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ANNUAL REPORT

1942

I

General Report on 1942

I. PRESIDENT

At the Annual General Meeting held in April the Governors of the Institute proceeded to the election of its second President, that office having been vacant since the death of Lord Stamp. The Institute was most fortunate in the acceptance by Sir Hector Hetherington, Principal of Glasgow University, of its invitation to serve as President. Sir Hector Hetherington has been a Governor of the Institute from its foundation, and a member of the Executive Committee, in which capacity he still continues to serve. Thus the beneficial precedent has been followed which was established at the outset: of the President's intimate knowledge of the work of the Institute.

2. GARTON FOUNDATION

At the end of 1941 the Trustees of the Garton Foundation offered its funds to the Institute for the purpose of providing funds for research studentships or scholarships in the economic and social sciences, to be known as the Garton Research Studentships or Scholarships; the regulations and the awards and the direction of the work to be under the control of the Institute. This generous offer was gladly accepted by the Institute and the transfer was completed early in 1942. The Institute will not make any awards during the war, but expects to proceed to the award of studentships for advanced research in the immediate post-war period when they will probably be most urgently needed.

In 1929 the first Studentship in the Social Sciences founded by Sir Richard Garton was awarded by the Trustees of the Garton Foundation to Mr. H. E. Batson of the London School of Economics.

Subsequent students have been Mr. R. F. Kahn and Mr. U. K. R. Rao, both of Cambridge, Mr. Harold Barger of University College, London, and Mr. John Howard of Magdalen College, Oxford.

3. THE NATIONAL SERVICE COMMITTEE FOR SOCIAL, ECONOMIC AND STATISTICAL RESEARCH

The Institute has continued, as in 1940 and 1941, to provide all the necessary facilities for the activities of the Advisory Committee; the Acting Secretary has continued to serve as Secretary to the Committee and all clerical work has been discharged by the Secretarial staff.

4. CONSULTATIVE CONFERENCE ON THE SOCIAL SCIENCES

The Summary of Research in progress and in plan prepared for the confidential use of the Conference was reissued in the first half of the year. In the second half the Conference expanded its membership, and in consequence a much larger range of research came automatically within the scope of the Summary. The problems of editing therefore assumed a new importance, and the Acting Secretary, who hitherto had been solely responsible for the Summary, requested the Conference to appoint an Editorial Advisory Committee to assist in the task of preparing the new version of the Summary, now called *Register of Research in the Social Sciences*. The Chairman of the Conference, Mr. A. M. Carr Saunders, has acted as Chairman of the Editorial Advisory Committee, and the Acting Secretary as Editor. The first issue of the *Register* was completed in December, and has been confidentially circulated. It is regarded by the Institute as an experiment in the centralization of current research information, and it is hoped will be of practical use at least in helping to avoid the waste of work and money which may arise from the duplication of research.

5. PREMISES

It became evident early in 1942 that the Institute needed larger and more permanent premises than those at 6 Duke of York Street. Its work and activities were expanding and the growing research staff suffered from lack of space and of Library facilities. The Institute's Library had been closed since the late autumn of 1940. It was decided therefore to move to premises where the Library could be suitably housed. It was with regret that the connection

with the Institute's first home in Gordon Square was broken; but the numerous requests for permission to use the Library when it reopened, which were received from economists in the Government service, determined us, among other reasons, to establish the new headquarters in Westminster. The house at 2 Dean Trench Street was admirably adapted to the Institute's needs and the move was made in April.

The new premises have made possible a number of fresh activities. The Library has been completely overhauled; this is dealt with in III below. The advantages of pleasant working conditions and of a common meeting place are of great benefit to the Institute's corporate life.

II

Research in 1942

Research work during the year was almost completely a continuation or extension of programmes which were either under way or planned.

I. COMPLETED ENQUIRIES

The following studies were completed by December, and were sent to press or were then in final preparation for publication. Details as to publications arrangements will be found in Section IV below. The *Saving and Spending Survey*, begun in 1940 and conducted by Mr. Charles Madge, was concluded in October. The final stage of the work took the form of an intensive family budget collection in Leeds with the aim of securing data on spending comparable with the saving data already collected. The final months were devoted to analysis of material, and for this purpose the enquiry had the advantage of Mr. E. Rothbarth's special assistance. The Institute is largely in Professor Bowley's debt for the generous assistance and advice which he has given throughout the work as Chairman of the Special Committee charged by the Institute with responsibility for the survey.

The *Enquiry into National Health Insurance* undertaken by Professor H. Levy was substantially completed, and the study will be sent to the Press early in 1943. Dr. Baykov's study on *The Development of the Soviet Economic System*, which has taken the form of a thoroughly documented essay on the experience of planning in the U.S.S.R., was concluded by the end of the year. In addition, Dr. Baykov prepared a collection of papers which represents reference

material for the main economic events which took place in the U.S.S.R. during 1939-1941. A short enquiry which Dr. Singer, of the University of Manchester, directed was completed in November. This is entitled *Standardized Accountancy in Germany*, a largely descriptive study in a field of research which has hardly yet been exploited in this country. The Institute intends in the future to extend its investigations in the field of standardized accountancy to other significant experiments, but in the meanwhile the present preliminary study examines for the first time in this country the most remarkable experiment so far made—the attempt of the present German administration to enforce standardized accounts over the greater part of the field of German industry. The *Federal Finance Enquiry* directed by Professor Findlay Shirras, of University College, Exeter, was brought to a close in the autumn. A Report on *The Impact of War on Coventry: A Study in Industrial Dislocation* was completed, covering the war period up to the end of 1941. This has been prepared by Mr. A. Shenfield, University of Birmingham, a grant having been given to that University for the purpose of the enquiry.

2. PROGRAMMES CONTINUED THROUGHOUT THE YEAR

Three enquiries which had already begun were in progress throughout the year and will be carried on during 1943.

National Expenditure, Output, and Income 1920-1938, directed by Mr. Richard Stone, is an investigation of considerable magnitude, on which one research assistant only, Miss Hurstfield, was working until the middle of the year. The Executive Committee then decided to allocate a second full-time assistant to this work, and in consequence the first section of the programme was in an advanced stage by the end of the year. This is the series of estimates of personal consumption expenditure for each of the nineteen years covered by the investigation. This section will be published in a preliminary form, the statistical series being expressed in money, price and quantity terms. Assistance of great value has been given by numerous associations, firms and Government departments.

The Measurement of National Income of Selected Colonial Territories. The programme of this enquiry, which had been started in November 1941, was enlarged during the year. It had been originally intended to experiment with the application of current English techniques of measurement to a primitive subsistence economy,

Northern Rhodesia, and an advanced Colonial economy, Jamaica. Valuable data on Nyasaland became available during the year, and it was decided to extend the enquiry to that colony. It is hoped that the Nyasaland section will provide a means of methodological control of the techniques employed. The work is being carried out under the direction of a small Committee consisting of Mr. Robinson, its Chairman, Mr. Stone, and Miss P. M. Deane, the research worker engaged on the work. The Institute acknowledges with gratitude the constant and invaluable help and support which it has received from the Colonial Office.

The collection and analysis of material for *The Burden of Local Taxation*, directed by Professor and Mrs. Hicks, with Mr. C. E. V. Leser as research assistant, was completed by the end of the year, and a paper on the expenditure of County Boroughs is now in the Press. As the investigation developed it became evident that there are insufficient data to permit of a calculation of the local tax burden comparable with that made for the national tax burden in *The Burden of British Taxation*. It had originally been intended that the local taxation study should be a companion enquiry to this which had been completed by the end of 1941. The change of emphasis is indicated in the title of the study which will result in 1943 from the full enquiry—*Wealth and Poverty in Local Government*. A section will be devoted to the relation of rent, rates, and income, so far as the available data permit.

3. PROGRAMMES BEGUN IN 1942

Among the enquiries which were in plan at the end of 1941, but upon which work started only at the beginning of 1942, the *Enquiry into Profit Margins* is perhaps the most significant. This investigation is directed by a Special Committee with Mr. N. Kaldor as its Chairman, Mrs. Joan Robinson, Mr. Richard Stone, and Dr. Rostas, research assistant, as its other members. The aim of the enquiry is to discover the dominant factors which determine distribution and pricing in industry. The analysis will be based on statistical investigations now in progress into the relations of different elements of costs, which make up the selling price, in various branches of industry. In 1942 work was concentrated on the relation of wages to gross profit margins and by the end of the year sufficient statistical data had been collected to make its analysis possible early in 1943.

In the summer M. Momtchiloff's studies of certain aspects of the South-Eastern European economies took shape in a short programme, and by the end of the year the report on the effects of *Ten Years of Controlled Trade in South-Eastern Europe* was nearing completion.

The other plans which came into operation in the year under review were Dr. R. R. Kuczynski's study of *Post-war Population Problems*. A preliminary result was published in the form of a critique of the Registrar-General's memorandum on the trend of population, which had been presented by him three years earlier, but had been published only in 1942. *Studies in Aspects of Commercial Policy* directed by Dr. P. Barrett Whale, assistant Mr. F. Winter, proceeded in the form of detailed investigation into elements in the war-time control of international payments, the behaviour of the balance of payments in selected countries, and typical relations of industrial countries with primary producing countries.

4. CONTINUOUS WAR-TIME ENQUIRIES

In addition there were two continuous projects, both of which were initiated in 1940. These are the observational study of the *Effects of the War on the Credit Policy and Credit Mechanisms of the City of London*, undertaken by Mr. W. T. C. King assisted by Mr. Paul Bareau, and the *Weekly Diary: Summary of Economic and Social Changes*, prepared by Miss I. F. Grant. It is intended to continue the former piece of work throughout the duration of the war, and it is expected that a full-length descriptive and analytical study will ultimately result. Meanwhile two brief reports on Banking Trends in the first and second eighteen months of the war have been privately circulated, the second of which attracted considerable attention. The *Weekly Diary* has expanded its circulation and is now being sent overseas to a number of Dominion Governments and to the United States.

5. ACKNOWLEDGMENTS

Before ending this account of the year's research, the Institute wishes to acknowledge the generous and valuable assistance which it has continued to receive from many private organizations and persons, and from Government Departments. The help which has been so frequently given by the Departments has been invaluable, and the kindness of many of our anonymous official friends has made possible the continuation of long term economic research under increasingly difficult conditions. In particular we would wish to acknowledge the help of the Board of Trade, Ministries of Health, Labour, Food and Agriculture, the Board of Inland Revenue, the General Post Office, the Petroleum, and the Milk Marketing Boards.

III *Library*

The move to the new premises provided the opportunity thoroughly to reorganize the Library. For this work the Institute was fortunate in having the services of Dr. E. Rosenbaum, of the British Library of Political and Economic Science, as Consultant Librarian, and the temporary librarian, Mrs. K. G. Budd, worked throughout the summer and autumn under Dr. Rosenbaum's direction. The Library was reclassified and recatalogued, the stock was considerably thinned and an accessions programme worked out to fill up the more serious gaps in books, periodicals and official publications. The Library is of course on a very small scale, intended in the first place for the Institute's own research staff. In size it can be compared to an advanced University seminar library. At present, however, with most library facilities withdrawn from London, its value for research purposes is enhanced, and the Institute is prepared to make it available for reference to research workers in Government service who may wish to supplement the resources of their Departmental libraries.

When the reorganization of the Library was completed, Dr. Rosenbaum consented to serve on the Library Committee, which is now charged with Library administration and policy. Miss P. M. Deane, of the research staff, has been appointed Librarian and Secretary to the Committee.

The following table gives the accessions to the Library during the last half of the year, and also total contents as at December 31st, 1942.

LIBRARY, MAY 31st—DECEMBER 31st, 1942	
(1) Books, catalogued pamphlets, etc., as at May 31st, 1942	1,400
Accessions, May 31st—December 31st, 1942	175
Withdrawals, May 31st—December 31st, 1942	25
Total books and catalogued pamphlets as at December 31st, 1942	1,550
(2) Periodicals, series taken at December 31st, 1942	45
Issues in library at December 31st, 1942	3,575

IV *Publications*

The first publications of the Institute, by the Cambridge University Press, appeared in the autumn. The difficulties in the way of publishing have naturally increased, and have lengthened the period between completion of a manuscript for the Press and its public appearance.

Studies of the National Institute of Economic and Social Research published in 1942:

- No. 1 *Studies in the National Income*, by A. L. Bowley.
No. 2 *The Burden of British Taxation*, by G. Findlay Shirras and L. Rostas.

In the Press at the end of 1942:

- No. 3 *Trade Regulations and Commercial Policy of the United Kingdom*, by the Research Staff of the Institute.

Occasional Papers of the National Institute of Economic and Social Research published in 1942:

- No. 1 *The New Population Statistics*, by R. R. Kuczynski.

In the Press at the end of 1942:

- No. 2 *The Population of Bristol*, by H. A. Shannon and E. Grebenik.
No. 3 *War-time Pattern of Saving and Spending*, by Charles Madge.
No. 4 *Standards of Local Expenditure*, by J. R. Hicks and U. K. Hicks.
No. 5 *Standardized Accountancy in Germany*, by H. W. Singer.

In addition to publications in the two series, a list of contributions made by members of the Research Staff or by research workers receiving support from the Institute is given below. This list is confined to contributions arising from work sponsored by the Institute.

- N. Kaldor "The Income Burden of Capital Taxes."
Review of Economic Studies, Vol. ix, No. 2,
Summer 1942.

- Charles Madge "War and the Small Retail Shop."
Bulletin of the Institute of Statistics, Oxford,
Supplement No. 2, 1942.
- H. W. Singer "The German War Economy V."
Economic Journal, No. 205, April 1942.
"The German War Economy VI."
Economic Journal, Nos. 206-7, June-September
1942.
"The German War Economy VII."
Economic Journal, No. 208, December 1942.
- F. A. Wells "Voluntary Absenteeism in the Cutlery Trade."
Review of Economic Studies, Vol. ix, No. 2,
Summer 1942.

V

Research Staff as at 31st December, 1942

The staff was enlarged during the year, three new full-time research assistants being appointed and one part-time research assistant leaving on the completion of the enquiry on which she was engaged. Dr. M. Jahoda was appointed in May for a short-term period to assist the *National Expenditure, Output, and Income Enquiry 1920-1938*, and Mr. W. J. Corlett was appointed in December to work on the same enquiry. Mr. W. K. Philips was appointed to assist Dr. Singer in his enquiry into *Standardized Accountancy in Germany*, and since the completion of that work has been engaged in the general research work of the Institute.

Dr. T. Balogh, M.A. Oxon.	Part-time Research Associate.
Dr. A. Baykov, D.jur. Prague (Russian)	Part-time: on leave from University of Birmingham.
Mr. W. J. Corlett, B.A. Cantab. (Wrenbury Scholar and Trinity College Research Scholar)	Full-time Research Assistant.
Miss P. M. Deane, M.A., Glasgow (Carnegie Research Scholar)	Full-time Research Assistant.
Miss R. Hurstfield, B.Sc. Econ., L.S.E. (Metcalf Student)	Full-time Research Assistant.
Dr. Marie Jahoda (Pinsent-Darwin Student)	Full-time Research Assistant.
Mons. N. Momtchiloff	Part-time Research Associate.
Mr. W. K. Philips, B.A. Cantab.	Full-time Research Assistant.
Dr. L. Rostas, D.rer. Pol. Budapest	Full-time Research Assistant.
Mr. F. Winter, B.A. Cantab.	Full-time Research Assistant.
Miss I. F. Grant is responsible for the production of the Weekly Diary.	

31.12.42

THE NATIONAL INSTITUTE OF ECONOMIC AND
SOCIAL RESEARCH

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PUBLICATIONS LIST

January 1943

Publications now in the Press or in Active Preparation

To be published by the CAMBRIDGE UNIVERSITY PRESS in the Institute's series of *Studies* and *Occasional Papers*

Studies

Commercial Policy and Trade Regulations of the United Kingdom: RESEARCH STAFF of the INSTITUTE.

Studies in Financial Organization: T. A. BALOGH.

National Health Insurance: a Critical Study: PROFESSOR H. LEVY.

The Development of the Soviet Economic System: an Essay on the Experience of Planning in the U.S.S.R.: A. BAYKOV.

Wealth and Poverty in Local Government: J. R. HICKS, U. K. HICKS, and C. E. V. LESER.

Occasional Papers

The Population of Bristol: H. A. SHANNON and E. GREBENIK.

Standardized Accountancy in Germany: H. W. SINGER.

The Wartime Pattern of Saving and Spending: CHARLES MADGE.

Standards of Local Expenditure: a Problem of the Inequality of Incomes: J. R. HICKS and U. K. HICKS.

Ten Years of Controlled Trade in South-Eastern Europe: N. MOMTCHILOFF.

Personal Consumption in the United Kingdom 1920-1938: RICHARD STONE.

The War Economy in Coventry: a Study in Industrial Dislocation: A. SHENFIELD.