STUDIES IN

Income and Wealth

VOLUME TWO
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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 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.

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5. A copy of any manuscript proposed for publication shall also be submitted to each member of the Board. If publication is approved each member is entitled to have published also a memorandum of any dissent or reservation he may express, together with a brief statement of his reasons. The publication of a volume does not, however, imply that each member of the Board of Directors has read the manuscript and passed upon its validity in every detail.

6. The results of an inquiry shall not be published except with the approval of at least a majority of the entire Board and a two-thirds majority of all those members of the Board who shall have voted on the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. The limit shall be forty-five days from the date of the submission of the synopsis and manuscript of the proposed publication unless the Board extends the limit; upon the request of any member the limit may be extended for not more than thirty days.

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

(Resolution of October 25, 1926, revised February 6, 1933)
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This volume, the second in a series of studies by the Conference on Research in National Income and Wealth, contains the reports presented, under arrangements made through the Conference, at the meetings of the American Economic and American Statistical Associations in December 1937 at Atlantic City; as well as the reports submitted to the third meeting of the Conference in April 1938 at New York City. It includes also the discussion to which these reports gave rise, both at the Association and Conference meetings and subsequently by correspondence.

Like the first, this volume is the result of an effort on the part of the Conference to stimulate analysis of various controversial problems in the field. The attempt is not to distil immediately and directly a uniform consensus of opinion on these controversial problems. The aim is the more modest one of stimulating scrutiny of the problems in order to establish their ramifications and to formulate the implications of the diverse treatments to which the issues may be subjected. Such an analysis should make it more probable that in the practice of measuring national income, wealth, and their component elements the choice among different treatments will be made in fuller cognizance of its implications; and that the efforts at adding to the data in the field will be profitably directed at information needed for adequate treatment of the more controversial items. A more widely held consensus of opinion may well be the ultimate consequence of such analysis. Its immediate aim, however, is and should be that of removing only such divergence of opinion as results from an unsatisfactory formulation of the problems and the failure to understand the nature of the issues involved.

With these aims in view, the Conference preferred to have the problems analyzed by individual students in the field, rather
than attempt group efforts directed immediately toward authorita-
tive and final statements; to allow the differences of viewpoint
to appear fully in the discussion; and to encourage a generalized
formulation of the issues without requiring quantitative treat-
ment as an indispensable and final step in the analysis. Our hope
is that the accumulation of the results and effects of such analysis
as is presented in this and the first volume of Studies will result in
a natural shift of emphasis toward application of the analysis in
quantitative measurement and thus toward more direct attempts
to gauge the magnitude of the different elements involved.

This volume, like the preceding, has been made possible only
by the keen interest of the authors in the problems and by their
willingness to devote time and energy to the preparation of re-
ports or comments. The editing of the volume was done by
Milton Friedman, and was reviewed by the two other members
of the editorial committee in charge, M. A. Copeland and W.
W. Hewett.

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