

[Article]

Constructing National Income in Britain, 1907–41

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Abstract :

The introduction of a national accounting framework for the UK budget of 1941 follows directly from the new “Keynesian” macroeconomics of the late 1930s. This was not merely a theoretical innovation, however, for any such framework requires consistent and reliable data. This paper shows how the modern conception of national income was first mooted by Alfred Marshall, elaborated by Pigou as the organising principle of welfare economics, but given shape in Britain through the efforts of a number of statisticians starting with the first Census of Production in 1907, and continuing through the 1920s and 1930s. Without the consistent attention that Flux, Macrosty, Bowley, Stamp and Clark paid to the task of turning existing statistical data into the elements of a national accounting system the Keynesian framework would have remained an elegant idea, rather than a tool of economic administration.

JEL classification numbers : E61, E01, N14.

Our present object is to discover what determines at any time the national income of a given economic system and (which is almost the same thing) the amount of its employment...¹⁾