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PART II

Activities During 1955

NEW STUDIES

Structure of American business. Important questions of national policy arise out of the organization of American business. The "problem of bigness," the maintenance of "workable competition," the degree to which special support should be provided "small firms" — these are some of the terms in which these questions are expressed.

Many facts have been gathered on these problems, but often they have been inappropriately selected and incompletely analyzed. The answers they yield fail to resolve doubts; sometimes they raise new ones in the minds of persons familiar with sound standards of statistical research. The fullest experience in economic measurement and analysis must be brought to bear on the subject.

During the past year, George J. Stigler and Michael Gort have been formulating plans for a program of research on the scale and range of operations of the business unit and the relationship among business units. As a part of this program, the National Bureau is helping the Bureau of the Census to develop a new body of statistical data from the economic census of 1954. Data on an enterprise (company) basis will be organized in tables that should prove highly useful for studies of the structure of American industry. Designed to provide three new classes of information, the tables will show:

1. A cross classification by industry of enterprises and of their establishments (This will provide a two-way presentation of data — employment, sales, and so forth — by enterprise industry code and establishment industry code)
2. The distribution by size of enterprise in the different industries and "concentration ratios" for the leading four, eight, and twenty enterprises in each industry
3. The relationship between the statistics on establishments of the Bureau of the Census and the financial statistics of the Internal Revenue Service given in *Statistics of Income*

Thus far, the National Bureau has been

helping the Bureau of the Census to find ways of improving proposed tabulations, suggesting additional tabulations, and developing methods for identifying corporate parent-subsidiary relationships so that establishments may be correctly grouped under common ownership. We hope, in the near future, to assist in planning the presentation of the final tabulations. Michael Gort has taken a leading role in this work, aided by an advisory committee on which M. A. Adelman, Solomon Fabricant, A. D. H. Kaplan, Carl Kaysen, John Lintner, Jesse Markham, and George J. Stigler have served.

Pension funds. Within less than a generation, pensions¹ have grown from a sprinkling of plans that were an inconspicuous feature of the economic landscape to a structure of programs whose fiscal operations involve benefit payments of more than \$11 billion annually to over 16 million persons and a rate of reserve fund accumulation that can be put at about \$7 billion per year. In 1940 benefits came to less than \$2 billion and beneficiaries to less than 4.5 million. The total value of pension fund reserves was \$8 billion in 1940; it reached some \$60 billion in 1954.

The scale of pension plan operations and their rapid growth have caused increasing concern over their possible effects on the volume and character of savings and investment, resource mobility and productivity, the level of employment, and on the distribution of income among income classes and between the working and the retired population. We have therefore undertaken an exploratory survey to evaluate what we now know, and what more we need to know and can find out, about the economic effects of our burgeoning structure of pension rights.

This survey, supported by a grant from the Life Insurance Association of America, has had the benefit of the guidance of an advisory committee whose membership is made up of economists, actuaries, and executives drawn from universities, government employment, private industry, and research organizations. The staff consisted of Daniel M. Holland,

Gladys Webbink, and Marvin Bloom. Mr. Holland is presently preparing a report on the results of the exploration.

Finance. A grant from the Association of Reserve City Bankers has enabled us to work on plans for new research in finance. Three areas have been chosen: lending policies and their bearing on the quality of loans in booms and depressions, the structure and behavior of interest rates, and the changing structure of credit and savings facilities. Reports on the status of these projects will be found in Part Three, Section 4. In connection with the exploratory study of the interest rate structure, David Durand is experimenting with the possibility of putting the series on basic corporate bond yields on a quarterly basis, and considering ways of studying their structure by term to maturity and their implications for the analysis of price risk.

Harvey E. Brazer is considering a brief study to supplement his work on municipal expenditures (see Part Three, Section 5) and our other researches in the area of governmental expenditures. The Bureau of the Census recently made available, through an extensive reclassification of previously collected data, the statistical basis for a study of major trends and patterns in state and local expenditures since 1902.

It is contemplated that the proposed study will analyze the patterns of growth in state and local expenditures, both in current dollars and in dollars of constant purchasing power, in relation to population, income, and other factors. This analysis will be carried out for combined state and local expenditures by major functional categories as well as for each of the two levels of government viewed separately. In addition, the data appear to be sufficiently detailed to permit such comparisons as that between the behavior of state and local construction outlays and private construction activity.

¹ Broadly defined to include old age, survivors, dependency, and disability payments under the Old Age and Survivors Insurance, Railroad Retirement, government (federal, state, and local) employee retirement, assistance, veterans, and private industrial pension programs.

Economic trends. Moses Abramovitz reports on the initial stages of a study of secular trends in the American economy in Part Three, Section 2. Closely related is the work of Richard Easterlin, a Research Associate this year, who is analyzing an extensive body of data (assembled in the University of Pennsylvania Study of Population Redistribution and Economic Growth) on income, population, employment, and capital, by states, since 1879. Also related, because it presents an instance of retarded economic development, is a study of prices and wages in the South following the Civil War, to which Eugene M. Lerner is devoting his year as a Research Associate.

Our third Research Associate, T. M. Stanback, Jr., is engaged on an analysis of inventory behavior since 1938. His work will subject Abramovitz's findings on the cyclical behavior of inventories to a searching test, for Abramovitz dealt with the period before 1938.

PUBLICATIONS DURING THE YEAR

Twelve reports were issued during 1955 and four have been printed to date in 1956, and Wesley C. Mitchell's *Business Cycles: The Problem and Its Setting* went to the Book-of-the-Month Club for reprinting (its fifteenth printing). The new books are:

Harold Barger, *Distribution's Place in the American Economy since 1869*

Daniel Creamer, *Personal Income during Business Cycles*

Waldo E. Fisher and Charles M. James, *Minimum Price Fixing in the Bituminous Coal Industry*

Ruth P. Mack, *Consumption and Business Fluctuations: A Case Study of the Shoe, Leather, Hide Sequence*

J. E. Morton, *Urban Mortgage Lending: Comparative Markets and Experience*

Short-Term Economic Forecasting, Studies in Income and Wealth, Volume Seventeen

Input-Output Analysis: An Appraisal, Studies in Income and Wealth, Volume Eighteen

Business Concentration and Price Policy, Special Conference Series 5

Capital Formation and Economic Growth, Special Conference Series 6

Policies to Combat Depression, Special Conference Series 7

George E. Lent, *The Ownership of Tax-Exempt Securities, 1913-1953*, Occasional Paper 47

M. Slade Kendrick, *A Century and a Half of Federal Expenditures*, Occasional Paper 48

Bert G. Hickman, *The Korean War and United States Economic Activity, 1950-1952*, Occasional Paper 49

Howard G. Diesslin, *Agricultural Equipment Financing*, Occasional Paper 50

Lawrence H. Seltzer, *Interest as a Source of Personal Income and Tax Revenue*, Occasional Paper 51

Input-Output Analysis: Technical Supplement (multilithed for the Conference on Research in Income and Wealth, for limited circulation)

Distribution's Place in the American Economy since 1869 reports that the distribution of goods has employed a rapidly increasing share of the labor force since 1930. In the first extensive study ever made of the "output" per man-hour of the distribution industries, Dr. Barger reports an increase of 20 per cent between 1929 and 1949; this is a much smaller rise than in commodity producing industries. However, the study shows that the cost of distribution, taken as a percentage of the retail sales dollar, has not increased since World War I.

Personal Income during Business Cycles shows how the different kinds of personal income — wages and salaries, property income, dividends, farm income, transfer payments — respond to business cycle changes. The study also provides a statistical analysis of how far farm price supports, unemployment insurance, and federal income tax reductions have offset losses in personal income during recessions.

Minimum Price Fixing in the Bituminous Coal Industry is the most comprehensive investigation ever made of an attempt by government to regulate the price of a natural resource at the point of production. It is a detailed record and analysis of the determination and administration of minimum prices under the Bituminous Coal Act of 1937.

Consumption and Business Fluctuations: A Case Study of the Shoe, Leather, Hide Se-

quence shows how consumer spending for shoes reacts to changes in income, how fast the reaction comes, how rapidly it is transmitted back to the wholesaler, producer, and supplier of raw materials. Dr. Mack's study traces the fortunes of the shoe industry during business cycles and other short-run changes in business conditions.

Urban Mortgage Lending: Comparative Markets and Experience summarizes data on the markets and lending experience of institutional lenders. Cross-institutional comparisons and risk studies cover the mortgage investment experience of the last thirty years.

Short-Term Economic Forecasting presents seven papers evaluating methods of predicting the behavior of economic variables over one or two years. Most of the statistical and mathematical techniques now being used for this purpose are covered.

Input-Output Analysis: An Appraisal provides eight papers appraising a new and controversial tool of economic analysis. Special attention is given to the input-output table prepared by the Division of Interindustry Economics of the Bureau of Labor Statistics and covering the 1947 production of 200 industries.

Business Concentration and Price Policy is a collection of essays on the nature and extent of concentrated power in today's economy and on the forces that have determined concentration. The analysis covers such questions as the effect of concentration on pricing policy and on market relationships, the comparative efficiencies of large and small enterprise, the effects of taxes on concentration, and the history of mergers.

Capital Formation and Economic Growth is a collection of papers studying the major activities by which capital is formed: saving of resources, financing mechanisms, and patterns of investment. The investigation is focused on the ways in which capital formation influences and in turn is influenced by economic growth. Among the subjects covered are relation of rate of saving to income, the flows of invention

and innovation, investment decisions in underdeveloped countries, Soviet economic growth, and theoretical models of the process of economic growth.

Policies to Combat Depression presents twelve papers studying our present defenses against severe economic downturns. The stabilizing effects of the fiscal structure (quantified on the basis of an economic model and examined in detail for the personal and corporate income tax, state and local revenues, and the farm price support and social security programs) are a major subject. A case study of the mild 1948-1949 recession is presented, and another analysis distinguishes various kinds of depressions. Other papers take up economic structure in relation to stability, public works and housing policies, monetary policy, and international commodity price stabilization.

The Ownership of Tax-Exempt Securities, 1913-1953 traces the recent decline in the proportion of tax-exempt securities held by individuals and the rise in the proportion held by commercial banks. The effect of tax exemption on investment is studied by reference to income and estate tax records.

A Century and a Half of Federal Expenditures demonstrates that the federal government has grown more than ten times as fast as the total economy over the past 150 years. The largest increases in federal expenditures have occurred at the time of major wars, and after all major wars part of the increase in expenditures was maintained: expenditures never returned to the prewar level.

The Korean War and United States Economic Activity, 1950-1952 analyzes the influence of the Korean War and the associated defense mobilization on production, investment, consumption, and prices. Comparisons with similar developments during World War II bring out the significance of the reactions of consumers and businessmen to the outbreak of war and the prospect of mobilization.

Agricultural Equipment Financing studies the volume and uses of credit in financing

farmers' purchase of agricultural machinery. The varying sources of credit are also reviewed, as is the role of credit in the mechanization of agriculture.

Interest as a Source of Personal Income and Tax Revenue examines the changes that have occurred in the relative importance and distribution of interest income of individuals since World War I, and the effect that these changes have had on interest as a part of the income tax base and as a source of tax revenue. The effects that changes in the structure of the income tax may have had on fixed interest investment are also examined. The study is part of a larger study of various aspects of the individual income tax in the United States.

Input-Output Analysis: Technical Supplement is devoted to the description of inter-industry (input-output) tables for various sectors of the economy. It is a supplement to *Input-Output Analysis: An Appraisal*, Volume Eighteen of Studies in Income and Wealth.

FORTHCOMING PUBLICATIONS

The following reports are in press:

Moses Abramovitz and Vera Eliasberg, *The Growth of Public Employment in Great Britain*

Thomas R. Atkinson, *The Pattern of Financial Asset Ownership: Wisconsin Individuals, 1949*

David M. Blank and George J. Stigler, *The Demand and Supply of Scientific Personnel*

Milton Friedman, *A Theory of the Consumption Function*

Leo Grebler, David M. Blank, and Louis Winnick, *Capital Formation in Residential Real Estate: Trends and Prospects*

Donald C. Horton, *Patterns of Farm Financial Structure: A Cross-Section View of Economic and Physical Determinants*

Gideon Rosenbluth, *Concentration in Canadian Manufacturing Industries*

George J. Stigler, *Trends in Employment in the Service Industries*

Capital Formation: Concepts, Measurements, and Controlling Factors, Studies in Income and Wealth, Volume Nineteen

Problems in the International Comparison of Economic Accounts, Studies in Income and Wealth, Volume Twenty

Regional Income, Studies in Income and Wealth, Volume Twenty-one

Measurement and Behavior of Unemployment, Special Conference Series 8

Moses Abramovitz, *Resource and Output Trends in the United States since 1870*, Occasional Paper 52

John W. Kendrick, *Productivity Trends: Capital and Labor*, Occasional Paper 53

W. L. Crum, *Fiscal-Year Reporting for Corporate Income Tax*, Technical Paper 11

Additional reports that may be issued in 1956-1957 include, among others, the following:

Gerhard Bry, "Wages in Germany, 1871-1945"

David Durand, "Bank Stock Prices and the Bank Capital Problem"

Raymond W. Goldsmith, "Financial Intermediaries in the Saving and Investment Process in the American Economy, 1900-1952"

W. Braddock Hickman, "Corporate Bond Quality and Investor Experience"

Daniel M. Holland, "The Differential Tax Burden on Stockholders"

Clarence D. Long, "The Labor Force and Economic Change"

Oskar Morgenstern, "International Financial Transactions and Business Cycles"

Alvin S. Tostlebe, "Capital Formation and Financing in Agriculture, 1870-1950"

"Review of National Income Estimates," Studies in Income and Wealth, Volume Twenty-two

CONFERENCES AND RELATED ACTIVITIES

Conference on Research in Income and Wealth

Two meetings were held during 1955: the first, on regional income, at Duke University in June and the other, on the national income estimates of the Department of Commerce, at the Carnegie Center (New York City) in November. The following papers were presented at the June meeting:

"Conceptual Issues of Regional Income Estimation," by Werner Hochwald, Washington University and Federal Reserve Bank of St. Louis

"Problems of Assessing Regional Economic Progress," by Harvey S. Perloff, Resources for the Future, Inc.

"The Value of the Regional Approach in Economic Analysis," by Walter Isard, Massachusetts Institute of Technology

"The Geographic Area in Regional Economic Research," by Morris B. Ullman and Robert C. Klove, Bureau of the Census

"Analysis of Interstate Income Differentials: Theory and Practice," by Frank A. Hanna, Duke University

"Interregional Differentials in per Capita Real Income Change," by Abner Hurwitz and Carlyle P. Stallings, Bureau of Labor Statistics

"City Size and Income, 1949," by Edwin Mansfield, Carnegie Institute of Technology

"Appraisal of Alternative Methods of Estimating Local Area Incomes," by Lorin A. Thompson, University of Virginia

"Measurement of Agricultural Income of Counties," by John L. Fulmer, Emory University

"Development of Postcensal Population Estimates for Local Areas," by Henry S. Shryock, Jr., Bureau of the Census

Charles F. Schwartz was chairman of the program committee for this conference, and Frank A. Hanna served as conference editor for the proceedings, which are in press.

The November meeting was held under the chairmanship of Raymond W. Goldsmith. The papers as they will appear in the proceedings follow:

PART I

"The Conceptual Basis of the Accounts: A Re-examination," by George Jaszi, Department of Commerce

PART II — The Income Side

"Some Theoretical Aspects," by Raymond T. Bowman, Bureau of the Budget, and Richard Easterlin, University of Pennsylvania

"A Business User's Viewpoint," by Morris Cohen and Martin R. Gainsbrugh, National Industrial Conference Board

PART III — The Product Side

"Some Theoretical Aspects," by Everett E. Hagen, Massachusetts Institute of Technology, and Edward C. Budd, Yale University

"A Business User's Viewpoint," by Kenneth D. Ross, Stein Roe and Farnham

PART IV

"The Design of Accounts," by T. C. Schelling, Yale University

"Organization and Content of the Accounts," by David W. Lusher, Council of Economic Advisers

"Proposal for a Revised Set of Summary Accounts and Supporting Financial Details," by Morris A. Copeland, Cornell University

PART V

"Suitability of the Accounts for Short-Term Analysis," by V Lewis Bassie, University of Illinois

"A Survey of Business Uses of the Data," by Paul Kircher, University of California at Los Angeles

PART VI

"Measurement of Real Product," by John W. Kendrick, National Bureau of Economic Research

PART VII

"Business Plant and Equipment," by Eric Schiff, Machinery and Allied Products Institute

"Capital Consumption and Net Capital Formation," by Solomon Fabricant, National Bureau of Economic Research

"Saving," by Raymond W. Goldsmith, National Bureau of Economic Research

PART VIII

"Agricultural Income," by Karl A. Fox, Iowa State College

"Business and Professional Income," by Stanley Lebergott, Bureau of the Budget

"Extractive Industries," by Joseph Lerner, Resources for the Future, Inc.

"Financial Intermediaries," by Clark Warburton, Federal Deposit Insurance Corporation

PART IX

"Seasonal Adjustment of the Income and Product Series," by Geoffrey H. Moore, National Bureau of Economic Research

Joseph A. Pechman (chairman), Richard Easterlin, and Harlow D. Osborne are serving on the editorial committee to assist with the preparation of these proceedings.

The only conference scheduled for 1956 was held at Princeton University on March 23-24 and was devoted to an appraisal of the 1950 census income statistics. George Garvy (chairman), Dorothy S. Brady, Selma F. Goldsmith, and Herman P. Miller served on the program committee, and Mr. Garvy is to be the confer-

ence editor. The following papers were presented:

- "Some Frontiers of Size Distribution Research," by Thomas R. Atkinson, Federal Reserve Bank of Atlanta
- "Decennial Census and Current Population Survey Data on Income," by Edwin D. Goldfield, Bureau of the Census
- "Relation of Census Income Distribution Statistics to Other Income Data," by Selma F. Goldsmith, Department of Commerce
- "Reason for Differences in Survey Estimates of Income: Survey of Consumer Finances and Census Quality Check," by Monroe G. Sirken, National Office of Vital Statistics, E. Scott Maynes, University of Michigan, and John A. Frechtling, Ford Motor Company
- "Coordination of PES and Old-Age and Survivors Insurance Earnings," by Benjamin J. Mandel and Irwin Wolkstein, Social Security Administration
- "Comparison of Income Reported in the 1950 Census and on Income Tax Returns," by Herman P. Miller and Leon R. Paley, Bureau of the Census
- "Post-Enumeration Survey: Study of Income Distributions of the 1950 Census of Population," by Leon Pritzker, Case Institute of Technology, and Alfred Sands, Bureau of the Census
- "Appraisal of the Census Income Data for Farm Families," by D. Gale Johnson, University of Chicago
- "Validity of Field Survey Data for Low Income Groups," by Eleanor M. Snyder, Bureau of Labor Statistics
- "Changes in the Industrial Distribution of Wages in the United States, 1939-1949," by Herman P. Miller, Bureau of the Census
- "Some Income Adjustment Results from the 1949 Audit Control Program," by Marius Farioletti, Treasury Department
- "Summary and Outlook," by George Garvy, Federal Reserve Bank of New York

A meeting is planned for the spring of 1957 on nineteenth-century economic data. Members of the planning committee are Harold F. Williamson (chairman), Stanley Lebergott, and John Sawyer.

Short-Term Economic Forecasting, Volume Seventeen, and *Input-Output Analysis: An Appraisal*, Volume Eighteen, of *Studies in Income and Wealth*, were published. *Capital Formation: Concepts, Measurement, and Con-*

trolling Factors, Volume Nineteen, *Problems in the International Comparison of Economic Accounts*, Volume Twenty, and *Regional Income*, Volume Twenty-one, are in press.

The members of the Executive Committee of the Conference are George Jaszi, *Chairman*, Raymond T. Bowman, Martin R. Gainsbrugh, George Garvy, S. A. Goldberg, Raymond W. Goldsmith, Frank A. Hanna, Edgar M. Hoover, Stanley Lebergott, and Joseph A. Pechman. Mildred E. Courtney is Secretary.

Special Conferences

In October a conference on consumption and economic development, sponsored by the Universities-National Bureau Committee for Economic Research, was held at the Woodrow Wilson School of Public and International Affairs, Princeton University. The program committee consisted of Ruth P. Mack, *Chairman*, Dorothy S. Brady, Reavis Cox, Karl A. Fox, Elizabeth E. Hoyt, Margaret G. Reid, Arthur Smithies, and James Tobin; Muriel De Mar was Secretary. The following papers, submitted in advance, were discussed at the meeting:

- "Changing Consumption in Indian Guatemala," by Sol Tax, University of Chicago
- "Consumption and Economic Change in Puerto Rico," by Simon Rottenberg, University of Chicago
- "International and Intertemporal Comparisons of the Structure of Consumption," by Irving B. Kravis, University of Pennsylvania
- "International Comparisons of Patterns of Family Consumption," by Faith M. Williams, Bureau of Labor Statistics
- "Impact of Long-Term Structural Changes on Family Expenditures: 1888-1950," by Eleanor M. Snyder, Bureau of Labor Statistics
- "Price Elasticities of Demand for Nondurable Goods," by Richard J. Foote, Department of Agriculture
- "A Statistical Study of Factors Influencing Temporal Variations in Aggregate Service Expenditures," by Robert Ferber, University of Illinois
- "A Dynamic Element in Consumption: The TV Industry," by Alfred Oxenfeldt, Boni, Watkins, Mounteer & Co., Inc.
- "Some Factors Affecting Saving of Different Groups," by Irving Schweiger, University of Chicago

"A Theory of the Relation between Income and Saving," by Milton Friedman, University of Chicago

We expected to assemble a mimeographed collection of the papers and discussions and make them available at a nominal price to the interested students of the subject. However, we understand that a large number of papers and comments will probably appear in *Consumer Behavior*, a publication by the New York University Press, and this may make it desirable to reconsider the need for a mimeographed collection.

A conference on international economics was held at Princeton University on April 13-14, 1956. The program committee consisted of Gottfried Haberler, *Chairman*, Thomas C. Schelling, Charles P. Kindleberger, Herbert B. Woolley, E. M. Bernstein, Ragner Nurske, G. A. Elliott, Solomon Fabricant, and Robert Lichtenberg was Secretary. The following papers were presented at the conference:

"Transactions between World Areas in 1951," by Herbert B. Woolley, National Bureau of Economic Research

"World Transportation Account, 1950-1953," by Herman F. Karreman, National Bureau of Economic Research

"The Commodity Composition of Trade: Selected Industrial Countries, 1900-1954," by Robert Baldwin, Harvard University

"The Terms of Trade and Economic Development," by Charles P. Kindleberger, Massachusetts Institute of Technology

"Primary Effects on Employment of Shifts in Demand from Domestic to Foreign Products," by Walter S. Salant, Brookings Institution

"Factor Proportions and the Structure of American Trade: Further Theoretical and Empirical Analysis," by Wassily Leontief, Harvard University

"Some Econometric Contributions to the Analysis of Balance of Payments Mechanisms," by Arnold C. Harberger, University of Chicago

"Strategic Factors in Balance of Payments Adjustment," by E. M. Bernstein, International Monetary Fund

Plans for a conference on the quality and economic significance of anticipations data, to be held in 1956 or 1957, are being drawn by a committee consisting of Albert G. Hart, *Chair-*

man, Martin Gainsbrugh, George Katona, Stanley Lebergott, Franco Modigliani, Geoffrey H. Moore, and Guy H. Orcutt. Robert E. Lipsey will act as Secretary. Proposals for future conferences on population and economic change and on state and local finance are being considered.

Twenty-nine universities offering graduate work in economics and emphasizing research, together with the National Bureau, are represented on the Universities-National Bureau Committee for Economic Research.

The present list of participating universities follows:

Buffalo	Harold M. Somers
California	John B. Condliffe
Carnegie Institute of Technology	G. L. Bach
Chicago	H. Gregg Lewis
Columbia	George J. Stigler
Cornell	M. Slade Kendrick
Duke	Joseph J. Spengler
Harvard	Arthur Smithies
Illinois	V Lewis Bassie
Iowa State	Elizabeth E. Hoyt
Johns Hopkins	G. Heberton Evans, Jr.
Massachusetts Institute of Technology	M. A. Adelman
McGill	Donald B. Marsh
Michigan	Gardner Ackley
Minnesota	Francis M. Boddy
New School for Social Research	Adolph Lowe
New York	Emanuel Stein
North Carolina	Milton S. Heath
Northwestern	Richard B. Heflebower
Pennsylvania	Raymond T. Bowman
Princeton	Oskar Morgenstern
Queen's	M. C. Urquhart
Stanford	Moses Abramovitz
Texas	Eastin Nelson
Toronto	D. C. MacGregor
Vanderbilt	William H. Nicholls
Virginia	Rutledge Vining
Wisconsin	James S. Earley
Yale	Richard Ruggles

Other members of the Committee include: Edgar M. Hoover, A. D. H. Kaplan, and Dexter M. Keezer, Members at Large; and Solomon Fabricant, representing the National Bureau of Economic Research.

The members of its executive committee are: George J. Stigler, *Chairman*, Gardner

Ackley, *Vice-Chairman*, M. A. Adelman, Solomon Fabricant, Edgar M. Hoover, H. Gregg Lewis, and William H. Nicholls. William J. Carson is Secretary of the Committee.

DIRECTORS AND RESEARCH STAFF

C. Arthur Kulp, Dean of the Wharton School of Finance and Commerce, was elected Director by Appointment of the University of Pennsylvania in June 1955 to fill the unexpired term of C. Canby Balderston who resigned in August 1954 to accept appointment as a member of the Board of Governors of the Federal Reserve System.

Frederick V. Waugh resigned as Director by Appointment of the American Farm Economic Association effective with the close of the 1956 Annual Meeting. Harold G. Halcrow was nominated to fill the unexpired term.

Upon his appointment in April 1955 as a member of the Council of Economic Advisers, Raymond J. Saulnier was granted a leave of absence as a member of the research staff and as Director of the Financial Research Program.

Richard Easterlin of the University of Pennsylvania, Eugene M. Lerner of the University of Idaho, and T. M. Stanback, Jr. of the University of North Carolina were appointed Research Associates for 1955-1956.

SOURCES OF SUPPORT

In 1955, the National Bureau's work continued to receive financial support from a variety of sources. The sources included philanthropic foundations, business associations, companies, labor organizations, and individuals. In addition, royalties and receipts from the sale of publications provided some income.

A substantial grant was received from The Ford Foundation toward the National Bureau's general support over a period of fifteen years to help it to continue the present program and to plan related inquiries. Other foundations from which support came for work in 1955 were The Rockefeller Foundation, Carnegie Corporation of New York, Alfred P. Sloan Foundation, Merrill Foundation for Advancement of Financial Knowledge, Scherman Foundation, and National Science Foundation. Still other groups contributed toward the support of certain projects.

General contributions from companies, labor organizations, and individuals constituted about 16 per cent of the total budget. The sum received from these sources was slightly larger than the amount received in 1954.

Receipts from the sale of publications included royalties on books sold by Princeton University Press and receipts from the sales by the National Bureau of books to contributors and by sales of Occasional and Technical Papers. Income from these sources, however, constituted only a small fraction of the National Bureau's budget. Information on how to order National Bureau publications, and a full list of reports published since 1920, will be found on pp. 88 and 81-87.

RESEARCH IN PROCESS

Reports by members of the staff on their research activities during 1955 are presented in Part Three. The findings briefly mentioned there have not yet been subjected to the full critical review accorded the National Bureau's studies and are therefore tentative and provisional.