

This PDF is a selection from a published volume from the National Bureau of Economic Research

Volume Title: The Industrial Composition of Income and Product

Volume Author/Editor: John W. Kendrick, editor

Volume Publisher: NBER

Volume ISBN: 0-870-14487-1

Volume URL: <http://www.nber.org/books/kend68-1>

Conference Date:

Publication Date: 1968

Chapter Title: Front matter, The Industrial Composition of Income and Product

Chapter Author(s): John W. Kendrick

Chapter URL: <http://www.nber.org/chapters/c1135>

Chapter pages in book: (p. -10 - 0)

*The Industrial Composition
of Income and Product*

JOHN W. KENDRICK, *editor*
THE GEORGE WASHINGTON UNIVERSITY

Studies in Income and Wealth

VOLUME THIRTY-TWO

*by the Conference
on Research in Income
and Wealth*



NATIONAL BUREAU OF ECONOMIC RESEARCH
NEW YORK

Distributed by COLUMBIA UNIVERSITY PRESS
NEW YORK AND LONDON 1968

Relation of National Bureau Directors to
Publications Reporting Conference Proceedings

Since the present volume is a record of conference proceedings, it has been exempted from the rules governing submission of manuscripts to, and critical review by, the Board of Directors of the National Bureau. It has, however, been reviewed and accepted for publication by the Director of Research.

*Resolution adopted July 6, 1948,
as revised November 21, 1949*

Copyright © 1968 by the National Bureau of Economic Research
All Rights Reserved
L. C. Card: 67-29642
Printed in the United States of America

*The Industrial Composition
of Income and Product*

NATIONAL BUREAU OF ECONOMIC RESEARCH
CONFERENCE ON RESEARCH IN INCOME AND WEALTH

NATIONAL BUREAU OF ECONOMIC RESEARCH 1967

OFFICERS

Arthur F. Burns, *Chairman*
Theodore O. Yntema, *Vice Chairman*
John R. Meyer, *President*
Donald B. Woodward, *Treasurer*
Geoffrey H. Moore, *Director of Research*
Douglas H. Eldridge, *Executive Director*
Hal B. Lary, *Associate Director of Research*
Victor R. Fuchs, *Associate Director of Research*
Mark S. Reinsberg, *Director of Publications*

DIRECTORS AT LARGE

Joseph A. Beirne, *Communications Workers of America*
Wallace J. Campbell, *Foundation for Cooperative Housing*
Erwin D. Canham, *Christian Science Monitor*
Solomon Fabricant, *New York University*
Frank W. Fetter, *Dartmouth College*
Marion B. Folsom, *Eastman Kodak Co.*
Crawford H. Greenewalt, *E. I. du Pont de Nemours & Co.*
Gabriel Hauge, *Manufacturers Hanover Trust Co.*
Walter W. Heller, *University of Minnesota*
Albert J. Hettinger, Jr., *Lazard Frères and Co.*
Harry W. Laidler, *League for Industrial Democracy*
John R. Meyer, *Harvard University*
Geoffrey H. Moore, *National Bureau of Economic Research*
Charles G. Mortimer, *General Foods Corp.*
J. Wilson Newman, *Dun & Bradstreet, Inc.*
George B. Roberts, *Larchmont, N.Y.*
Robert V. Roosa, *Brown Brothers-Harriman & Co.*
Boris Shishkin, *American Federation of Labor and Congress of Industrial Organizations*
Gus Tyler, *International Ladies' Garment Workers' Union*
Joseph H. Willits, *Langhorne, Pa.*
Donald B. Woodward, *A. W. Jones and Co.*

DIRECTORS BY UNIVERSITY APPOINTMENT

Francis M. Boddy, *Minnesota*
Arthur F. Burns, *Columbia*
Lester V. Chandler, *Princeton*
Melvin G. de Chazeau, *Cornell*
Walter D. Fisher, *Northwestern*
R. A. Gordon, *California*
Harold M. Groves, *Wisconsin*
Gottfried Haberler, *Harvard*
Douglas G. Hartle, *Toronto*
Maurice W. Lee, *North Carolina*
Lloyd G. Reynolds, *Yale*
Robert M. Solow, *Massachusetts Institute of Technology*
Henri Theil, *Chicago*
Willis J. Winn, *Pennsylvania*

DIRECTORS BY APPOINTMENT OF OTHER ORGANIZATIONS

Thomas D. Flynn, *American Institute of Certified Public Accountants*
Nathaniel Goldfinger, *American Federation of Labor and Congress of Industrial Organizations*
Harold G. Halcrow, *American Farm Economic Association*
Walter E. Hoadley, *American Finance Association*
Douglass C. North, *Economic History Association*
Murray Shields, *American Management Association*
Willard L. Thorp, *American Economic Association*
W. Allen Wallis, *American Statistical Association*
Theodore O. Yntema, *Committee for Economic Development*

DIRECTORS EMERITI

Percival F. Brundage
Shepard Morgan
Harry Scherman
George Soule
Jacob Viner

SENIOR RESEARCH STAFF

Moses Abramovitz
Gary S. Becker
Arthur F. Burns
Phillip Cagan
James S. Earley
Solomon Fabricant
Milton Friedman
Victor R. Fuchs
Raymond W. Goldsmith
Jack M. Guttentag
Daniel M. Holland
F. Thomas Juster
C. Harry Kahn
John W. Kendrick
Irving B. Kravis
Hal B. Lary
Robert E. Lipsey
John R. Meyer
Jacob Mincer
Ilse Mintz
Geoffrey H. Moore
Robert P. Shay
George J. Stigler
Norman B. Ture
Victor Zarnowitz

Prefatory Note

This volume of *Studies in Income and Wealth* contains the papers presented at the Conference on the Industrial Composition of Income and Product held on December 1–2, 1966, at the Brookings Institution in Washington, D.C. The Program Committee consisted of John W. Kendrick, chairman, Jack Alterman, Martin Marimont, Milton Moss, and John P. Powelson. We are indebted to Gerald R. Paul for preparation of the manuscript for press and to H. Irving Forman for drawing the charts.

Executive Committee, 1967–68

Robert Eisner, *Chairman*

Evsey D. Domar

Graeme S. Dorrance

Morris R. Goldman

Zvi Griliches

F. Thomas Juster

Irving B. Kravis

Milton Moss

Malcolm C. Urquhart

Harold W. Watts

Mildred E. Courtney, *Secretary*

Contents

Introduction	<i>John W. Kendrick</i>	3
<i>Part I: Changes in Final Demand, Industry Product, and Prices</i>		
Factors Affecting the Postwar Industrial Composition of Real Product	<i>Beatrice Vaccara and Nancy Simon</i>	19
COMMENT	<i>Gary Fromm</i>	59
A Framework for Analysis of the Industrial Origin of Income, Product, Costs, and Prices	<i>Jack Alterman</i>	67
COMMENT	<i>Richard Ruggles</i>	99
<i>Part II: Changing Factor Costs and Shares of Gross Income by Industry</i>		
Sector Changes in Unit Labor Costs	<i>Leon Greenberg and Jerome A. Mark</i>	105
COMMENT	<i>Albert Rees</i>	147
Industry Changes in Nonlabor Costs	<i>John W. Kendrick</i>	151
COMMENT	<i>Dale Jorgenson</i>	176
Changing Factor Shares by Industry: Factor Prices and Factor Substitutions	<i>Alvin C. Egbert</i>	185
COMMENT	<i>Ta-Chung Liu</i>	219
<i>Part III: Basic Industry Product Estimates</i>		
Comparison of Federal Reserve and OBE Measures of Real Manufacturing Output, 1947-64	<i>Jack J. Gottsegen and Richard C. Ziemer</i>	225

COMMENT	<i>Clayton Gehman and Cornelia Motheral</i>	347
	<i>Cornelia Motheral</i>	352
	<i>Vivian Spencer</i>	355
	<i>Milton Moss</i>	357
	<i>Frank R. Garfield</i>	367
Measures of Industrial Production and Final Demand		<i>Clayton</i>
	<i>Gehman and Cornelia Motheral</i>	371
COMMENT	<i>Michael D. Godfrey</i>	407
	<i>Stanley J. Sigel</i>	408
REPLY BY	<i>Motheral</i>	413
Problems in the Estimation of Industry Output in Current and Constant Dollars in Canada		<i>Gordon J. Garston and David A.</i>
	<i>Worton</i>	415
COMMENT	<i>Michael Gort</i>	478
REPLY BY	<i>Garston and Worton</i>	482
Index		486

National Bureau of Economic Research,

2,006,858

Conference on the Industrial Composition of Income and Product, *Brookings Institution, 1966.*

The industrial composition of income and product; papers, John W. Kendrick, editor. New York, National Bureau of Economic Research; distributed by Columbia University Press, 1968.

viii, 494 p. illus. 24 cm. (Studies in income and wealth, v. 32)
Includes bibliographical references.

1. U. S.—Indus.—Addresses, essays, lectures. 2. Costs, Industrial—U. S.—Addresses, essays, lectures. 3. Canada—Indus.—Addresses, essays, lectures. i. Kendrick, John W., ed. ii. National Bureau of Economic Research. iii. Brookings Institution, Washington, D. C. iv. Title. (Series: Conference on Research in Income and Wealth. Studies in income and wealth, v. 32)

HB0601.M3

~~32~~
BY PUBLISHER

389.2'3'097

67-29642

