
REPORTS FOR SELECTED INDUSTRIES

INTRODUCTION AND EXPLANATION OF TERMS.

INTRODUCTION.

This volume contains statistics for the leading manufacturing industries of the United States. Data for certain selected industries were published as separate bulletins as rapidly as the statistics were compiled and are now collected in the present volume, together with detailed statistics for each industry, by states, and a report on "Power laundries and dyeing and cleaning," and form Volume X of the reports of the Fourteenth Census.

The figures in the volume may differ in some unimportant details from those given in the bulletins, for the reason that minor errors discovered in the bulletins as first published have been corrected.

Each report summarizes the general results of the census inquiry, presenting a series of tables in which the more important figures printed in the general tables are given in convenient form, as well as statistics for character of ownership, for size of establishments, by value of product and by number of wage earners, and for prevailing hours of labor. In addition, data of a supplemental character regarding the quantity and costs of materials, the quantity and value of products, and other information for securing which no provision is made on the general schedule, were collected by means of special schedules and the results are shown for each of the selected industries in the sections headed "special statistics."

At the end of the report for each industry are two general tables. The first is a comparative summary

for 1919, 1914, and 1909, and gives, by states, the number of establishments, average number of wage earners, primary horsepower, wages, cost of materials, and value of products. The second table presents detailed statistics for 1919 for each state that can be shown without disclosing the operations of individual establishments.

To facilitate the comparison of one broad type of manufacturing with another, the selected industries shown in this report have been grouped into general classes. Any grouping of industries must necessarily be more or less arbitrary. In making up the classes shown in this volume the Census Bureau has followed two principles: (1) That of similarity with respect to character of materials; and (2) that of similarity with respect to the use of the finished product. In some cases the actual classification of an industry might be explained by either principle. Thus the industries assigned to the textile group all resemble one another in using as materials fibers of different sorts or the more advanced products derived from those materials; and most of them resemble one another in that the products are designed chiefly for use, directly or indirectly, as clothing. On the other hand, the uses of the products made by the various industries classed under the general designation "iron and steel and their products" are extremely varied, and this group has been constituted solely with respect to the character of the principal materials used.

EXPLANATION OF TERMS.

Scope of census.—Census statistics of manufactures are compiled primarily for the purpose of showing the absolute and relative magnitude of the different branches of industry covered and their growth or decline. Incidentally, the effort is made to present data throwing light upon character of ownership, size of establishments, and similar subjects. When use is made of the statistics for these purposes it is imperative that due attention be given to their limitations, particularly in connection with any attempt to derive from them figures purporting to show average wages, cost of production, or profits.

The census did not cover establishments which were idle during the entire year or for which products were valued at less than \$500, nor the manufacturing done in educational, eleemosynary, or penal institutions.

Period covered.—The returns relate to the calendar year 1919, or the business year which corresponded most nearly to that calendar year, and cover a year's operations, except for establishments which began or discontinued business during the year.

The establishment.—As a rule, the term "establishment" represents a single plant or factory, but in some cases it represents two or more plants which were operated under a common ownership or for which one set of books of account was kept. If, however, the plants constituting an establishment as thus defined were not all located within the same city, county, or state, separate reports were secured in order that the figures for each plant might be included in the statistics for the city, county, or state in which it was located. In some instances separate reports were secured for different industries carried on in the same establishment.

Classification by industries.—The establishments were assigned to the several classes of industries according to their products of chief value. The products reported for a given industry may thus, on the one hand, include minor products different from those covered by the class designation, and, on the other hand, may not represent the total product covered by this designation, because some products of this class may be made in establishments in which it is not the product of chief value.

Influence of increased prices.—In comparing figures for cost of materials, value of products, and value added by manufacture in 1919 with the corresponding figures for earlier censuses, account should be taken of the general increase in the prices of commodities during recent years. To the extent to which this factor has been influential the figures fail to afford an exact measure of the increase in the volume of business.

Persons engaged in the industry.—The following general classes of persons engaged in the manufacturing industries were distinguished: (1) Proprietors and firm members, (2) salaried officers of corporations, (3) superintendents and managers, (4) clerks (including other subordinate salaried employees), and (5) wage earners.

The number of persons engaged in each industry, segregated by sex, and, in the case of wage earners, also by age (whether under 16 or 16 and over), was reported for a single representative day. The 15th of December was selected as representing for most industries normal conditions of employment, but where this date did not portray such conditions, an earlier date was requested.

In the case of employees other than wage earners the number thus reported for the representative date has been treated as equivalent to the average for the year, since the number of employees of this class does not ordinarily vary much from month to month. In the case of wage earners the average has been obtained in the manner explained in the next paragraph.

In addition to the more detailed report by sex and age of the number of wage earners on the representative date, a report was obtained of the number employed on the 15th of each month, by sex, without distinction of age. From these figures the average number of wage earners for the year has been calculated by dividing the sum of the numbers reported for the several months by 12. The importance of the industry as an employer of labor is believed to be more accurately measured by this average than by the number employed at any one time or on a given day.

The number of wage earners reported for the representative day, though given in certain tables for each separate industry, is not totaled for all industries

combined, because, in view of the variations of date, such a total is not believed to be significant. It would involve more or less duplication of persons working in different industries at different times, would not represent the total number employed in all industries at any one time, and would give an undue weight to seasonal industries as compared with industries in continual operation.

In order to determine as nearly as possible the age distribution of the average number of wage earners for an industry, the per cent distribution by age of the wage earners for December 15, or the nearest representative day, has been calculated from the actual numbers reported for that date. The percentages thus obtained have been applied to the average number of wage earners for the year to determine the average numbers 16 years and over, and under 16, employed.

Salaries and wages.—Under these heads are given the total payments during the year for salaries and wages, respectively. The Census Bureau has not undertaken to calculate the average annual earnings, of either salaried employees or wage earners. Such averages would possess little real value, because they would be based on the earnings of employees of both sexes, of all ages, and of widely varying degrees of skill. Furthermore, so far as wage earners are concerned, it would be impossible to calculate accurately even so simple an average as this, since the number of wage earners fluctuates from month to month in every industry, and in some cases to a very great extent. The Census Bureau's figures for wage earners, as already explained, are averages based on the number employed on the 15th of each month, and while representing the number according to the pay rolls to whom wages were paid on that date, no doubt represent a larger number than would be required to perform the work in any industry if all were continuously employed during the year.

Prevailing hours of labor.—No attempt was made to ascertain the number of wage earners working a given number of hours per week. The inquiry called merely for the prevailing practice followed in each establishment. Occasional variations in hours in an establishment from one part of the year to another were disregarded, and no attention was paid to the fact that a few wage earners might have hours differing from those of the majority. All the wage earners of each establishment are therefore counted in the class within which the establishment itself falls. In most establishments, however, practically all the wage earners work the same number of hours, so that the figures give a substantially correct representation of the hours of labor.

Capital (amount actually invested).—The instructions on the schedule for securing data relating to capital were as follows:

“The answer should show the total amount of capital, both owned and borrowed, on the last day of the business year reported. All the items of fixed and live capital may be taken at the amounts carried on the books. If land or buildings are rented, that fact should be stated and no value given. If a part of the land or buildings is owned, the remainder being rented, that fact should be so stated and only the value of the owned property given. Do not include securities and loans representing investments in other enterprises.”

These instructions were identical with those employed at the censuses of 1914 and 1909. The data compiled in respect to capital, however, at both censuses, as well as at all preceding censuses of manufactures, have been so defective as to be of little value except as indicating general conditions. In fact, it has been repeatedly recommended by the census authorities that this inquiry be omitted from the schedule. While there are some establishments whose accounting systems are such that an accurate return for capital could be made, this is not true of the great majority, and the figures therefore do not show the actual amount of capital invested.

Materials.—The statistics as to cost of materials relate to the materials used during the year, which may be more or less than the materials purchased during the year. The term “materials” covers fuel, rent of power and heat, mill supplies, and containers, as well as materials which form a constituent part of the product.

Rent and taxes.—The taxes include certain Federal taxes and state, county, and local taxes. Under “Federal taxes” there are included the internal revenue tax on manufactures (tobacco, beverages, etc.), excise taxes when included in values reported for products, corporation capital stock tax, and corporation income tax, but not the income tax for individuals and partners.

Value of products.—The amounts given under this heading represent the selling value or price at the factory of all products manufactured during the year, which may differ from the value of the products sold.

Value added by manufacture.—The value of products is not always a satisfactory measure of either the absolute or the relative importance of a given industry, because only a part of this value is actually created by the manufacturing processes carried on in the industry itself. Another part, and often by far the larger one, represents the value of the materials used. For many purposes, therefore, the best measure of the importance of an industry, from a manufacturing standpoint, is the value created by the manufacturing operations carried on within the industry. This value is calculated by deducting the cost of the materials used from the value of the products. The figure thus obtained is termed in the census reports “value added by manufacture.”

Cost of manufacture and profits.—The census data do not show the entire cost of manufacture, and consequently can not be used for the calculation of profits. No account has been taken of depreciation or interest, rent of offices and buildings other than factory or works, insurance, ordinary repairs, advertising, and other sundry expenses.

Primary horsepower.—This item represents the total primary power equipment of the manufacturing establishments plus the amount of power, principally electric, rented from other concerns. It does not cover the power of electric motors taking their current from dynamos driven by primary power machines operated by the same establishment, because the inclusion of such power would obviously result in duplication. The figures for primary horsepower represent the rated capacity of the engines, motors, etc., and not the amount of power in actual daily use.

Fuel.—Statistics of the quantity of fuel used are shown only for anthracite and bituminous coal, coke, fuel oils, gasoline and other volatile oils, and gas, and represent the quantity used during the year. As only the principal kinds of fuel are shown, comparison as to the total cost of all fuels is impracticable.