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Introduction

Morris A. Copeland

Preceding studies in this series have paid relatively little attention to the aspects of social accounting that relate to national wealth. The national income and product accounts and personal income size distribution have been considered at some length. Occasionally papers have given income and wealth something approaching equal treatment, but the only paper devoted primarily to the subject of wealth and claims is the leading paper in *Volume Two*, 'On the Measurement of National Wealth', by Simon Kuznets.

If national income has thus far absorbed a major part of the attention of the Conference on Research in Income and Wealth, it is largely because between the two world wars economists both in the United States and in other countries were emphasizing income and somewhat neglecting wealth. But the classical tradition in economics had, at least nominally, placed the emphasis the other way. This tradition had developed with little assistance from quantitative empirical data. Yet the fact that during the nineteenth century economics was often characterized as 'the science of wealth' appears to rest in part on a quantitative empirical foundation. By and large during most of the century it was easier to get together something of a picture of national wealth than to produce a passable estimate of national income. Moreover, accountants during this period in general paid far more attention to the balance sheet than to the income statement.

One byproduct of the industrial revolution and of the expansion of governmental functions that followed in its wake was a marked growth of economic statistics. As the body of such data grew, economists came more and more to think in quantitative empirical terms. Gradually it became apparent that while much had been written about wealth, incautious writers had not infrequently used the word 'wealth' when they should have said 'income'.

Irving Fisher in his *Nature of Capital and Income* (Macmillan, 1906) treated income as a 'flow' and wealth as a 'fund'. And he demonstrated that distinguishing sharply and unswervingly between 'fund' and 'flow' has far reaching implications for economic theory. In this important study he gave us also preliminary blueprints for constructing empirical definitions of two very basic economic concepts, income or production, and wealth.

Though Fisher's blueprint of the consolidated income account for an economy is too simple for any actual time and place, it is still the framework around which our modern national income and product accounts are built. It was a major contribution to scientific work in economics. His wealth blueprint, judged by present-day standards, was rather more of an oversimplification, but it too deserves to rank as a major contribution.

Fisher's income blueprint received our first attention partly because of a general shift toward emphasizing flows during a fiscal period rather than conditions at the period's close (i.e., what Fisher called funds), and partly because, after work on a condition statement for our economy has passed a certain point, the going becomes much more difficult. An official exhibit of the nation's tangible assets, a decennial 'census' of wealth, had been compiled for several decades before Fisher's study of the nature of capital and income appeared. But when one tries to go beyond this toward constructing a national balance sheet the technical problems increase sharply. At least until the early 1920's the data needed for a national balance sheet for the United States were indeed scanty. Moreover for 1932 even the tangible asset exhibit was left uncompleted, and for 1942 this 'census' was not attempted.

Fisher's wealth blueprint outlined a consolidated balance sheet for an economy. But up to the end of World War II little had been done toward constructing a full double-entry statement of financial condition for the United States. By 1946, however, the situation had become favorable for moving forward in this direction. The body of basic data appropriate for

constructing wealth estimates had grown so that it could fairly be compared with the basic income and product data that had been available to the National Bureau of Economic Research when—more than a quarter of a century earlier—it began its work on national income. At the same time a feeling of uneasiness was spreading among economists, a suspicion that without a national balance sheet their empirical view of our economy might be somewhat lopsided.

In November 1946 Martin R. Gainsbrugh presented a paper on *The Need for National Wealth Estimates* before the Conference on Research in Income and Wealth.¹ Noting “the early concentration of economists upon wealth”, and what he characterized as “the submerged half of the charter originally envisaged for the Conference” he pointed out that at least on a tentative basis “Great Britain has moved ahead in this sector of national accounting”. He then argued that in official commentaries on estimates of national income and gross national product “emphasis . . . has been increasingly placed upon the accounting concept and analogy”, and that without “national accounts of our financial position . . . the accounting analogy upon which the income technician leans, leaves him walking on a crutch”. “If the accounting analogy has any validity at all in the national accounts it should apply across the board, to balance sheet and operating statement alike.”

Gainsbrugh’s paper did not include a revised blueprint for a national balance sheet. But he had previously grappled with the task of actual construction work and he surely had in mind not only something in the way of sketches of floor plans and elevations but also some of the specifications. He was asking for considerably more than an old fashioned exhibit of tangible assets and for something different from Kuznets’ proposal that the (separate) “substantive and claims approaches” be so combined as to yield a number of “variants” of a “global total” value of “the stock of economic goods”.² What Gainsbrugh

¹ Since this paper was not printed in *Volume Eleven* of this series I propose to abstract it here.

² *Studies in Income and Wealth, Volume Two*, pp. 9-18.

wanted was to move "in the direction of a dual set of financial or accounting statements for the national economy", to round out "our system of national accounts of income and product" by adding a "consolidated statement of . . . assets and liabilities", . . . "a companion estimate of wealth and its inter-relationship to our national operating statement". He went on to say, "We now know that both the income and expenditure sides of the national income account are needed to make the data useful. If this two-sided goal is kept in mind so far as the national wealth controversy among the technicians is concerned, it may help to resolve the somewhat futile arguments over the respective merits of the substantive or claims approach." He visualized the plans in outline form, but he saw clearly that much further planning—working out of concepts of what it is that is to be measured—would be needed. He called attention to some of the problems involved in tying national income statements and national balance sheets together, referred to the need to develop "conventions of wealth accounting", and warned us that "the time-consuming task of setting up and compiling a national balance sheet, the development of the necessary conventions of measurement and the synthesis and integration of existing data will more than absorb the full physical and mental capacities of those charged with this vital undertaking".

Gainsbrugh considered the "prospective demands for and uses of wealth data" at some length. Among demands and uses he counted:

To determine the effect of the war on a "nation's debtor-creditor position; erosion of capital goods in civilian industry; the draining down of civilian stocks", and "particularly changes in assets and liabilities in the accounts of business, consumers and the government" and in the geographical distribution of ownership.

As a pertinent consideration in relation to problems of reparations, lend-lease settlements, and international debt adjustments, and in reconstruction planning.

As a guide in framing policy toward national resources.

To compare public and private ownership of assets.

As an aid in connection with a federal capital budget.

As a guide in framing tax policy.

To correct the present way of drawing the line between savings and consumption.

To provide "quantitative materials on homes and their facilities, cars, household accessories and other tangible items" and on personal holdings of securities and other claims that can be used as indicia of welfare.

As an aid in interpreting national income and product accounts and "as benchmarks against which cumulative totals of capital formation might be checked". (This use emphasizes the need for *comparative* balance sheets.)

This list of prospective demands and uses was in some respects quite similar to that assembled and discounted by Kuznets a decade earlier.³ But a new significance had been added. This was partly because World War II had brought out new aspects or given an added importance to a number of the items. But more largely it was because Gainsbrugh was speaking not of a global total but of a balance sheet exhibit. Indeed it is evident from his discussion of demands and uses that he was speaking of more even than a consolidated national balance sheet; he had in mind a consolidated national balance sheet supplemented and supported by a number of sector balance sheets.

The Executive Committee of the Conference responded promptly to Gainsbrugh's plea. They decided to devote the next meeting of the Conference to the subject of a national balance sheet and supplementary sector condition statements. That meeting was held January 30 and 31, 1948. The papers here published are the papers that were placed before that meeting for consideration.

Planning a program is always difficult. In this case there were special difficulties. The list of studies originally contemplated by the Committee and the final list of those placed before the Conference differed greatly. Work on the former had scarcely gotten under way when it was realized that the

³ *Idem*, pp. 38 et seq.

proposed program was not well balanced and that it was likely to prove a mere bringing together in time of unrelated analyses of somewhat separate subjects. In order to remake this 'program' into something of an organic whole, it was decided to give two of the contributors broad over-all assignments, and to assign to each of the others a special wealth sector. At the same time several sector assignments were added so as to improve the program's coverage, and contributors were asked to give actual figures for 1929, 1939, and 1946 as well as to discuss problems of methodology and data improvement. Under this revised plan Raymond Goldsmith was given an over-all, coordinating responsibility with major emphasis on tangible and other basic assets, and Albert Hart a corresponding assignment with major emphasis on liabilities and residual equities. Of the special wealth sector assignments five were defined in terms of basic asset types, the rest in terms of type of owner. All except one of the sector assignments, that dealing with non-farm dwelling units, were completed. However, they were not completed soon enough to permit Goldsmith to carry out his intention to summarize the asset information they contained,⁴ and the liability and equity information proved too scanty for Hart to summarize. To help piece out the claims side of the picture I undertook a last-minute assignment to assemble such materials as were available in the moneyflows study I have been conducting.

Two further steps looking in the direction of coordination should be recorded. (1) Two meetings of contributors—or rather of as many as could conveniently get together—were held. At each both outlines of the several projected contributions and the general work plan were discussed. (2) Hart, Goldsmith, and I prepared a pair of over-all tables in blank (National Balance Sheet, Exhibit I, and National Balance Sheet, Exhibit II) and a covering memorandum to explain the nature of the national balance sheet information aimed at and to enable each sector specialist to see where and how the results of his study could contribute to this national picture. The two

⁴ Goldsmith was abroad during the latter part of 1947.

exhibits are reproduced at the end of this introduction providing a standard by which one may appraise the contents of this volume.

Since I am a contributor it would clearly be inappropriate for me to attempt here to apply this standard to the individual contributions. The reader would prefer to do that for himself in any case. Writing with the wisdom of hindsight, however, I may attempt to apply this standard to the program as a whole. The two exhibits are blueprints for the kind of social accounting statement that, I take it, Gainsbrugh had in mind. Possibly he feels they are too ambitious as a present objective. My own part in their preparation was mainly one of simplifying a somewhat more complicated earlier draft, and I should urge further simplification today, if there were occasion to revise them. But they do outline a scheme of sector balance sheets and a way of fitting them together into an over-all consolidated balance sheet for our economy.

Before we consider whether the program really aimed in the direction indicated by these two exhibits, let me suggest another possible standard of judgment. Assuming the program was a move in general toward the selected objective, was the most efficient mode of statistical locomotion adopted? In this respect a choice was made between two proposed alternatives. The original list of contributor assignments did not contemplate an attempt to obtain estimates for 1929, 1939, and 1946. In the process of revising the program it was decided to make such an attempt. This decision was not motivated by any thought that a firm and fairly complete picture could be produced in such a short time. Rather it was made because the Committee felt that the discussion of methodological and data-improvement problems would be more to the point and more fruitful this way and that the production of a defective picture accompanied by a statement of its defects would prove an excellent method of stimulating people to produce a better picture.

In my opinion the choice of this mode of statistical locomotion was eminently wise.

Now as to the aim. Was the program accurately aimed at the

problems of developing a consolidated national balance sheet and supporting sheets for the sectors? On this point I think it must be said in retrospect that the aim was too low, even with reference to some less ambitious social accounting condition statement plan than that of Exhibits I and II, and further that the aim was somewhat to the right of such an objective.

The aim was too low chiefly because a number of the sector assignments—through no fault of the individual contributors—came to be defined in terms of basic asset types. This way of defining sectors now seems unfortunate, though it resulted partly from the desire for figures for 1929, 1939, and 1946 and partly from the attempt to carve out feasible assignments. One cannot expect to get sector balance sheets for dwellings, for other consumer tangible assets, for forest lands, for subsoil resources, or for business inventories. Figures on cash, portfolios, debts, and proprietorship equities do not fit into this kind of sectoring. The box in both exhibits runs not in terms of basic asset types but in terms of type of owner—households, mining enterprises, unincorporated dwelling landlords, etc.

The aim of the January 1948 program was somewhat to the right, partly because of the nature of the two over-all coordinating assignments. Some method of coordination was clearly needed, but the method chosen proved unwise. With one coordinator responsible mainly for assets and the other mainly for claims the cards were somewhat stacked in favor of separateness of the substantive and claims approaches along the lines of Kuznets' paper in *Volume Two* and stacked against a balancing condition statement.

If we judge the accomplishment of this volume in terms of the objective of developing an old fashioned exhibit of basic assets, we can say that we have traveled a large part of the way. If we judge the accomplishment in terms of the objective of developing a national balance sheet this volume is still a very impressive achievement. We have traveled much farther in a year than anyone had dared hope when Gainsbrugh delivered his paper. But there is a very long way still to go.

In conformity with established Conference practice most of

the papers in this volume were circulated to members in advance of the meeting, and were discussed but not read at the meeting. Only a small part of the discussion is recorded here; rather what appear here are more carefully considered written comments by only a few of those who participated in the oral discussion. It may therefore be in order to give some impressions of the discussion that I came away with.

One impression, and a strong one, is that many people talked on many different topics and from many different points of view. Instead of focusing their comments on the subject of a national balance sheet exhibit for the United States, various discussants seemed over and over again to veer away from this subject and to propose restrictions on the social accounting approach to the study of our economy. I think it is worth while to consider the chief kinds of restriction proposed. For this purpose those who proposed restrictions on social accounting may be grouped into three main classes:

- 1) Those who wished to see a development of all the detailed items needed for a rounded social accounting condition statement along the lines of some simplified version of Exhibits I and II but who objected to striking certain of the cross totals and down totals, or at any rate to making these totals public. Such objections centered about the present sharp contrast between two of the 'ultimate' owner groups, households and the federal government. What households own minus their debts is a very large positive quantity—total personal wealth is larger than the national wealth; on the other hand, the federal debt is much larger than the sum of federal tangible assets, portfolio, and current receivables. Some of those impressed by this contrast felt it would be improper to put figures on federal assets and federal debt alongside each other in a federal sector balance sheet. Others approved such a sector statement and a balance sheet for all private sectors lumped together, but felt it would be improper to show the algebraic sum of the positive household residual equity and the negative residual equity of the federal government. If I correctly understand this second view it would mean that the

sector balance sheets should be such as to fit together into a consolidated national balance sheet, but that the consolidated sheet itself should be suppressed.

One ground for objecting to these cross totals and down totals was apparently that they run counter to certain preconceptions; another was that these totals are difficult to understand, and are therefore likely to be misinterpreted. When we attempt to construct a social accounting condition statement for our economy we are attempting to work out something not fully and explicitly worked out previously. We can hardly hope to go forward in such an enterprise without encountering obstacles. Preconceptions and difficulties of interpretation are obstacles we can fairly expect. But social accounting is not something entirely new. The idea of a consolidated condition statement has been implicit in a large part of economic thinking, at least since the Physiocrats and Adam Smith. We would have difficulty in getting on without this idea. And we shall do well to work it out fully and explicitly in empirical terms.

2) Those who would omit certain basic assets, particularly natural resources. So far as I can understand the reasoning behind this proposal to omit them it runs thus: Wealth consists of tangible objects from which we derive satisfactions but does not include all such objects. It is difficult to draw a line between the natural objects (e.g., unimproved urban real estate) that are part of wealth and those (e.g., the oceans) that are not. We can avoid this difficulty and not lose much that is significant if we confine our attention to man-made tangible objects.

Unless my understanding of this view is quite wrong, three propositions seem reasonably certain. (a) It derives from one aspect of neoclassical economic theory. (b) Social accounting derives from another aspect. When Fisher developed his two blueprints, he created something new. But he also built upon a long line of development that had gone before. There can be no doubt that his two blueprints are lineal descendants of the *Tableau Economique*. (c) The omit-natural-resources view and social accounting clash.

They clash for one thing because omitting tangible objects

that appear on balance sheets as assets means abandoning the balance sheet approach to national wealth. But the clash goes deeper. Social accounting would require us, in deciding what tangible objects to include in national wealth, to consider what tangible objects are assets either for some owner who is part of our national economy or for some claimant whose claims are part of the gross national external debt. It would include some natural objects in a current national condition statement because they currently appear on balance sheets (e.g., unimproved urban real estate) and exclude others because they currently do not. The omit-natural-resources view appears to reject such a consideration as property rights. The one aspect of the classical tradition in economics in its more extreme manifestations has pictured economics as a deductive science that concerns itself with timeless truths about human choices among physical objects and that is above concerning itself with the ephemeral facts of legal and other social institutions. The other aspect of the classical tradition, social accounting, necessarily concerns itself with legal facts. A national condition statement along the line of Exhibits I and II would be precisely a summary of ownership facts and relations. But we must recognize that this creates a problem when we deal in wide intertemporal and intercultural comparisons—the analogue of the imputed income problem in national income accounting. We may have to impute some consolidated national ownership relations to make the two terms of a comparison comparable. I venture to think we shall find ownership imputation a much less extensive problem than income imputation.

This, however, is not the end of the conflict between the two aspects of the classical tradition in economics. The omit-natural-resources view and the aspect of neoclassical theory from which it derives imply that the statistical measurement problem that was before the Conference is one of how to measure a previously defined magnitude. Decide first what tangible objects to count and define the basis of valuation, then proceed to count and value them. This oversimplified conception of the problem pervaded a large part of the discussion. If we

are to take the social accounting approach we must be developing our ideas of what it is we are trying to measure and our methods of measuring it at the same time. The definition of a national balance sheet is, as Gainsbrugh told us, a matter of developing social accounting conventions. What adjustments shall we make in the balance sheet compilations and estimates now available? How shall we improvise balance sheets for governments, for households (including estates and personal trusts), for unincorporated nonfarm business enterprises, for private nonprofit institutions? According to what rules shall we consolidate these balance sheets? In the discussion scant attention was paid to these questions.

3) Those who would provide a full national condition statement, filling in at least a junior edition of Exhibits I and II, but who would deny significance to such a statement on the ground that and to the extent that our actual economy deviates from some conception of an ideal economy. Monopoly price and the difference between unit value and marginal social cost were frequently mentioned as deviations from an ideal that would detract from the significance of a national balance sheet.

Broadly we may think of the price system as analogous to an election. Consumers, workers, and savers cast their dollar ballots. The national income account and the national balance sheet summarize the election returns. It is tempting to carry this analogy one step further, to think of certain kinds of market practices as the equivalent of election frauds. Some dollar ballot boxes are stuffed; some legitimate dollar ballots are not counted. To the extent that the election returns are fraudulent, the national balance sheet and national income statement are invalidated. Something like this line of reasoning seems to underlie the view that social accounting findings are—or may be—to some extent invalid.

This voting-fraud view of social accounting emphasizes two important points: (a) A national balance sheet is something more than a finding of fact. We cannot make findings about national wealth without making findings about welfare. A national condition statement is both a description of a situa-

tion at a given date and an appraisal of that situation. Some statistical compilations are mere objective facts of observation—some but not all. We must not be misled by the numerical nature of social accounts into thinking they are mere facts of observation. Even individual accounting involves appraisal.⁵ When we prepare a consolidated national income account or balance sheet, we shift the viewpoint for appraising facts from that of private profit to that of national welfare. The voting-fraud view rightly insists that social accounting involves social appraisal.

(b) Social accounting tells us something about welfare, but it tells us only a part—in fact a small part—of what we want to know about welfare. We need to correct and to supplement the findings of social accounting—this too the voting-fraud view makes clear. In particular there is need to correct the social accounts at what Goldsmith calls the “national business accounting” level.⁶

The difficulty with the voting-fraud view is that while it emphasizes the need to correct the election returns it enables us to say neither how far a national balance sheet is incorrect nor how to go about correcting it. To charge that a national balance sheet is invalid to the extent that it reflects actual prices which differ from just prices is not very helpful unless we can agree on what are just prices. Such a charge is altogether too vague. But this is about what the voting-fraud contention seems to boil down to: marginal cost and what the price would have been if there had been perfect competition were offered as criteria of price justice. These two concepts are, indeed, materially more definite than the concept ‘just price’. They are definite enough so that many economists who today find themselves somewhat out of sympathy with the classical, laissez-faire position would reject them as the basis for public policy with

⁵ W. A. Paton, *Advanced Accounting* (Macmillan, 1941), says: “The balance sheet represents the standing or condition of the enterprise” (p. 4). . . . “Net income . . . is the most prominent criterion of the degree of success attending the operation of the enterprise. . . .” (p. 19).

⁶ See Section A of his paper below.

respect to wage rates, railroad and public utility rates, farm prices, interest rates, dwelling rents, prices of alcoholic beverages, health service charges, market values of subsoil mineral rights—I do not attempt an exhaustive list. But these two concepts are still not definite enough, without much additional specification, to be statistically useful.

In the opening paper of this volume, Goldsmith refers to deviations of price from marginal cost due to monopoly and to other conditions in suggesting directions in which we may wish to look for statistical correction techniques that we can apply to the findings of “national business accounting” so as to achieve “national economic accounting”. He does not commit himself to the voting-fraud view that social accounts are to some extent invalid, although this section of his paper was doubtless the occasion for injecting the voting-fraud view into the discussion.

When anyone asserts that a national balance sheet—or any other statistical finding—needs some correction, it seems fair to ask him to tell us enough about the correction he has in mind so that we can identify the component items it would most affect and determine the direction of the adjustment proposed for each. If the voting-fraud view of social accounting is to merit consideration, the corrections it calls for should be specified at least as definitely. When—and only when—they are so specified, can we have some confidence that we are all using words in somewhat the same sense; and only then can we hope to determine, with respect to any single allegation that a correction is needed, whether there is a genuine consensus on the need.

It would be difficult to say how much Conference discussion time was taken by proposals that certain cross totals and down totals called for by the two exhibits be suppressed, that natural resources be omitted, and that social accounts are to some extent invalid because prices are to some extent unjust. Certainly it was a minor fraction of the seven-and-a-half hours. And the space allotted to those proposals in the pages that follow is slight indeed. If I have given them a disproportionate

amount of attention here, it was in the hope that by doing so I might help to clear the air.

But let me cite two points on which a constructive consensus seemed to emerge from the discussion. Both of them commend themselves as common sense today, because they are carryovers from the work in national income. Both, however, would have been subjects of controversy had they been propounded a dozen years ago.

1) Agreement seemed general that there should be a set of sector condition statements. Just as much of the value of the national income and product accounts lies in the supporting sector accounts, so it was felt that much of the value of a national picture of condition would lie in what it reveals about the conditions of the various sectors.

2) The subject of wealth size distribution was not on the January 1948 agenda, but it did not entirely escape consideration. Work in income size distribution has helped to force a clear distinction between national income and personal income. Agreement seemed general too on the need to differentiate between national wealth and personal wealth. When we talk about size distribution we presumably mean distributions of personal income and of personal wealth.

The listing of these two points may give the impression that what came out of the discussion on the constructive side was slight, that though the papers before the Conference blazed the trail a long way ahead there were many who did not follow this trail very far. Someone—I do not remember who—suggested another metaphor at the time. The Conference was offered a great deal of food for thought—so much food that it could not digest it in the short time between the receipt of the papers and the beginning of the sessions. This view seems strengthened if one adds there are thorny problems that were passed over somewhat lightly in the January 1948 discussions; e.g., problems of the relative merits of alternative bases of valuation for various types of assets and of liabilities and residual equities, problems of relating succes-

sive national balance sheets to national income in the intervening periods when our income social accounting conventions have been framed with little regard for the way they complicate these problems.

I doubt, however, that what was accomplished by the discussion can be gauged by such considerations alone. It is fair to compare the 1948 meeting with the first meeting of the Conference on Research in Income and Wealth. At that first meeting we were trying to get together on the subject of national income, and it seemed to me a veritable Babel—we did not have any common language and experienced great difficulty in communicating with one another. But as far as income is concerned, a common language grew out of it and we presently acquired a set of social accounting conventions. Though some disagreements remain, there is now a broad area of agreement. The January 1948 meeting left me with somewhat the same impression as the first—as far as wealth is concerned we were speaking different tongues. But if the January 1948 meeting did as much for wealth as the first meeting did for income—and I think it did—we can scarcely ask more.

To carry us forward on the path of social accounting the Executive Committee has voted to have another meeting on the national balance sheet in 1950. As the tentative 1950 program stands at this writing, two of the prospective papers promise to do something toward filling a major gap in the present volume. The reader will find far too little here of systematic effort to put the various pieces of the puzzle together into a whole picture. I venture to hope that a byproduct of the 1950 sessions will be to do some of this putting together.

The objective of the 1950 program is fully as ambitious as that for 1948, for it is planned to tackle among others some of the problems of interpreting national balance sheet information. I suspect the going on this second stretch will be even more difficult than the going on the first. For one thing the discussion of measurement theory will not be as closely tied to measurement practice, because it does not seem feasible to repeat the effort to assemble a somewhat comprehensive set

of estimates. But despite the obstacles immediately ahead I think we can look forward confidently to the longer-run objective: to the development of a rounded, accrual, social accounting portrayal of the condition and operation of our economy, a consolidated national balance sheet with supporting sector sheets, as well as a consolidated national product account with supporting sector accounts.

National Balance Sheet, Exhibit I: Gross Asset Holdings

It is hoped to have separate tables for 1929, 1939, and 1946, for market value in current and 1939 prices, and for depreciated replacement cost

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
|--|-----|------------|---------|-------------------------|-------------------------|------------------|------------|-------------|--------|---------------------------------|------------|-----------|
| GROSS TOTAL (1-11) | | | | | | | | | | NON-RENTAL RESIDENCES OF OWNERS | HOUSEHOLDS | NET TOTAL |
| TYPE OF ASSET OR CLAIM | | a) Private | b) Fed. | MFG., TRADE, UTIL. ETC. | MFG., TRADE, UTIL. ETC. | OTHER BUSINESSES | FOREIGNERS | COLLECTIVES | Public | Private | Nonprofit | of Govt. |
| I Resumé of claims | | | | | | | | | | | | |
| A Assets for holders | | | | | | | | | | | | |
| 1 Currency | | | | | | | | | | | | |
| 2 Demand & time deposits | | | | | | | | | | | | |
| 3 Other short term claims ^a | | | | | | | | | | | | |
| 4 Long term claims ^b | | | | | | | | | | | | |
| 5 Stock | | | | | | | | | | | | |
| 6 Prop. equity, noncorp. units | | | | | | | | | | | | |
| 7 Direct investments abroad | | | | | | | | | | | | |
| 8 Total above assets (1-7) | | | | | | | | | | | | |
| B Liab. & prop. of holders | | | | | | | | | | | | |
| 9 Short term claims due others ^c | | | | | | | | | | | | |
| 10 Long term claims due others ^d | | | | | | | | | | | | |
| 11 Prop. equity, corp. units ^e | | | | | | | | | | | | |
| 12 Prop. equity, noncorp. units ^f | | | | | | | | | | | | |
| 13 Direct foreign investments in U.S. | | | | | | | | | | | | |
| 14 Total claims & equities (9-13) | | | | | | | | | | | | |
| C Net claims held (8 minus 14) | | | | | | | | | | | | |
| II Reproducible assets in U.S. | | | | | | | | | | | | |
| 1 Residential buildings | | | | | | | | | | | | |
| 2 Other structures | | | | | | | | | | | | |
| 3 Roads & streets | | | | | | | | | | | | |
| 4 Machinery & equipment | | | | | | | | | | | | |
| 5 Rolling stock ^g | | | | | | | | | | | | |
| 6 Inventory | | | | | | | | | | | | |
| 7 Livestock | | | | | | | | | | | | |
| 8 Consumer goods ^h | | | | | | | | | | | | |
| 9 Monetary gold & silver | | | | | | | | | | | | |
| 10 Subtotal (1-9) | | | | | | | | | | | | |
| III Nonreproducible assets in U.S. | | | | | | | | | | | | |
| 1 Land | | | | | | | | | | | | |
| 2 Subsoil assets | | | | | | | | | | | | |
| 3 Collectors' items ⁱ | | | | | | | | | | | | |
| 4 Subtotal (1-3) | | | | | | | | | | | | |
| IV Goodwill & related intangibles | | | | | | | | | | | | |
| V Total assets other than claims | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |

^a From Exhibit II, line I 10.
^b From Exhibit II, line II 10.
^c From Exhibit II, line III 7.
^d Minus sign indicates that 14 > 8.
^e Includes currency and deposit liabilities.
^f At book value.
^g Including accrual items.
^h Including automobiles, trucks, ships, and barges.
ⁱ In hands of final consumers only.
^j Works of art, books, etc.
^k Entry should be same as line I A 6, column 12, and line I B 12, column 12.
^l Banks; life insurance companies; savings and loan associations, instalment, finance and personal loan companies, etc.; brokers and dealers in securities.
^m Does not include any business assets or business liabilities of business sole proprietors.

National Balance Sheet, Exhibit II: Claim and Liability Relations

It is hoped to have separate tables for 1929, 1939, and 1946, and for 1929 and 1946 in 1939 values; all entries to be in market prices

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
|--------------------|---|------------------------------------|------------------------------------|----------------------|---|-----------------------------------|------------------------------|------------------------|-----|------|------|
| GROSS TOTAL (1-10) | CREDIT INSTITUTIONS a) Private b) Fed. | MFG., PUB. TRADE, UTIL. ETC. | OTHER MINES, BUSI- NESS ETC. | FOR- EIGN- ERS | COLLECTIVES a) Private nonprofit inst. | b) Public the rest of govt. | HOUSE- HOLDS ^c | NET TOTAL (9+10) | | | |

I Debtors & Issuers of Stock

- 1 Short term claims on & liab. of:
 - 1 Credit institutions
 - a) Private inst^b
 - b) Fed. govt. corps. & credit agencies
 - 2 Public utilities
 - 3 Mfg. & trade
 - 4 Mining concerns
 - 5 Other obligors
 - 6 Farms
 - 7 Foreigners
 - 8 Collectives
 - a) Private nonprofit inst.
 - b) The rest of govt.
 - 9 Households^c
 - 10 Total

II Long term claims on & liab. of:

- 1 Credit institutions
 - a) Private inst.^b
 - b) Fed. govt. corps. & credit agencies
 - 2 Public utilities
 - 3 Mfg. & trade
 - 4 Mining concerns
 - 5 Other obligors
 - 6 Farms
 - 7 Foreigners
 - 8 Collectives
 - a) Private nonprofit inst.
 - b) The rest of govt.
 - 9 Households^c
 - 10 Total

III Stock issued by:

- 1 Private credit inst.^b
- 2 Public utilities
- 3 Mfg. & trade corps.
- 4 Mining corps.
- 5 Other domestic corps.
- 6 Foreign corps.
- 7 Total

^a Including accrual items; excluding currency and deposits.

^b See Exhibit I, note 1.

^c Does not include any business assets or liabilities of business sole proprietors.

