

---

# THE GEORGE WASHINGTON UNIVERSITY

---

WASHINGTON, DC

## The Manufacturing and Trade Policy Origins of U.S. Economic Statistical Agencies: A Handout

Andrew Reamer, Research Professor

Presented at “Measuring Competitiveness: In Search of New Metrics” Luncheon, Bernard L. Schwartz Program in Competitiveness and Growth Policies, Carnegie Endowment for International Peace, Washington, DC

June 20, 2013

## Origins of the Economic Census

Resolution, House of Representatives,  
June 7, 1809

*Resolved*, That the Secretary of the Treasury be directed to prepare and report to this House, at their next session, a plan for the application of such means as are within the power of Congress, for the purpose of protecting and fostering the manufactures of the United States; together with a statement of the several manufacturing establishments which have been commenced, the progress which has been made in them, and the success with which they have been attended; and such other information as in the opinion of the Secretary shall be material in exhibiting a general view of the manufactures of the United States,

## Origins of the Economic Census

### MANUFACTURES.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, APRIL 19, 1810.

TREASURY DEPARTMENT, *April 17, 1810.*

SIR:

In obedience to the resolution of the House, I have the honor to transmit a report, in part, on the subject of American manufactures.

Some important information has been obtained, but is, in general, partial and defective; and it would have been desirable that the report might have been delayed till the next session.

Permit me to observe, that the approaching census might afford an opportunity to obtain detailed and correct information on that subject, provided that the deputy marshals were directed by Congress to collect it, and to make returns in such form as would be prescribed.

I have the honor to be, very respectfully, sir, your obedient servant,

ALBERT GALLATIN.

# Origins of the Economic Census

CHAP. XXXVIII.—*An Act further to alter and amend "An act providing for the third census or enumeration of the inhabitants of the United States."*

STATUTE II.

May 1, 1810.

SEC. 2. *And be it further enacted, That it shall be the duty of the several marshals, secretaries, and their assistants aforesaid, at the time for taking the census or enumeration aforesaid, to take, under the direction of the Secretary of the Treasury, and according to such instructions as he shall give, an account of the several manufacturing establishments and manufactures within their several districts, territories and divisions.* The said assistants shall make return of the same to the marshals or secretaries of their respective districts or territories, and the said marshals and secretaries shall transmit the said returns, and abstracts thereof, to the Secretary of the Treasury, at the same times at which they are by this act, and the several acts to which this act is an addition, required respectively to make their return of said enumeration to the Secretary of State; for the performance of which additional services they shall respectively receive such compensation as shall hereafter be provided by law.

Manufacturing establishments to be reported to the marshals and by them to the Secretary of the Treasury.

APPROVED, May 1, 1810.

# Origins of the Economic Census

March 19, 1812.

Information obtained under the act of May 1, 1810, ch. 38, to be digested.

## II. RESOLUTION on the subject of Arts and Manufactures.

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be directed to employ a person to digest and reduce to such form, as shall be deemed most conducive to the interests of the United States, a statement of the number, nature, extent, situation and value of the arts and manufactures of the United States, together with such other details, connected with these subjects, as can be made from the abstracts and other documents and returns, reported to him by the marshals and other persons employed to collect information in conformity to the second section of the act of the first of May, one thousand eight hundred and ten, and such other information as has been or may be obtained, which the subject will admit of; and that he report the same to Congress.*

APPROVED, March 19, 1812.

## Origins of the Economic Census

Tench Coxe, A Statement of the Arts and Manufactures of the United States of America for the Year 1810,  
December 8, 1812

It is a manifest truth to which we ought most seriously to advert, that, besides the proper or corporal powers, industry and skill of the people of the United States, we have attained, by water, steam, cattle, labor-saving machinery and chemistry, the means to effect, with an exactness and promptitude beyond the reach of manual power and skill, *a great variety and number of manufacturing operations. These wonderful machines, working as if they were animated beings, endowed with all the talents of their inventors, laboring with organs that never tire, and subject to no expence of food, or bed, or raiment, or dwelling, may be justly considered, as equivalent to an immense body of manufacturing recruits, suddenly enlisted in the service of the country.\**

## Origins of the Economic Census

Tench Coxe, A Statement of the Arts and Manufactures of the United States of America for the Year 1810,  
December 8, 1812

In order to display the present form and nature, and in some degree the extent of the arts and manufactures of the United States, the substance of the returns of the marshals and their assistants, are presented, in the shape of two series of official tables in the third and fourth parts of this work. In submitting this body of new evidence, it is necessary to state, that the information it contains is of various dates, in the last five months of 1810; and, that it relates to the whole national population of that time, being 7,239,903 persons of both sexes, and of all colours, ages and conditions. Though many of the officers and assistants have performed this new and difficult service with much zeal and intelligence, yet various causes have concurred, to, occasion, numerous and very considerable imperfections and omissions, in returns from cities, towns, villages, townships, hundreds, counties, and, as to valuable articles and branches, from states, to be observable. In these first sets of tables, it has not been thought best to supply those defects by detailed and diversified estimates, which must be erroneous and might be sanguine. It was observed, that there were some instances of goods of a doubtful nature, or which could not be considered as manufactured in so material a degree, as strictly to entitle them to be placed in the class of “*manufactures.*” These have been separately exhibited, but are considered as sufficiently relative to the subject, to render these imperfect returns of them useful, both to the various departments of the government, and to those persons, who are engaged in, or propose to enter into the manufacturing business.

In 1819, President Monroe told Congress: “It is deemed of great importance to give encouragement to our domestic manufacturers.” In response, the Senate Committee of Commerce and Manufactures submitted a report noting “the importance of complete statistical accounts of our foreign commerce” for informed decision-making on tariff and trade policy and complaining about the “poverty of our present information on this subject.” It noted that “At almost every session of Congress measures relating to our foreign commerce are agitated” and to decide on these measures Congress needed information that was not in the existing annual statements from Treasury. Consequently, the report proposed, and Congress passed, “An Act to provide for obtaining accurate statements of the foreign commerce of the United States,” requiring the Treasury Department to “annually prepare statistical accounts of the commerce of the United States with foreign countries, for each preceding year.” To fulfill this charge, the Treasury Department created a new Division of Commerce and Navigation.

In 1844, Congressman Pratt (New York) believed that Congress was unable to make informed decisions about commerce-related legislation because it lacked ready access to reliable information. Consequently, he introduced a bill to create a central bureau of commerce statistics in the Treasury Department—one “whose duty it should be to . . . gather all the information . . . as connected with the agriculture, commerce, and manufactures of the country, and to reduce the same to convenient tabular form . . . [and] be prepared at a moment’s notice to lay before Congress all the information of a statistical nature which might be desirable.” He also thought the nation’s residents would benefit as they would be able to make informed decisions in the marketplace. In response, Congress instructed the Treasury Secretary to collect statistical information and prepare an annual report “on the condition of the agriculture, manufactures, domestic trade, currency and banks of the several States and Territories of the United States,” deliverable to Congress on the first Monday of each January (a 19th century analog to the *Economic Report of the President*). Congress thought that three clerks would be sufficient for this effort. Treasury produced two annual reports and then stopped because the data were woefully incomplete due to insufficient staffing. A familiar pattern continued—Congress recognizes the need for good information for decision-making but grossly underestimates the level of effort required.

In 1866, complaining again about the lack of current, reliable, detailed annual trade and manufacturing data, Congress replaced the Treasury Division of Commerce and Navigation with a new Bureau of Statistics with expanded responsibilities for producing detailed trade data (e.g., exports, imports, navigation, vessels, warehouse) and a new responsibility “to collect, digest, and arrange, for the use of Congress, the statistics of manufactures of the United States, their localities, sources of raw material, markets, exchanges with the producing regions of the country, transportation of products, wages, and such other conditions as are found to affect their prosperity.” This effort appeared, finally, to provide current, reliable foreign trade data, but not manufacturing data. In 1869, the bureau’s chief told Congress that efforts to survey manufactures had failed miserably (a seven percent response rate) because response was voluntary. After two years, the bureau stopped its manufactures data collection, much to the consternation of an 1877 commission reviewing the bureau’s work, which made a familiar statement about the need for good data for decision-making.

# Bureau of Economic Analysis

## 375.1 ADMINISTRATIVE HISTORY

**Established:** In the Social and Economic Statistics Administration (SESA), Department of Commerce, by order of the Secretary of Commerce, January 1, 1972.

### Predecessor Agencies:

#### In the Department of the Treasury:

- Division of Commerce and Navigation, Office of the Register (1820-66)
- Bureau of Statistics (1866-1903)

#### In the Department of State:

- Statistical Office (1856-74)
- Bureau of Statistics (1874-97)
- Bureau of Foreign Commerce (1897-1903)

#### In the Department of Commerce and Labor:

- Bureau of Statistics (1903-12)
- Bureau of Foreign and Domestic Commerce (BFDC, 1912-13)

#### In the Department of Commerce:

- BFDC (1913-45)
- Office of Business Economics, BFDC (1945-53)
- Office of Business Economics (1953-72)

**Transfers:** To autonomous bureau status in the Department of Commerce by Department of Commerce Organization Order 35-1A, effective August 4, 1975, upon abolishment of SESA by Department of Commerce Organization Order 10-2, effective August 4, 1975.

**Functions:** Prepares, develops, and interprets the economic accounts of the United States.

## I. THE GROWTH AND PURPOSES OF BUREAUS OF STATISTICS OF LABOR.

OPENING ADDRESS BEFORE THE AMERICAN SOCIAL SCIENCE  
ASSOCIATION AT SARATOGA, SEPT. 3, 1888.

By CARROLL D. WRIGHT,

THE PRESIDENT OF THE ASSOCIATION.

THERE is in the United States of America a class of offices, State and Federal, devoted to the collection of statistics relating to labor in all its aspects, and to the social, moral, and educational welfare of the people. These offices have different names, but similar duties. Their work is closely allied to that of this association. The topics discussed, and the men who discuss them, indicate this close alliance. Their origin may be said, in some respects, to have found its stimulus in the American Social Science Association. The evolution of the idea underlying these bureaus was rapid, while their extension has been somewhat surprising.

---

The United States Bureau was organized in January, 1885, in accordance with an act of Congress passed in June, 1884. In June, 1888, an act was passed erecting the Bureau into an independent department, under the name and title of the Department of Labor. This Department will carry on the work of the Bureau as if no change had taken place, but the Department is charged with various specific duties. Among the most important of these specific duties are investigations on propositions which have been discussed from the platform of this association, such propositions having been adopted by Congress and made part of the obligatory duties of the Department of Labor.

In 1884 I had the pleasure of presenting to the association the necessity for a scientific basis of tariff legislation, and in the treatment of the subject laid down certain propositions which, to my mind, were necessary to the securing of such a basis, the chief features of which related to a collection of facts on a broad scale in America and Europe, which should show the cost, including all elements, of producing articles dutiable in the United States, together with such facts as would show the efficiency of labor in various localities. In the great discussion on the tariff question in the recent session of Congress, these factors were missing. The whole debate — almost every one of the one hundred and fifty

speeches delivered in the House of Representatives — showed the necessity of a line of facts from which accurate conclusions could be drawn relative to the cost of production, the efficiency of labor, and the distribution of the total product under various commercial systems. When it became evident that a bill creating a Department of Labor would be passed, the friends of statistical science were alive to the importance of securing provision for the collection of such statistics as I have indicated. So the law creating the Department of Labor, besides the general duties imposed upon it, which are that it shall acquire and diffuse among the people of the United States useful information on the subjects connected with labor in the most general and comprehensive sense of that word, and especially upon its relation to capital, the hours of labor, the earnings of laboring men and women, and the means of promoting their material, intellectual, and moral prosperity, made it specifically the duty of the Commissioner of Labor, at as early a date as possible, and whenever industrial changes shall make it essential, to ascertain the cost of producing articles at the time dutiable in the United States, in leading countries where such articles are produced, by fully specified units of production, and under a classification showing the different elements of cost, or approximate cost, of such articles of production, including with the other facts the wages paid per day, week, month, or year, or by the piece, in the industries involved; the hours employed per day, and the comparative cost of living, and the kind of living, of men producing such articles. Here was the fruit of the seed sown by this association, and in this respect the establishment of the Department of Labor was an immense stride in the interest of statistical science. But the bill did not stop here. It took up the question of the general progress of our industries. In our discussion of the problems of the census last year, it was shown that one of the chief wants of the times was the frequent collection of statistics showing the products of industries. The act creating the Department of Labor specially charges it upon the Commissioner to establish a system of reports by which, at intervals of not less than two years, he can report the general condition, so far as production is concerned, of the leading industries of the country. We need not discuss the value of such a provision. To remove apprehension from the public mind is one of the leading uses of statistical science; and the frequent collection of facts as to products, by which the country may know whether its leading industries are thriving or droop-

ing, is one of the most essential moral elements of statistical work. Through such a system of report as that indicated by the law creating the Department of Labor, apprehension may be removed, and that feature of industrial depressions which grows from fear deprived of its force. The act further specially charges the Commissioner to investigate the causes of, and facts relating to, all controversies and disputes between employers and employees as they may occur, and which may tend to interfere with the welfare of the people of the different States, and report thereon to Congress. It has been evident during the past few years, when great interstate strikes have occurred, that, could the facts surrounding such strikes be made known at once through authentic and official sources, they would be robbed of much of their terror; or, if the public could know with reasonable certainty the exact causes of the pending controversy, and thereby be enabled to fix the responsibility upon one or the other party, the strike would soon come to an end through the very power of public opinion. Heretofore these causes and surrounding conditions have been made the subject of newspaper comment or investigation, each side making prominent its own facts; but no systematic investigation and report as to such causes and surrounding conditions have yet been made within a reasonable time of the occurrence of the strike.

---

In 1891, the Secretary of the Interior recommended the creation of a permanent Census Bureau for multiple reasons, including that “The manufacturing interests of the United States are becoming so enormous that it grows more important and necessary every year that we shall be able to statistically determine their relative condition, whether it be one of health, of depression, or of overexpansion.”

In 1896, Congress told Wright to prepare a plan for “a permanent census service.” In his report, Wright recommended that the responsibility for conducting the biennial manufacturing reports be transferred from the Labor Department to a permanent Census Bureau because the latter would have the decennial data on which to base an assessment. Wright emphasized the value of frequent data collection to business decision-makers.

Census  
A 21  
1900  
# 250  
v. 7

# CENSUS REPORTS

## VOLUME VII

---

TWELFTH CENSUS OF THE UNITED STATES,  
TAKEN IN THE YEAR 1900

WILLIAM R. MERRIAM, DIRECTOR

---

# MANUFACTURES

PART I

UNITED STATES BY INDUSTRIES

---

PREPARED UNDER THE SUPERVISION OF S. N. D. NORTH,  
CHIEF STATISTICIAN FOR MANUFACTURES



WASHINGTON  
UNITED STATES CENSUS OFFICE  
1902

*Bureau of the Census  
Library*

## CHAPTER II.

### SUMMARY AND ANALYSIS OF RESULTS.

#### I.

##### GENERAL REVIEW.

The Twelfth Census marks the close of the first complete century of manufactures in the United States. It will thus become the most important statistical basis by which will be measured the future advancement of American industry.

1. *Comparisons with former Censuses.*—Table I presents what may be called a bird's-eye view of the progress of manufacturing and mechanical industries, as revealed by the decennial censuses from 1850 to 1900, inclusive, representing the development of the latter half of the nineteenth century.

TABLE I.—COMPARATIVE SUMMARY, 1850 TO 1900, WITH PER CENT OF INCREASE FOR EACH DECADE.

	DATE OF CENSUS.						PER CENT OF INCREASE.				
	1900 <sup>1</sup>	1890	1880	1870	1860	1850	1890 to 1900	1880 to 1890	1870 to 1880	1860 to 1870	1850 to 1860
Number of establishments.....	512,339	355,415	258,852	252,148	140,488	123,025	44.2	40.0	0.7	79.6	14.1
Capital.....	\$9,835,086,909	\$6,525,156,486	\$2,790,272,606	\$2,118,208,769	\$1,009,855,715	\$533,245,351	60.7	133.9	31.7	109.8	89.4
Salaried officials, clerks, etc. number.....	397,174	<sup>2</sup> \$461,009	(3)	(3)	(3)	(3)	418.8	-----	-----	-----	-----
Salaries.....	\$404,230,274	<sup>2</sup> \$391,988,208	(3)	(3)	(3)	(3)	8.1	-----	-----	-----	-----
Wage-earners, average number.....	5,316,802	4,251,613	2,732,595	2,053,996	1,311,246	957,059	25.1	55.6	33.0	56.6	37.0
Total wages.....	\$2,328,691,254	\$1,891,228,321	\$947,953,795	\$775,584,343	\$378,878,966	\$236,755,464	23.1	99.5	22.2	104.7	60.0
Men, 16 years and over.....	4,116,610	3,327,042	2,019,035	1,615,598	1,040,349	731,137	23.7	64.8	25.0	55.8	42.3
Wages.....	\$2,021,349,508	\$1,659,234,483	(3)	(3)	(3)	(3)	21.8	-----	-----	-----	-----
Women, 16 years and over.....	1,031,809	808,686	531,639	323,770	270,897	225,922	28.4	51.2	64.2	19.5	19.9
Wages.....	\$281,680,054	\$215,367,976	(3)	(3)	(3)	(3)	30.8	-----	-----	-----	-----
Children, under 16 years.....	168,583	120,885	181,921	114,628	(3)	(3)	39.5	433.6	58.7	-----	-----
Wages.....	\$25,661,692	\$16,625,862	(3)	(3)	(3)	(3)	54.3	-----	-----	-----	-----
Miscellaneous expenses.....	\$1,028,035,611	\$631,225,095	(3)	(3)	(3)	(3)	62.9	-----	-----	-----	-----
Cost of materials used.....	\$7,848,144,755	\$5,162,044,076	\$3,396,823,549	\$2,488,427,242	\$1,031,605,092	\$555,123,822	42.3	52.0	36.5	141.2	85.8
Value of products, including cus- tom work and repairing.....	\$13,014,287,498	\$9,372,437,283	\$5,369,579,191	\$4,232,325,442	\$1,885,861,676	\$1,019,106,616	38.9	74.5	26.9	124.4	85.1

<sup>1</sup> Includes, for comparative purposes, 85 governmental establishments in the District of Columbia having products valued at \$9,887,355, the statistics of such establishments for 1890 not being separable. (See Report on Manufactures, Part II, page 120.)

<sup>2</sup> Includes proprietors and firm members, with their salaries; number only reported in 1900, but not included in this table. (See general Table 3, page 59.)

<sup>3</sup> Not reported separately.

<sup>4</sup> Decrease.

<sup>5</sup> Not reported.

The statistics of manufactures at the censuses prior to 1850 were too imperfect and fragmentary in character to warrant their presentation in such a table as a measure of industrial growth in the first half of the century. Even the figures shown in the table must be accepted with many qualifications as hereinafter noted.

In comparison with the figures of the census of 1850, the statistics of manufactures in 1900 show an increase in capital invested approximating seventeenfold; in the average number of wage-earners the increase was about four and one-half fold; in amount of wages paid about ninefold; and in gross value of products about twelvefold. The population of the country has in the same period increased two and one-quarter fold, and the products of agriculture from \$1,600,000,000 to \$4,739,118,752, or less than twofold. These comparisons are an approximate measure of the relative devel-

opment of manufactures during the half century just completed.

The value of products of manufacturing and mechanical industries for 1900 was \$13,014,287,498, an increase of \$3,641,850,215, or 38.9 per cent, over the value shown in 1890, which was \$9,372,437,283. The total value of products returned by the census of 1880 was \$5,369,579,191, the increase from 1880 to 1890 being \$4,002,858,092, or 74.5 per cent. While the increase during the decade ending with 1890 exceeded that for the last decade by \$361,007,877, it should be borne in mind that the value of products for 1900 represents a relatively greater volume or quantity of products than is indicated by the value expressed in dollars.

Except where otherwise stated, the term "value of products" as used in this census report refers to the gross value. A constant duplication appears in this gross

value, owing to the fact that the finished products of many manufacturing establishments become the materials of other establishments, in which they are further utilized and again included in the value of products. At the present census, the cost of materials was so reported as to show separately the amount purchased in the raw state and that purchased in partly manufactured form. By deducting \$4,633,804,967, the cost of partially manufactured materials, from \$13,004,400,143, shown in General Table 3, page 61, as the gross total value of products, there remains as the net value of manufactured products, \$8,370,595,176, which represents the original cost of materials, together with the value added by manufacture. A fuller discussion of gross and net products will be found on page lxxxix of this report.

For the sake of uniformity in comparison, the statis-

tics for establishments reporting products valued at less than \$500, and also the statistics for governmental establishments (with the exception of 85 in the District of Columbia) and educational, eleemosynary, and penal institutions, as reported at the Twelfth Census, are omitted from table i. On pages lxx and lxxi of this introduction will be found detailed statistics of governmental establishments and educational, eleemosynary, and penal institutions separately presented.

2. *All Establishments, 1900.*—Table II divides the industries between the hand trades and the manufactures proper. It also gives the statistics for governmental establishments, educational, eleemosynary, and penal institutions, and establishments with a product of less than \$500; these establishments, for the reasons above stated, are omitted from all other tables except where their statistics are the subjects of special tables.

TABLE II.—SUMMARY FOR ALL ESTABLISHMENTS.

CLASSES.	Number of establishments.	Capital.	Proprietors and firm members.	WAGE-EARNERS.		Miscellaneous expenses.	COST OF MATERIALS USED.				Value of products, including custom work and repairing.
				Average number.	Total wages.		Total.	Purchased in raw state.	Purchased in partially manufactured form.	Fuel, freight, etc.	
Total .....	640,194	\$9,861,822,864	708,788	5,378,108	\$2,324,453,993	\$1,080,283,385	\$7,364,951,954	\$2,391,672,009	\$4,650,247,399	\$323,032,546	\$13,062,883,769
Hand trades <sup>1</sup> .....	215,814	392,442,255	242,154	559,130	288,118,421	124,623,253	482,736,991	8,851,162	462,510,619	11,375,210	1,188,615,478
Governmental establishments.....	188	.....	.....	.....	.....	.....	6,917,518	60,576	6,607,447	249,495	22,010,391
Educational, eleemosynary, and penal institutions.....	888	.....	.....	.....	.....	.....	3,717,536	1,038,343	2,890,709	288,484	6,688,592
Establishments with a product of less than \$500.....	127,419	44,888,065	136,127	64,702	2,120,116	2,527,007	8,903,249	1,432,148	7,444,276	26,825	29,784,643
All other establishments.....	296,440	9,424,992,544	380,457	4,749,276	2,034,215,456	903,132,525	6,862,676,600	2,380,289,780	4,171,294,348	311,092,532	11,820,784,665

<sup>1</sup> Includes bicycle and tricycle repairing, 6,331; blacksmithing and wheelwrighting, 51,791; boots and shoes, custom work and repairing, 23,574; carpentering, 21,332; clothing, men's, custom work and repairing, 22,214; clothing, women's, dressmaking, 14,485; dyeing and cleaning, 1,810; furniture, cabinetmaking, repairing, and upholstering, 6,164; lock and gun smithing, 2,103; masonry, brick and stone, 6,434; millinery, custom work, 16,153; painting, house, sign, etc., 15,300; paper hanging, 1,045; plastering and stuccowork, 1,902; plumbing and gas and steam fitting, 11,881; sewing machine repairing, 396; taxidermy, 147; typewriter repairing, 85; watch, clock, and jewelry repairing, 12,243.