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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>				
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>				
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>				
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>				
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.