

subject of the 1941 annual conference of the Southern Regional Committee of the Social Science Research Council. Steps have been taken to interest the group connected with the Pacific Regional Committee of the Council in an analysis of the income and wealth patterns of that region.

For its 1941 annual meeting the Conference resumes its practice of calling for papers. Two groups will be presented: one dealing with the uses of income estimates in policy decisions by administrative and business agencies; the other with their bearing on the national defense program.

M. A. Copeland (Office of Production Management) is Chairman of the Executive Committee of the Income Conference; the other members are W. L. Crum; A. G. Hart (Iowa State University); Simon Kuznets; G. C. Means (Bureau of the Budget); R. R. Nathan (Office of Production Management); and O. C. Stine (Bureau of Agricultural Economics, United States Department of Agriculture). C. Lowell Harriss (Columbia University) has succeeded Milton Friedman as Secretary.

## Production and Productivity

### PRODUCTIVITY IN MANUFACTURING

NOW THAT his basic indexes of the output of American factories are published in *The Output of Manufacturing Industries, 1899-1937*, Solomon Fabricant is engrossed with productivity. Before examining the relations between trends in output and employment, he must solve as far as he can with the data available various statistical problems concerning the measurement of employment and hours of labor. Especially must he make sure that the indexes he derives are comparable with his indexes of output.

After describing the relations for all manufacturing indus-

tries combined, as they operated during the forty years 1899-1939, Mr. Fabricant will try to divide the trends in the ratios of employment to production into two components; first, the component reflecting shifts in the relative importance of individual manufacturing industries with high (or low) labor-output ratios, when the latter ratios are treated as constant; second, the component reflecting changes in the average of the labor-output ratios for individual industries, when the relative importance of each industry is treated as constant. He will then examine the trends in the productivity of individual industries. Of especial concern will be the course of employment during the growth of an industry and its relation to productivity. Has employment risen most rapidly in industries with rapidly rising output, although the number of workers per unit of output was falling? A second major question relates to the magnitudes of the changes in productivity that have taken place more or less simultaneously in different industries. The pervasive influence of the 1914-18 war, of the rationalization movement during the 1920's, and of such episodes as the NRA will be considered.

#### **PRODUCTIVITY IN EXTRACTIVE INDUSTRIES AND PUBLIC UTILITIES**

Harold Barger's work on non-manufacturing industries is proceeding along parallel lines. Indexes of output of mining and public utilities are almost finished. Indexes of employment in these industries and of the output of agriculture and railroads are under construction. The difficulty of choosing units in which to measure physical output in public utilities and railroads particularly, and the existence of 'discriminating monopoly' (which gives a certain arbitrariness to the values used as weights in combining one index with another), have impelled him to construct several indexes for comparison with one another. Definition and classification present vexing questions.

How shall we define farm employment? How segregate the business of ore-concentration, which is proper to the 'mining' industry, from factory operations preliminary to smelting, which are proper to 'manufacturing'? Indexes of productivity are influenced by the diverse ways in which these and other statistical problems are met.

Both Mr. Fabricant's and Mr. Barger's studies are being financed by grants from the Maurice and Laura Falk Foundation.

#### TRENDS AND CAUSES OF CHANGES IN BASIC AGRICULTURAL-INDUSTRIAL RELATIONS

During the first half of 1940 this joint study by the Bureau of Agricultural Economics of the United States Department of Agriculture and the National Bureau was suspended while Frederick Strauss, the investigator in charge, was on leave at the office of Foreign Agricultural Relations. A report, based largely upon National Bureau *Bulletin* 78 by Mr. Strauss: 'The Composition of Gross Farm Income since the Civil War,' and *USDA Technical Bulletin* 703, by Frederick Strauss and Louis H. Bean: 'Gross Farm Income and Indices of Farm Production and Prices in the United States, 1869-1937,' is in preparation. The data for the part of the study that deals with changes in relationships among output, prices, and income have been assembled, but the analysis is not as yet far advanced.

### Prices

#### COSTS OF PRODUCTION

A SERIES of investigations into the relations between operating conditions and production costs in individual enterprises was begun by Joel Dean in 1938, while a Carnegie Associate at the National Bureau. Since his appointment by the University of