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X S U M M A R Y

THIS report is devoted primarily to measuring the volume of the national product, establishing the relative magnitudes of its significant parts, and describing the broad changes in both the total and its components.

To give the reader at a glance the volume of the national product and the relative magnitude of its components we have presented in Table 17 the average value of the significant items, obtained as simple arithmetic means of the respective annual

Table 17
AVERAGE VALUE OF SIGNIFICANT ITEMS

| | AVERAGE VALUE (millions of dollars) | PERCENTAGES, SUBGROUPS OF RESPEC- TIVE TOTALS | TABLE PROVID- ING ANNUAL DATA | REFERENCES | TEXT DISCUSSION |
|--|--|--|----------------------------------|------------|--------------------|
| 1 Gross national product | 73,107 | | Table 1 | | Sections I and II |
| 2 National income | 64,397 | | Table 1 | | Sections I and II |
| <i>National income according to industrial origin¹:</i> | | | | | Section III |
| 3 Agriculture | 6,253 | 9.8 | Appendix Table I | | |
| 4 Mining | 1,562 | 2.4 | " | " II | |
| 5 Manufacturing | 14,008 | 21.9 | " | " " | |
| 6 Construction | 2,078 | 3.3 | " | " " | |
| 7 Transportation and other public utilities | | | | | |
| a Electric light and power and manufactured gas | 1,051 | 1.6 | Appendix Tables I and III | | |
| b Steam railroads, Pullman and express | 3,737 | 5.8 | Appendix Table I | | |
| c Pipe lines, street railways, and water transportation | 1,131 | 1.8 | " | " II | |
| d Communication | 719 | 1.1 | " | " I | |
| e Total | 6,638 | 10.4 | " | " II | |
| 8 Trade | 8,825 | 13.8 | " | " II | |
| 9 Finance | | | | | |
| a Banking | 884 | 1.4 | Appendix Tables I and III | | |
| b Insurance | 861 | 1.3 | " | " " " " | |
| c Real estate | 5,086 | 8.0 | " | " " " " | |
| d Total | 6,831 | 10.7 | Appendix Table II | | |
| 10 Government | 7,036 | 11.0 | " | " I | |
| 11 Service | 8,404 | 13.1 | " | " II | |
| 12 Miscellaneous | 2,275 | 3.6 | " | " II | |
| 13 Total national income | 63,910 | 100.0 | " | " II | |
| <i>National income according to type of income²:</i> | | | | | Sections IV and V |
| 14 Employees' compensation | 44,666 | 70.0 | Table 6 | | |
| 15 Withdrawals by entrepreneurs | 7,789 | 12.2 | " | | |
| 16 Rents | 2,964 | 4.6 | " | | |
| 17 Entrepreneurial income payments | 10,753 | 16.9 | " | | |
| 18 Dividends | 3,763 | 5.9 | " | | |
| 19 Interest | 4,494 | 7.0 | " | | |
| 20 Property income payments | 8,385 | 13.1 | " | | |
| 21 Aggregate income payments to individuals | 63,804 | 100.0 | " | | |
| 22 Net savings of business enterprises | 250 | 0.4 | " | | |
| 23 Net savings of government | 344 | 0.5 | " | | |
| 24 Total net savings of enterprises | 593 | 0.9 | " | | |
| 25 National income | 64,397 | 100.9 | " | | |
| 26 Gross savings of enterprises | 9,303 | 14.6 | " | | |
| 27 Gross national product | 73,107 | 114.6 | " | | |

¹ Before adjustments for the effects of inventory revaluations, differences between depreciation and depletion at cost prices and current reproduction prices, and gains and losses on the sale of capital assets.

² After the adjustments mentioned in footnote 1.

SUMMARY

Table 17 (continued)

| | AVERAGE VALUE (millions of dollars) | PERCENTAGES, SUBGROUPS OF RESPEC- TIVE TOTALS | REFERENCES TABLE PROVID- ING ANNUAL DATA | TEXT DISCUSSION |
|--|--|--|--|----------------------|
| <i>Proportionment of gross national product between gross capital formation and consumers' outlay:</i> | | | | |
| 3 Gross capital formation | 14,050 | 19.2 | Appendix Table VIII | Sections VI and VII |
| 9 Consumers' outlay | 59,057 | 80.8 | " " " | |
| 10 Gross national product | 73,107 | 100.0 | " " " | |
| <i>Proportionment of national income between net capital formation and consumers' outlay:</i> | | | | |
| Sections VI and VIII | | | | |
| 1 Net capital formation | 5,340 | 8.3 | Appendix Table VIII | Sections VI and VIII |
| 2 Consumers' outlay | 59,057 | 91.7 | " " " | |
| 3 National income | 64,397 | 100.0 | " " " | |
| <i>Composition of gross capital formation:</i> | | | | |
| Section VII | | | | |
| 4 Consumers | | | | Section VII |
| a Residential construction | 2,656 | 18.9 | Table 10 | |
| 5 Business | | | | |
| a Flow of producers' durable commodities | 4,668 | 33.2 | " | |
| b Business construction | 2,956 | 21.0 | " | |
| c Net change in business inventories | 737 | 5.2 | " | |
| d Total | 8,361 | 59.5 | " | |
| 6 Public agencies | | | | |
| a Public construction | 2,332 | 16.6 | " | |
| b Change in stocks of silver and gold | 263 | 1.9 | " | |
| c Total | 2,595 | 18.5 | " | |
| 7 Unallocable—net change in claims against foreign countries | 437 | 3.1 | " | |
| 8 Gross capital formation, Variant I | 14,050 | 100.0 | " | |
| 9 Flow of consumers' durable commodities | 6,975 | 49.6 | " | |
| <i>Composition of net capital formation:</i> | | | | |
| Section VIII | | | | |
| 10 Business | 2,305 | 43.2 | Table 13 | Section VIII |
| 11 Residential construction | 539 | 10.1 | " | |
| 12 Public agencies | 2,060 | 38.6 | " | |
| 13 Net change in claims against foreign countries | 437 | 8.2 | " | |
| 14 Net capital formation | 5,340 | 100.0 | " | |
| <i>Composition of consumers' outlay:</i> | | | | |
| Section IX | | | | |
| 15 Perishable commodities | 23,834 | 40.4 | Appendix Table VIII | Section IX |
| 16 Semidurable commodities | 10,174 | 17.2 | " " " | |
| 17 Consumers' durable commodities | 6,975 | 11.8 | " " " | |
| 18 Services not embodied in new commodities | 18,074 | 30.6 | " " " | |
| 19 Total consumers' outlay | 59,057 | 100.0 | " " " | |

estimates, and the percentage distributions based on these average values. The tables in which the detailed annual estimates are given, and the section in the text where the scope of the measures, their limitations, and the changes they reveal are discussed are also indicated. Following the order suggested by Table 17 we now summarize the broad changes.

(1) The movements of the national product, which reflected fairly clearly the cyclical fluctuations in this country's economic activity, were ac-

companied by an increase in population and by a still greater increase in the number of gainfully occupied and of equivalent consuming units that this population represented. Hence, per capita income, and still more the income per gainfully occupied or per consuming unit, rose much less between 1921 and 1929, and declined more from 1929 to 1933, than did total national income.

(2) In the distribution in current prices the combined share of commodity producing industries (agriculture, mining, manufacturing, construc-

tion) in the national product declined over the period; that of commodity handling industries (transportation and other public utilities, trade) remained stable; that of service industries (finance, government, service, miscellaneous) rose. But in the distribution in 1929 prices the relative share of commodity producing industries and of the total group of 'other industries' remained stable. This suggests that the decline in the relative share of commodity producing industries, in the distribution in current prices, was due largely to a decline in commodity prices greater than in the prices of other consumers' goods; but this conclusion is highly tentative owing to the crudity of the adjustment for price changes.

(3) Gross, and especially net, savings of enterprises fluctuated much more violently than aggregate income payments. Hence, in spite of the small average share of net savings in national income, its fluctuations accounted for a major share in the variation in national income between good and bad years.

(4) The share of employees' compensation in aggregate income payments rose slightly over the period. But the rise was so small as to be insignificant, and study of the relative distribution, industry by industry, revealed that the proportion of employees' compensation declined in most industries. Thus the stability and slight rise in the percentage of aggregate income payments accounted for by employees' compensation was due exclusively to a shift of the industrial distribution in favor of those industrial branches that are marked by a high ratio of employees' compensation to total payments originating. The share of entrepreneurial income payments declined distinctly over the period, as a result of both the intra-industry decline in its relative share and the inter-

industry shift in favor of industries with a low ratio of entrepreneurial income payments to total payments. The share of property income rose substantially over the period, owing largely to the increased proportion of property income payments within most of the industries.

(5) Consumers' outlay, taken as a part of either gross national product or of national income, was significantly more stable over time than the national product itself. The other share, gross or net capital formation, especially the latter, fluctuated conspicuously, becoming negative during some years of the recent depression.

(6) When the components of both gross and net capital formation were distinguished, it was seen that the relative share of public construction rose and that of net changes in business inventories declined over the period in both totals. When the flow of consumers' durable commodities, exclusive of residential construction, was considered, their importance, relative to the volume of gross capital formation in Variant I, appeared to have increased.

(7) In the distribution of consumers' outlay in current prices the share of semidurable commodities declined over the period, that of consumers' durable commodities described a long swing with a rise to 1926 and a decline to 1933, while the share of the other two categories was on the whole stable except immediately after the War, 1920-21, and during the recent depression, 1930-33. In the distribution in 1929 prices the only significant movement was a long swing in the share of consumers' durable commodities, a swing of even greater amplitude than in the distribution in current prices. The share of the other categories was fairly stable throughout the period except, again, for the disturbed years 1920-21 and 1930-33.