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Income and Wealth

VOLUME TEN

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## PREFACE

THE PROGRAM of the Conference on Research in Income and Wealth held in November 1945 reflects certain developments that would not have been possible without the conceptual and statistical basis laid in preceding years.

The existing (admittedly incomplete) agreement on general conceptual principles has proved fruitful in preparing the ground for international comparisons. The results of discussions between American, British, and Canadian statisticians on the possibilities of standardizing the basic concepts of national bookkeeping were reported in the paper that opens the volume. A large measure of agreement on concepts was reached by persons engaged in the official compilation of national income in the three countries. Naturally, the agreement on the set of 'exhibits' had to be in the nature of a practical compromise. Consequently, it does not imply that the individual workers believe the best way of defining national income has been found or that the 'exhibits' are the best ways of itemizing it. A number of purely definitorial questions remain unanswered — such as that of the income of financial intermediaries, the subject of the second paper of Part I.

Yet, the degree of clarity achieved so far makes it in many cases possible to compare various estimates of national income or of its components: by properly rearranging or completing the list of items a meaningful result can be obtained for any desired system of definitions of national bookkeeping items, provided the system is logically consistent. There remains, of course, the question whether a given system of definitions is practicable, i.e., lends itself to feasible computations on the basis of existing data; and whether it is likely to prove useful for purposes of economic study or economic policy.

Logical and practical difficulties of international comparison become apparent in Part III. The first paper deals not only with definitions of the component items but also with the delicate problem of comparing figures in different currency units, especially as reflected in some British-American comparisons which had to be made during the war. This paper is followed by one on the National Income Estimates of Latin-American Countries.

Part II tells of attempts to use past figures of national book-keeping to estimate in advance the nation's aggregate demand for goods and services and its level of unemployment when certain values are assigned to other magnitudes, such as the government's fiscal policy, the available labor force and its potential productivity, and, in some cases, private investment activities.

Earlier attempts to measure the distribution of income by size have been related, in Part IV, to measurements of the behavior of individual families, and in particular to their annual savings. Savings and the Income Distribution tests an important hypothesis on the attitude of savers; the other paper discusses the use of alternative classification principles such as, especially, the income and the total expenditures of a family.

The Executive Committee for 1945-46 (O. C. Stine, Chairman) organized and carried through the program of this Conference. The editing of the volume was supervised by a Committee consisting of Edward F. Denison, Chairman, Selma Goldsmith, and Simon Kuznets. As in the past, Martha Anderson gave her services as editor.

#### EXECUTIVE COMMITTEE

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Everett E. Hagen	Lillian Epstein, <i>Secretary</i>

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*Relation of the Directors to the Work and Publications  
of the  
National Bureau of Economic Research*

1. The object of the National Bureau of Economic Research is to ascertain and to present to the public important economic facts and their interpretation in a scientific and impartial manner. The Board of Directors is charged with the responsibility of ensuring that the work of the National Bureau is carried on in strict conformity with this object.

2. To this end the Board of Directors shall appoint one or more Directors of Research.

3. The Director or Directors of Research shall submit to the members of the Board, or to its Executive Committee, for their formal adoption, all specific proposals concerning researches to be instituted.

4. No report shall be published until the Director or Directors of Research shall have submitted to the Board a summary drawing attention to the character of the data and their utilization in the report, the nature and treatment of the problems involved, the main conclusions and such other information as in their opinion would serve to determine the suitability of the report for publication in accordance with the principles of the Bureau.

5. A copy of any manuscript proposed for publication shall also be submitted to each member of the Board. For each manuscript to be so submitted a special committee shall be appointed by the President, or at his designation by the Executive Director, consisting of three Directors selected as nearly as may be one from each general division of the Board. The names of the special manuscript committee shall be stated to each Director when the summary and report described in paragraph (4) are sent to him. It shall be the duty of each member of the committee to read the manuscript. If each member of the special committee signifies his approval within thirty days, the manuscript may be published. If each member of the special committee has not signified his approval within thirty days of the transmittal of the report and manuscript, the Director of Research shall then notify each member of the Board, requesting approval or disapproval of publication, and thirty additional days shall be granted for this purpose. The manuscript shall then not be published unless at least a majority of the entire Board and a two-thirds majority of those members of the Board who shall have voted on the proposal within the time fixed for the receipt of votes on the publication proposed shall have approved.

6. No manuscript may be published, though approved by each member of the special committee, until forty-five days have elapsed from the transmittal of the summary and report. The interval is allowed for the receipt of any memorandum of dissent or reservation, together with a brief statement of his reasons, that any member may wish to express; and such memorandum of dissent or reservation shall be published with the manuscript if he so desires. Publication does not, however, imply that each member of the Board has read the manuscript, or that either members of the Board in general, or of the special committee, have passed upon its validity in every detail.

7. A copy of this resolution shall, unless otherwise determined by the Board, be printed in each copy of every National Bureau Book.

*(Resolution adopted October 25, 1925 and revised February 6, 1933 and February 24, 1941)*

PART I

Proposed Changes in the Measurement of National  
Product by the Department of Commerce

Report on Tripartite Discussions of  
National Income Measurement

EDWARD F. DENISON  
*National Income Division  
Department of Commerce*

National Income Originating in Financial Intermediaries

DWIGHT B. YNTEMA  
*Hope College*

COMMENT

SOLOMON FABRICANT  
*National Bureau of Economic Research*

MORRIS A. COPELAND  
*National Bureau of Economic Research*

O. C. STINE  
*Bureau of Agricultural Economics*

JEROME ROTHENBERG  
*The Brookings Institution*

CLARK WARBURTON  
*Federal Deposit Insurance Corporation*

REPLY

MR. DENISON  
MR. YNTEMA

