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**EVIDENCES OF LONG SWINGS
IN AGGREGATE CONSTRUCTION
SINCE THE CIVIL WAR**

MOSES ABRAMOVITZ

Stanford University

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*(Resolution adopted October 25, 1926,
as revised February 6, 1933, and February 24, 1941)*

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Preface

The relatively slow rate of economic growth in this country during the latter portion of the 1950's makes the question of the nature of the successive periods of retardation in United States development a matter of renewed practical interest. Are these experiences wholly episodic, or is there something at least partly systematic about their recurrence? This problem has long been a matter of some concern to members of the National Bureau staff and an object of research at the Bureau. Simon Kuznets' *Secular Movements in Production and Prices* (1930) and Arthur F. Burns' *Production Trends in the United States since 1870* (1934) included pioneer explanations of the observable fluctuations in the rate of growth in this country. Both found widespread evidence that many aspects of economic life in the United States displayed, not only business-cycle movements, but also longer waves, with a duration of fifteen to twenty-five years. Burns' theoretical work on building cycles and his empirical studies (still unpublished) of building cycles and railroad construction cycles deal with important aspects of the phenomenon. The chapter on possible cyclical fluctuations in the character of business cycles, which Wesley C. Mitchell and Burns included in *Measuring Business Cycles* (1946), treats the question from another angle. In more recent years, Kuznets has returned to the problem in his *Capital in the American Economy* (1961) and in other studies; and many writers now refer to the phenomena as Kuznets cycles. Kuznets himself now calls them *long swings*. Melville J. Ulmer has taken up the question in connection with his *Capital in Transportation, Communications, and Public Utilities* (1960), as have Leo Grebler, David M. Blank, and Louis Winnick in their study, *Capital Formation in Residential Real Estate* (1956).

This paper, then, is another example of a recurrent effort by the National Bureau to contribute to our knowledge of long swings in United States development. It is also part of a more general study of

Preface

these waves on which the present writer, together with Richard A. Easterlin and Manuel Gottlieb, has been engaged for some time. The first section of the present paper tells something about these broader efforts and about the place in them of this empirical study of construction cycles.

I should like to acknowledge with gratitude the help I have had over a number of years from a succession of able assistants: David Baernkopf, Richard Wilson, Marilyn MacDonald, and Soren Neilsen at Stanford University; and Nancy Byrne and Gerald Childs at the National Bureau. Elizabeth Jenks and Maude Pech checked the tabular material and made the presentation of my results clearer and more accurate. Ester Moskowitz edited the manuscript and H. Irving Forman drew the charts.

This report has benefited from the valuable critical advice of Arthur F. Burns, Richard A. Easterlin, Solomon Fabricant, Manuel Gottlieb, Leo Grabler, Jack Guttentag, and H. C. Passer. Finally, I am grateful to Marion B. Folsom, Paul A. Samuelson, and Harold F. Williamson, members of the National Bureau Board of Directors, for their careful review of the manuscript.

Postscript: Almost two and one-half years have passed since this study was written, a delay due in part to the fact that I was absent from the country for over a year. This delay accounts for the fact that most of the data in my basic tables do not extend beyond 1959. The basic analysis of the study can hardly be affected by the experience of the immediate past, since the study is chiefly concerned with the pattern of fluctuations over a period of about ninety years. In a very few instances, however, I dealt directly with developments in the late fifties and early sixties, and here judgments can go astray if one neglects the last few years. In these cases, I have made some effort to take account of recent developments, at least through 1963. I have not, however, been able to do that as carefully as one would like. Readers are, therefore, advised to look at my treatment of such points with extra caution.

May, 1964

MOSES ABRAMOVITZ
*Stanford University
California*

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