

PREFACE

AT the International Statistical Conferences held in Washington, D.C. in September 1947, a number of economists and statisticians working in the field of national income research met and discussed their problems. As a result of these discussions the *International Association for Research in Income and Wealth* was established. Membership was by invitation in the first instance, and when the first general meeting of the new Association was held at King's College, Cambridge, in 1949 there were 110 members. The By-Laws of the Association, as approved by mail canvass of the membership following their discussion at the 1949 meeting, will be found in an appendix to this volume.

The main function of this Association is to bring active scholars working in the field of national income and social accounting analysis into organized contact with each other. Although investigation of national income is a very old method of studying the economic development of a country, the immense increase in the research activity in this field during the last ten or fifteen years seems to imply something of a revolution in the methods of economic analysis. Both the demand for and the supply of national income information has been growing rapidly in most countries during these years. The demand corresponds to the rapidly increasing use of national income and accounting statistics for interpreting the trends of development, for judging the actual economic position of a country, for making forecasts, and for formulating the aims or targets of economic policy. The supply of national income statistics and studies is growing and improving partly as a response to the insistent demand and partly as an independent growth creating its own demand. And in this surging activity a new specialist has been produced, the national income or accounting analyst, who is both an economist and a statistician (more or less of each), and has ideally a combination of training and experience that in the beginning of this development at any rate is rare.

Throughout the world people are studying the intricate statistical and economic problems which arise out of concepts that are being currently created. New needs and uses of national income statistics appear and give rise to the need for new statistical information and systems of presentation. Problems of this nature are studied and solved in varying ways in different coun-

tries. It is quite natural and also desirable that the same and similar problems should be solved in many different ways. There may, however, be too much variety in concepts and systems. At the same time there is a real and rapidly growing need to learn from the experience which is accumulating in many countries. It is not necessary to repeat all the mistakes in each country even if nothing is so suggestive of improved methods as one's own mistakes. There is from this point of view evidently much to be gained by more contact between research workers and institutions all over the world. In addition there is the need, self-evident in these times, for improved comparability of national income measurements and accounting systems between the different countries, in order, for instance, to satisfy prevailing needs to make international comparisons of real national income and wealth, or of the division of resources for different purposes, and to make studies of the integration of the economies of groups of countries etc.

Following its aim of promoting closer contacts and better co-operation between research workers in its field, the Association held its first meeting in Cambridge in 1949. The papers presented and the contributions made to the discussion gave a general impression of the lines of thought and methods of approach prevailing in different countries. The intensive discussions which went on during the meetings and to a large extent also outside the formal meetings in small groups within King's College showed that there were many different views on the issues debated.

The list of papers which is presented below (see p. 293) can give only an incomplete impression of the range of subjects discussed. It was decided by the members at the meeting that a selection of the papers should be published. All the papers which were presented could not be included in this volume, for the following reasons. Some papers have been or will be published in other places. Others were delivered at the meeting merely in the form of a contribution to the discussion and had not been worked out with a view to publication. Yet others provided only very preliminary results of unfinished research, to be completed and published at some future date. In spite of the fact, however, that this volume contains a selection only of the papers presented at the Cambridge meeting I think that it gives a good survey of the main topics discussed and the methods

of approach suggested. It certainly does not give, and is not intended to give, the reader definite solutions of or recommendations about all the intricate problems of national income and accounting that may, or anyhow should, puzzle him. He will notice great differences of approach to fundamental problems as between some of the papers. The discussion, for example, showed that the degree of confidence in the reliability of national income statistics varies a great deal, with the consequence that varying forms of 'statistical ethics' are applied in making up the accounts and interpreting the results. For this and other reasons quite divergent views are presented as to the use of national income statistics, e.g. for policy purposes or for comparison of real national income. Even if this volume – as well as the discussion in Cambridge – thus tends to give an impression of a certain degree of confusion at the present stage of the development of national income analysis, I think that it gives at the same time an impression of vitality. The present divergences of opinion on many important questions of national income computation and analysis should be taken as a sign of health in this new branch of the social sciences, indicating an awareness of the problems and being a stimulus to new thinking. I am sure that this volume of selected papers does in fact show this.

ERIK LUNDBERG

Stockholm

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