investigation - Prof. Davis R. Dewey of the Massachusetts Institute of Technology. It was a special inquiry instituted after the general census returns were in and was the result of the failure of the census proper to indicate to the satisfaction of the census authorities (1) rates of wages, (2) average incomes, (3) the distribution of wage-earners in the wage scale. Indeed any investigation which fails to take into account this last fails absolutely to meet the essential requirement of wage statistics i.e. that they shall be an index of social progress of the average man himself. The Dewey Report dealt exclusively with manufactures. It covered the two years 1890 and 1900. Thirty-three of the leading manufacturing industries of the country were investigated, which industries employed in each year about half of the wage-earners of the country. Of these industries representative establishments were selected and their payrolls copied for 105,000 employees in 1890 and 160,000 in 1900. These rates of wages given for the week and hour, and also earnings in a week were tabulated (1) by occupations, then by sections of the country and finally summarized by industries for the whole country. The tabulation was in groups