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Organization and Finances

DIRECTORS AND OFFICERS

The Board of Directors held two meetings during the fiscal year to consider and act upon developments in the research program and the operation, staffing, and financing of National Bureau activities. The annual meeting was on September 27, 1971 in New York City. A special meeting was held on April 22, 1972 in Cambridge, Massachusetts, where particular attention was given to the work of the Computer Research Center for Economics and Management Science, which had begun operations in mid-1971. In addition, the Board's Executive Committee met three times during the year, to take action on research proposals, staff appointments, and budgets, within the general policies established by the Board.

Eleven special reading committees of the Board of Directors conducted review of manuscripts and, with modifications, approved them for publication. The Finance Committee of the Board, which supervises operation of the investment accounts, met seven times during the year.

At the annual meeting, five new Directors were elected. Alice M. Rivlin and Arnold M. Soloway became Directors at Large to complete terms from which Crawford H. Greenewalt and Robert A. Charpie had resigned. Almarin Phillips was elected Director by Appointment of the University of Pennsylvania, replacing Willis J. Winn, who had become President of the Federal Reserve Bank of Cleveland. Gardner Ackley was elected Director by Appointment of the University of Michigan, replacing Tom E. Davis of Cornell. Eugene A. Birnbaum was elected a Director by Appointment of the American Management Association.

Murray Shields, who had served on the Board as Director by Appointment of the American Management Association from 1949 to 1971,

was elected a Director Emeritus. The valued assistance and contributions to the work of the National Bureau by those Directors who were leaving the Board were gratefully recognized by their colleagues.

The Board of Directors also elected the following officers of the National Bureau for the ensuing year: Arthur F. Burns, Honorary Chairman; Walter W. Heller, Chairman; J. Wilson Newman, Vice Chairman; John R. Meyer, President; Thomas D. Flynn, Treasurer; Douglas H. Eldridge, Vice President—Executive Secretary; Victor R. Fuchs, F. Thomas Juster, Hal B. Lary and Robert E. Lipsey, Vice Presidents—Research; Edward K. Smith, Vice President; Evan Stephens, Controller; Charlotte Boschan, Director of Data Processing; and Joan R. Tron, Director of Publications.

In April 1972, F. Thomas Juster resigned as Vice President—Research in order to be relieved of some administrative duties and to devote more time to research.

At the April meeting of the Board of Directors, five other members of the staff were designated as officers of the National Bureau: Edwin Kuh, Director, Computer Research Center; Mark Eisner, Technical Director, Computer Research Center; and Donald R. Gilmore, Warren C. Lackstrom, and Robert T. Michael, Assistant Vice Presidents.

The National Bureau lost a valued friend and former associate with the death of Professor C. Harry Kahn of Rutgers University on April 28, 1972. Mr. Kahn joined the staff in 1952 and was the author of three research reports in the National Bureau's series of fiscal studies. His passing was noted with deep regret by his colleagues on the Board and staff.

Douglas H. Eldridge

FINANCES AND SOURCES OF SUPPORT

In the fiscal year ending June 30, 1972, National Bureau expenditures were \$3,518,949, an increase of \$743,691 over the prior year. Mainly this reflected the launching of the Computer Research Center for Economics and Management Science, which is being supported by a grant from the National Science Foundation. Expenditures for other research, publications, and related activities remained about the same, while income for some of these activities was increased from restricted grants or contracts in support of specific projects. Total income was \$3,546,783, producing a current operating surplus of \$27,834, whereas in the prior year a deficit of \$318,000 had been incurred and financed by drawing on the principal of the National Bureau's sustaining funds.

Nearly two-thirds of current income in fiscal 1972 was from grants or contracts restricted to the support of specific research projects discussed in the staff reports above. Sources of support for particular studies were as follows:

American Association of Advertising Agencies—market structure and advertising.

American Bankers Association—banking structure and performance.

Ford Foundation—economics of population.

International Business Machines Corporation—interuniversity conference and workshops on the computer in economic and social research.

IBM World Trade Corporation—role of the computer in Latin American research.

Life Insurance Association of America—effects of inflation on financial markets.

Population Council—conference on economics of population.

Rockefeller Foundation—international economics; research fellowships for scholars from developing countries.

Scherman Foundation—money, financial flows, and credit in the Soviet Union.

Alex C. Walker Charitable and Educational Foundation—studies of productivity, employment, and price levels.

United States Government:

Agency for International Development—exchange control, liberalization, and economic development.

Department of the Army, Corps of Engineers—industrial water consumption.

Department of Commerce, Economic Development Administration—regional economics and federal tax, expenditure, and transfer substitutions.

Department of Health, Education, and Welfare, Office of Education—economic and social impact of quantity and quality of education.

Department of Health, Education, and Welfare, Public Health Service—economics of health and costs of medical care.

Department of Labor, Manpower Administration—labor market stratification.

National Science Foundation—Computer Research Center; determinants of the distribution of income and earnings; aggregate production functions and wages; research, education, and agricultural productivity; role of prices in international trade; law and economics; measurement of economic and social performance; and conference programs.

Office of Economic Opportunity—labor market behavior, earnings functions, and poverty problems.

Unrestricted income, for support of all phases of the National Bureau's program not financed by specific grants, was derived from four principal sources. General program support grants from the Ford Foundation, Richard King Mellon Charitable Trusts, and the Scherman Foundation provided 13 per cent of the total current income in fiscal 1972. Eleven per cent came from the annual contributions and subscriptions of companies, banks, labor organizations, libraries and individuals. Interest and dividends from the investment of sustaining funds provided another 10 per cent. The remaining current income came from royalties and sales of publications and statistical materials.

In January 1972 the Alfred P. Sloan Foundation contributed \$250,000 on a capital or sustaining-fund grant to the National Bureau. Over the years several major foundations have assisted the Bureau's work with long-term or capital grants. These comprise the National Bureau's sustaining funds and provide investment income. They permit the Bureau's Board and staff

greater continuity in conducting research operations than is possible with reliance on year-to-year contributions and short-term grants. As of June 30, 1972, the current value of securities in the National Bureau's sustaining-fund balance was \$10,247,990.

The Sloan Foundation also recognized the importance of the National Bureau's efforts to increase its general program support from the annual contributions and subscriptions of those who appreciate and use its research findings and analyses. In addition to the above sustain-

ing-fund grant, the Sloan Foundation has provided a \$250,000 matching grant which will be available to the National Bureau to the extent that the level of contributions and subscriptions from business firms and others is raised above the average level of receipts from these sources in the past four years. Thus, new and increased annual contributions and subscriptions to the Bureau's work will be doubly helpful, for they will be matched on a dollar for dollar basis by the Sloan Foundation.

Douglas H. Eldridge

RESEARCH FELLOWSHIPS

Each year the National Bureau appoints several Research Fellows who spend approximately a year at the Bureau. These fellowships are intended to provide further educational opportunities to scholars of outstanding promise generally, but not always, at an early postdoctoral stage of their careers.

The Research Fellow for 1971-72 is Benjamin Klein, University of California at Los Angeles. His area of interest is the demand for money and the regulation of banking.

The Research Fellows appointed for 1972-73 are James Heckman of Columbia University, and Swarjit Arora of the State University of New York at Buffalo. Heckman's areas of interest are labor economics and the theory of the firm. Arora will concentrate on computer applications in economic research. Arora will be in residence at the

Computer Research Center at Cambridge, Mass.

In addition to the foregoing program, which dates back to 1930 and is aimed primarily at scholars in the United States, a new program has been inaugurated, with the support of the Rockefeller Foundation, for bringing to the National Bureau each year a young Research Fellow selected from one of several universities in Africa, Asia, and Latin America. The first Fellow under this program is Joseph K. Maitha of the University of Nairobi, Kenya. Maitha, whose research interests are mainly in production functions and industrial economics, received his Ph.D. from the State University at Buffalo in 1968 and has been Acting Dean of the Faculty of Commerce at the University of Nairobi since 1970.

Victor R. Fuchs

STAFF SEMINARS

The National Bureau of Economic Research conducts a regular seminar program designed primarily to provide an opportunity to debate topics of current economic research interest proposed by members of the staff. Guest lectures by scholars from various universities and research institutions in the United States and abroad supplement the program. During the past year the seminars have been administered by Irving Silver (May-June), Vincent Su (July-September), and Robert Michael (since October). Since many of these seminars deal with preliminary versions of papers, the National Bureau does not retain copies of the papers for general distribution. One may write to the respective speakers to obtain current information on these projects.

V. K. Chetty and James Heckman (NBER)	Internal Adjustment Costs and the Neoclassical Theory of the Firm	May 7, 1971
Raul Prebisch (Inter-American Development Bank)	The Dynamic Insufficiency of the Latin American Economies	May 11, 1971
Frank Stafford (Univ. of Michigan)	The Allocation of Time to Children and Educational Opportunity	May 21, 1971
Edmund Phelps (Columbia University)	Modeling Optimum Stabilization Policy	May 28, 1971
Thomas Sargent (Univ. of Penn.)	Inflation and Interest Rates	June 4, 1971
Peter Albin (New York University)	A Cellular Automata Basis for Economic Theory	June 11, 1971
Yoav Kislev (Yale University)	Agricultural Research and Productivity: An International Analysis	June 18, 1971
M. I. Nadiri (NBER)	A Disequilibrium Model of Household Behavior	June 25, 1971
John Hause (NBER)	Brains and Bucks: Further Reflections on the Query "If You're So Smart, Why Aren't You Rich"	July 7, 1971
Michael Landsberger (Technion)	A Dynamic Approach to Optimal Time Allocation of Family Members	July 21, 1971
George Hay (Yale University)	Fares on the SST: A Modern Version of the Scrapping Problem	July 28, 1971
Levis A. Kochin (Federal Reserve Bank of N. Y.)	Judging Stabilization Policies	August 4, 1971
Lewis Solmon and Paul Wachtel (NBER)	The Effects on Income of Type of College Attended	August 11, 1971
Gregory Ingram (NBER)	An Overview of NBER Urban Simulation Model	August 18, 1971
David Gordon (NBER)	Slicing the World in Half: An Empirical Definition of the 'Dual Labor Market'	August 25, 1971
Barry Chiswick (NBER)	Times Series Changes in Personal Income Inequality: The U.S. Experience 1939-1985	Sept. 10, 1971
Irving B. Kravis (Univ. of Penn.)	U. N. International Income Comparison Project	Sept. 16, 1971
Paul Taubman (Univ. of Penn.)	The Rate of Return to Higher Education	Oct. 1, 1971
Charlotte Boschan and Peggy Cahn (NBER)	NBER Data Bank	Oct. 8, 1971
Benjamin Klein (NBER)	On a Correct Measure of Inflation	Oct. 15, 1971

Henry Grabowski (Yale University)	The Determinants and Effect of Advertising Expenditures	Oct. 22, 1971
Bradley Gale (Univ. of Mass.)	Market Share and Rate of Return	Oct. 29, 1971
Finis Welch (NBER)	Black–White Differences in Returns to Schooling	Nov. 5, 1971
Tony Santomero (Baruch College, CUNY)	The Determinants and Effects of the Frequency of Factor Payments	Nov. 19, 1971
T. Paul Schultz (RAND Corp.)	A Framework for Analysis of Family Planning Programs and its Application to Taiwan	Dec. 1, 1971
Michael Grossman (NBER)	The Economics of Joint Production in the Household	Dec. 3, 1971
James Heckman (NBER)	A Dynamic Model of the Firm and Industry	Dec. 17, 1971
M. I. Nadiri (NBER)	A Dynamic Model of Industry Price Behavior	Jan. 7, 1972
Michael R. Darby (Ohio State Univ.)	The Allocation of Transitory Income Among Consumer's Assets	Jan. 27, 1972
Merle Yahr Weiss (NBER)	Estimating the Structure of International Ocean Transport Costs	Feb. 4, 1972
John R. Meyer and Guy Herregat (NBER)	The Diffusion of New Technologies: The Case of the Basic Oxygen Steel Process	Feb. 16, 1972
Robinson G. Hollister (Princeton Univ.)	OEO's Guaranteed Minimum Income Experiment in New Jersey	Feb. 25, 1972
Stanislav Menshikov (Academy of Sciences of the USSR)	Using Econometric Models for Comparative Economic Analysis	March 3, 1972
Robert J. Willis (NBER)	The Form and Stability of the Fertility Demand Function	March 10, 1972
Wassily W. Leontief (Harvard Univ.)	Structural Analysis of International Trade	March 17, 1972
Gary S. Becker (Univ. of Chicago)	A Theory of Marriage	March 22, 1972
Ronald Ehrenberg (Univ. of Mass.)	An Economic Analysis of State and Local Government Employees	April 14, 1972
Reuben Gronau (Hebrew Univ.)	The Value of Housewives' Time: Empirical Estimates for the United States	April 21, 1972
Paul A. David (Stanford Univ.)	Migration and the Search for Economic Opportunity	April 26, 1972

Robert T. Michael

