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THE NATIONAL ECONOMIC ACCOUNTS
OF THE UNITED STATES

REVIEW, APPRAISAL, AND RECOMMENDATIONS

BY THE

NATIONAL ACCOUNTS REVIEW COMMITTEE OF THE
NATIONAL BUREAU OF ECONOMIC RESEARCH

EXTRACT

FROM

HEARINGS BEFORE THE SUBCOMMITTEE ON ECONOMIC
STATISTICS OF THE JOINT ECONOMIC COMMITTEE,
CONGRESS OF THE UNITED STATES,
EIGHTY-FIFTH CONGRESS,
FIRST SESSION

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EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., October 29, 1957.

HON. RICHARD BOLLING,
Chairman, Subcommittee on Economic Statistics, Joint Economic Committee, Washington, D. C.

MY DEAR MR. BOLLING: In accordance with your request, I am transmitting herewith a copy of The National Economic Accounts of the United States: Review, Appraisal, and Recommendations for inclusion in the printed hearings on the report by the Subcommittee on Economic Statistics. This is the official report of the National Accounts Review Committee as submitted to the Bureau of the Budget by the National Bureau of Economic Research.

Sincerely yours,

RAYMOND T. BOWMAN,
Assistant Director for Statistical Standards.

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.,
New York, N. Y., August 9, 1957.

DR. RAYMOND T. BOWMAN,
*Director, Office of Statistical Standards,
Bureau of the Budget, Washington, D. C.*

DEAR DR. BOWMAN: I transmit herewith the National Economic Accounts of the United States: Review, Appraisal, and Recommendations, a report prepared by the National Accounts Review Committee of the National Bureau of Economic Research at the request of the Office of Statistical Standards of the Bureau of the Budget.

There will be differences of opinion on particular findings and recommendations of the committee, some of which are indicated in the body of the report and in the notes attached to it. The report as a whole, however, deserves—and we may expect will command—the serious attention of all who recognize the importance of the national economic accounts in the management of public and private economic affairs.

Arrangements between the National Bureau and the Office of Statistical Standards of the Bureau of the Budget for the preparation of the report were concluded on November 2, 1956. We are deeply grateful to the public-spirited members of the National Accounts Review Committee, all of whom devoted a substantial portion of their time and energy during the next 8 months to the difficult task of preparing the report; and to the many persons inside and outside the Federal Government who participated in the discussions, provided essential information, and reviewed drafts of the report.

The report was approved by the board of directors of the National Bureau, in accordance with its usual procedure, as meeting the objectives of the National Bureau—"to ascertain and to present to the public important economic facts and their interpretation in a scientific and impartial manner." As the resolution of the board governing the relation of the directors to the work and publications of the National Bureau states, approval by the board does not, however, imply that each member of the board has read the report, or has passed upon its validity in every detail.

The subject of national income and related economic accounts has long been of interest to the National Bureau. We are glad to add the present report to the series of reports in this area which began in 1921 with the publication of the first National Bureau volume on income in the United States.

On behalf of the National Bureau, I would like to express our appreciation to the Office of Statistical Standards of the Bureau of the Budget for this opportunity to be of service.

Sincerely yours,

SOLOMON FABRICANT,
Director of Research.

THE NATIONAL ECONOMIC ACCOUNTS OF THE UNITED STATES

REVIEW, APPRAISAL, AND RECOMMENDATIONS

A report to the Office of Statistical Standards, Bureau of the Budget, prepared by the National Accounts Review Committee of the National Bureau of Economic Research, June 1957

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6. No manuscript may be published, though approved by each member of the special committee, until 45 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 26, 1926, and revised February 6, 1933, and February 24, 1941.)

JUNE 21, 1957.

DR. SOLOMON FABRICANT,
Director of Research,
National Bureau of Economic Research,
New York, N. Y.

DEAR DR. FABRICANT: The National Accounts Review Committee, organized by the National Bureau in November of last year, herewith submits its report with accompanying appendixes, as adopted at today's meeting.

The committee has attempted to review the major questions in the field of national economic accounting. It has not undertaken, however, to prepare a comprehensive treatise on the subject. The scope and limits of the committee's report as well as the principles that guided the committee are described in chapter III.

The committee wants to thank the numerous representatives of United States Government agencies, business, labor and academic organizations, many individual economists, the Statistical Office of the United Nations and the Statistical Offices of Denmark, the Netherlands and Norway, who have aided the committee's inquiries, often by the supply of detailed memorandums. The committee also appreciates the assistance of the nearly 100 respondents to its questionnaires. The committee had the full cooperation of the agencies engaged in the preparation of the national economic accounts, primarily the National Income Division of the Office of Business Economics of the Department of Commerce and the Flow-of-Funds Section of the Division of Research and Statistics of the Board of Governors of the Federal Reserve System. Morris Copeland, Edward F. Denison, George Jaszi, and Simon Kuznets read an early draft of the report and made many helpful suggestions. Many others—too numerous to mention—reviewed drafts of individual sections of the report and contributed their expert knowledge on many technical problems. The committee, however, takes full and sole responsibility for the findings and recommendations of the report.

Mr. Stanley Lebergott, designated by the Office of Statistical Standards, Bureau of the Budget, to keep in touch with the committee, attended all its meetings and in many ways expedited the progress of our work. The committee finally wants to express its appreciation to Mrs. Alice Hanson Jones, who took over the difficult task of secretary early in the committee's operations.

Sincerely yours,

(Signed) RAYMOND W. GOLDSMITH, *Chairman.*
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