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VOLUME ELEVEN

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RESEARCH IN INCOME AND WEALTH

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**Studies in
Income and Wealth**

VOLUME ELEVEN



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Since the present volume reports 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 accepted for publication by a committee of the research staff and by the Director of Research.

(Resolution adopted July 6, 1948)

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PREFACE

Problems of measuring the labor force are intimately related to problems of measuring the flow of national income and product. For one thing, both national income and manpower data are often drawn upon in analyzing economic policy problems; consequently, they should be measured in a consistent manner. In addition, the tradition delimiting the scope of national income has been influenced in several respects by distinctions made in defining the employed labor force.

Three papers in this field were read at the sessions of the Income Conference held in November 1946. The two published in this volume, constituting Part I, are concerned with establishing the historical record of the industrial distribution of manpower. The third, by Clarence D. Long, which examined the effect of changing income and employment upon the size of the labor force, is being considerably expanded and will be presented for publication by the National Bureau of Economic Research as a separate monograph.

Parts II and III deal with comparing real incomes in dissimilar geographic areas, a difficult problem which has been discussed at several Conference sessions and was reported on in *Volumes Eight and Ten of Studies in Income and Wealth*. Mr. Koffsky attempts to compare the cost of living in farm and urban areas in the United States; Mr. Staehle analyzes the problem of international comparisons.

The third topic on the Conference's program was national income forecasting. As a follow-up to the forecast presented by Mr. Hagen at the 1945 meeting (published in *Volume Ten of Studies in Income and Wealth*), Mr. Sapir reviews the economic forecasts for the period of reconversion. In Part V Mr. Modigliani analyzes fluctuations in the saving-income ratio, the correct appraisal of which is a central problem in economic forecasting. In essence, Mr. Modigliani tries to give evidence for the fact that saving depends not only on the current level of income, but also on its highest previous sustained level, and this both because of inertia of consumption habits and because of distributional effects of depressed production level.

The Executive Committee for 1946-47 (Jacob Marschak, Chairman) organized and carried through the program of this Conference. As in the past, Martha Anderson edited the manuscript and H. Irving Forman prepared the charts.

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