

This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: A Critique of the United States Income and Product Accounts

Volume Author/Editor:

Volume Publisher: Princeton University Press

Volume ISBN: 0-870-14178-3

Volume URL: <http://www.nber.org/books/unkn58-1>

Publication Date: 1958

Chapter Title: Front matter

Chapter Author: Conference on Research in Income and Wealth

Chapter URL: <http://www.nber.org/chapters/c0569>

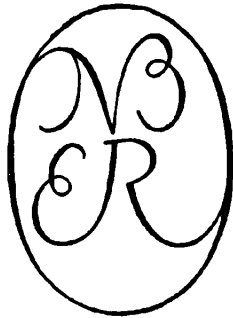
Chapter pages in book: (p. -7 - 0)

A Critique of
the United States Income
and Product Accounts

STUDIES IN INCOME AND WEALTH

VOLUME TWENTY-TWO

BY THE
CONFERENCE ON RESEARCH
IN INCOME AND WEALTH



A REPORT OF THE
NATIONAL BUREAU OF ECONOMIC RESEARCH, NEW YORK

PUBLISHED BY
PRINCETON UNIVERSITY PRESS, PRINCETON

1958

Copyright © 1958, by Princeton University Press

All Rights Reserved

L.C. CARD 58-6106

Printed in the United States of America
by The William Byrd Press, Richmond, Virginia

NATIONAL BUREAU OF ECONOMIC RESEARCH

1958

OFFICERS

Gottfried Haberler, *Chairman*
Arthur F. Burns, *President*
George B. Roberts, *Vice-President and Treasurer*
Solomon Fabricant, *Director of Research*
Geoffrey H. Moore, *Associate Director of Research*
William J. Carson, *Executive Director*

DIRECTORS AT LARGE

Wallace J. Campbell, *Director, Cooperative League of the USA*
Solomon Fabricant, *New York University*
Albert J. Hettinger, Jr., *Lazard Frères and Company*
Oswald W. Knauth, *Beaufort, South Carolina*
H. W. Laidler, *Executive Director Emeritus, League for Industrial Democracy*
Shepard Morgan, *Norfolk, Connecticut*
George B. Roberts, *Vice-President, The First National City Bank of New York*
Beardsley Ruml, *New York City*
Harry Scherman, *Chairman, Book-of-the-Month Club*
Boris Shishkin, *American Federation of Labor and Congress of Industrial Organizations*
George Soule, *Professor Emeritus, Bennington College*
N. I. Stone, *Consulting Economist*
J. Raymond Walsh, *New York City*
Joseph H. Willits, *Director, The Educational Survey, University of Pennsylvania*
Leo Wolman, *Columbia University*
Donald B. Woodward, *Vick Chemical Company*
Theodore O. Yntema, *Vice-President—Finance, Ford Motor Company*

DIRECTORS BY UNIVERSITY APPOINTMENT

V. W. Bladen, <i>Toronto</i>	Gottfried Haberler, <i>Harvard</i>
Arthur F. Burns, <i>Columbia</i>	Walter W. Heller, <i>Minnesota</i>
Melvin G. de Chazeau, <i>Cornell</i>	Maurice W. Lee, <i>North Carolina</i>
Frank W. Fetter, <i>Northwestern</i>	Lloyd G. Reynolds, <i>Yale</i>
H. M. Groves, <i>Wisconsin</i>	T. W. Schultz, <i>Chicago</i>

Jacob Viner, *Princeton*

DIRECTORS APPOINTED BY OTHER ORGANIZATIONS

Percival F. Brundage, *American Institute of Accountants*
Harold G. Halcrow, *American Farm Economic Association*
S. H. Ruttenberg, *American Federation of Labor and Congress of Industrial Organizations*
Murray Shields, *American Management Association*
Willard L. Thorp, *American Economic Association*
W. Allen Wallis, *American Statistical Association*
Harold F. Williamson, *Economic History Association*

RESEARCH STAFF

Moses Abramovitz	Thor Hultgren
Gary S. Becker	John W. Kendrick
Arthur F. Burns	Simon Kuznets
Morris A. Copeland	Clarence D. Long
Richard A. Easterlin	Ruth P. Mack
Solomon Fabricant	Ilse Mintz
Milton Friedman	Geoffrey H. Moore
Raymond W. Goldsmith	Roger F. Murray
Leo Grebler	G. Warren Nutter
Millard Hastay	Lawrence H. Seltzer
W. Braddock Hickman	George J. Stigler
Daniel M. Holland	Leo Wolman

Herbert B. Woolley

RELATION OF NATIONAL BUREAU DIRECTORS TO
PUBLICATIONS REPORTING CONFERENCE PROCEEDINGS

Since the present volume is a record of 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 reviewed and accepted for publication by the Director of Research.

*(Resolution adopted July 6, 1948
and revised November 21, 1949)*

Prefatory Note

This volume of *Studies in Income and Wealth* is devoted to an appraisal of the national income and product accounts prepared by the Office of Business Economics, Department of Commerce. It contains the papers which were prepared for the Conference on Research in Income and Wealth held in November 1955, together with the comments of participants. The program was arranged by Raymond W. Goldsmith, and Joseph A. Pechman, *Chairman*, Richard A. Easterlin, and Harlow D. Osborne served as the Editorial Committee.

Executive Committee, 1957-1958

Edward F. Denison, *Chairman*

Harold J. Barnett	Marvin Hoffenberg
George Garvy	George Jaszi
Raymond W. Goldsmith	John W. Kendrick
Frank A. Hanna	Frank Leacy
Richard Ruggles	

Mildred E. Courtney, *Secretary*

Contents

INTRODUCTION, <i>by Joseph A. Pechman</i>	3
PART I	
THE CONCEPTUAL BASIS OF THE ACCOUNTS: A RE-EXAMINATION <i>George Jaszi</i>	13
COMMENT	127
<i>Richard A. Easterlin • Reply by Mr. Jaszi</i>	
PART II	
THE INCOME SIDE: SOME THEORETICAL ASPECTS <i>Raymond T. Bowman and Richard A. Easterlin</i>	149
THE INCOME SIDE: A BUSINESS USER'S VIEWPOINT <i>Morris Cohen and Martin R. Gainsbrugh</i>	187
COMMENT	209
<i>George Jaszi</i>	
PART III	
THE PRODUCT SIDE: SOME THEORETICAL ASPECTS <i>Everett E. Hagen and Edward C. Budd</i>	231
THE PRODUCT SIDE: A BUSINESS USER'S VIEWPOINT <i>Kenneth D. Ross</i>	275
COMMENT	300
<i>George Jaszi • Reply by Mr. Hagen • Reply by Mr. Budd</i>	
PART IV	
DESIGN OF THE ACCOUNTS <i>T. C. Schelling</i>	325
ORGANIZATION AND CONTENT OF THE ACCOUNTS <i>David W. Lusher</i>	334
PROPOSAL FOR A REVISED SET OF SUMMARY ACCOUNTS AND SUPPORTING FINANCIAL DETAILS <i>Morris A. Copeland</i>	338
TREATMENT OF DISTRIBUTIVE SHARES <i>Edward C. Budd</i>	351
COMMENT	363
<i>George Jaszi • Raymond W. Goldsmith • Reply by Mr. Copeland</i>	

CONTENTS

PART V

SUITABILITY OF THE ACCOUNTS FOR SHORT-TERM ANALYSIS	383
<i>V Lewis Bassie</i>	
A SURVEY OF BUSINESS USES OF THE DATA	394
<i>Paul Kircher</i>	
COMMENT	402
<i>George Jaszi</i>	

PART VI

MEASUREMENT OF REAL PRODUCT	405
<i>John W. Kendrick</i>	
COMMENT	426
<i>George Jaszi</i>	

PART VII

BUSINESS PLANT AND EQUIPMENT	431
<i>Eric Schiff</i>	
CAPITAL CONSUMPTION AND NET CAPITAL FORMATION	440
<i>Solomon Fabricant</i>	
SAVING	448
<i>Raymond W. Goldsmith</i>	
COMMENT	454
<i>George Jaszi</i>	

PART VIII

AGRICULTURAL INCOME	461
<i>Karl A. Fox</i>	
ENTREPRENEURIAL INCOME	470
<i>Stanley Lebergott</i>	
EXTRACTIVE INDUSTRIES	487
<i>Joseph Lerner</i>	
FINANCIAL INTERMEDIARIES	509
<i>Clark Warburton</i>	
COMMENT	521
<i>George Jaszi · Reply by Mr. Lebergott · Reply by Mr. Lerner</i>	

PART IX

SEASONAL ADJUSTMENT OF THE INCOME AND PRODUCT SERIES	549
<i>Geoffrey H. Moore</i>	
COMMENT	577
<i>Ernest W. Grove · George Jaszi</i>	
INDEX OF SUBJECTS	583
INDEX OF AUTHORS	585