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Income and Wealth
VOLUME TWO

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BY THE CONFERENCE ON RESEARCH
IN NATIONAL INCOME AND WEALTH

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(Resolution of October 25, 1926, revised February 6, 1933)

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FOREWORD

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 authoritative 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 treatment 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 reports 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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