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NATIONAL BUREAU OF ECONOMIC RESEARCH  
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NATIONAL BUREAU  
report



NATIONAL BUREAU OF ECONOMIC RESEARCH, INC. NEW YORK, N. Y. 10016

According to the Annual Report of the National Bureau prepared by Wesley Clair Mitchell for the year 1929, "The most signal development in the National Bureau's history of 1929 is due to the generous grant from the Rockefeller Foundation . . . of a sum of up to \$75,000 a year for five years as may be matched by income of the National Bureau from other sources." This grant made possible the award of the Bureau's first Research Fellowships to young postdoctoral economists who are, to again quote Dr. Mitchell, "persons of maturity and accomplishment, interested primarily in quantitative studies." Fellowship applicants were judged on the basis of academic record, recommendations, the quality of a research proposal made to the Bureau, and the relationship of the proposal to Bureau work.

NBER RESEARCH  
FELLOWS

On October 1, 1930, the Research Fellowship program got underway with the appointment of three fellows - Dorothy Bacon, Arthur Burns, and Arthur Gayer. Since then, sixty-seven economists have received National Bureau Research Fellowships. The selection guidelines set down by Dr. Mitchell forty years ago are still adhered to, and, more importantly, their merit has been justified in terms of the achievement record of Research Fellowship alumni. Arthur Burns, Geoffrey Moore, Phillip Cagan, Julius Shiskin, Isaiah Frank, Raymond Bowman, are but a few who came to the Bureau as Research Fellows and have since been sought out by government to fill positions vital to the nation's economic well-being. Thirty former Research Fellows including Wassily Leontief, Moses Abramovitz, W. Allen Wallis, Zui Griliches, and Lawrence Klein are currently teaching at universities. Eleven now occupy prominent places with the Bureau, five as Directors and six as Senior Staff members. Twenty-four of the fifty-two fellows appointed before 1965 are listed in the current edition of *Who's Who*.

In an atmosphere fitted to the needs of an economic researcher, a National Bureau Research Fellow is offered the opportunity to sharpen his skills, broaden his ideas, and engage in intellectual exchange which will augment this educational growth. The Bureau provides a locale for large-scale, long-term research requiring continuity and mobilization of specialized technical skills which would not be convenient at nor readily available in a university setting. In recognition of the fact that men are likely to be most original and innovative during their early postdoctoral years, NBER Fellowships are intended to provide further educational opportunities, training, and professional development to scholars of outstanding promise at an early stage in their careers. Each Fellow devotes his full time to research, with access to Bureau computer and library facilities, research and secretarial assistance. He works in close association with members of the research staff who are experienced in empirical research and who may have considerable familiarity with the research problems which he is investigating. The Research Fellow is free to choose a program of research which appears to him to maximize the achievement of his educational objectives.

The Bureau also provides a forum through which economists drawn from a broad academic and cultural cross section can compare and exchange ideas and techniques. Through seminars and conferences the Research Fellows learn about the activities of their Bureau colleagues and the research staff learn about the projects in which the Fellows are involved. Fellows coming to the Bureau from abroad particularly appreciate the opportunity to trade experiences with economists whose research orientation may differ because of cultural predispositions.

Four fellows are at the Bureau during 1969-70. Laurence Miller of Carleton College is working on a paper entitled "Aspects of Search and Information Costs." Lewis Solmon of Purdue is investigating Human Capital and Aggregate Savings Behavior. Finis Welsh of Southern Methodist is studying Education and Allocative Ability with Special Reference to U.S. Agriculture. V. K. Chetty, Associate Professor of Economics at Columbia University, received much of his economics training in India before completing his doctoral work at the University of Wisconsin. His fellowship project at the Bureau concerns School Production Functions. Selecting Research Fellows from universities across the nation and from foreign countries helps the Bureau maintain contact with the research efforts and interests of a broad cross section of the world's economists. This information helps in planning future Bureau research undertakings — highlighting those areas which are not being adequately explored and pointing up areas in which supplemental work would be useful.

When a Research Fellow leaves the Bureau, he takes with him one of the most important concepts in economic research — the overriding necessity to investigate any issue empirically. It is hoped this philosophy will pervade all his future work, and, equally as important, be passed on to the new colleagues he encounters.

The 1969 Annual Meeting of the National Bureau's Board of Directors was held in combination with a staff conference at Gurney's Inn in Montauk, Long Island. Forty-nine members of the research staff and ten directors participated in conference sessions, prior to the Board meeting, to review phases of current and planned research. Areas reviewed and the principal discussants were:

BOARD-STAFF  
CONFERENCE  
AND ANNUAL  
BOARD MEETING

Economics of Health – Victor Fuchs, Morris Silver, Kong-Kyun Ro, Michael Grossman

Non-Market Measurement – F. Thomas Juster, John Kendrick, Robert Eisner, Richard and Nancy Ruggles, Robert Gordon

Urban and Regional Studies – John Kain, James Brown, J. Royce Ginn, Steven Dresch, Gregory Ingram, Irving Silver, Raymond Struyk, Victor Fuchs

Business Cycles and Forecasting – Victor Zarnowitz, Charlotte Boschan, Ilse Mintz, Yoel Haitovsky, Gregory Chow

Future Research on the U.S. Financial System – David Kresge, Jack Gutten-tag, H. Laurence Miller, Raymond Goldsmith, John Meyer

Prices, Employment, Productivity – Solomon Fabricant, Franklin Fisher, Sherwin Rosen

On September 19, following a joint Board and staff luncheon, the forty-ninth Annual Meeting of the Board of Directors began. During the afternoon two phases of research in progress in the general area of human resources and social institutions were discussed. Gary Becker, Isaac Ehrlich, and William Landes, of the staff, reported upon their work on Law and Economics – including economic approaches to participation in illegitimate activities, crime and punishment, the legal system, and law enforcement and the courts. F. Thomas Juster, Paul Taubman, Terence Wales, and Lewis Solmon reported on the study of the Benefits of Higher Education, which the Bureau had undertaken with the support of the Carnegie Commission on the Future of Higher Education.

The evening session was devoted to a discussion of research plans in the international sphere. Reports on the development of projects were presented by Anne Krueger – Foreign Exchange Policy in Developing Countries; Robert Lipsey and Merle Weiss – U.S. Manufacturing Abroad and U.S. Exports; Raymond Mikesell and Herbert Furth – Foreign Dollar Claims and the U.S. Balance of Payments.

The business session of the Annual Board Meeting was conducted on Saturday morning, September 20.

ARTHUR F. BURNS was elected a Director at Large for the period 1969 to

1972, having resigned from Columbia University and as that University's Representative to the Board of Directors.\*

In addition, three new Directors at Large were elected for the period 1969 to 1972.

DAVID L. GROVE, Chief Economist of International Business Machines Corporation.

JAMES J. O'LEARY, Executive Vice President and Economist of the United States Trust Company.

LAZARE TEPER, Director, Research Department of the International Ladies' Garment Workers' Union.

To replace Dr. Douglas G. Hartle, who had resigned as the University of Toronto's representative on the Bureau's Board, the President of the University, Claude T. Bissell, nominated THOMAS A. WILSON. Dr. Wilson's election for the remainder of Dr. Hartle's term, which ends in 1971, was approved.

At the Annual Board meeting the Canadian Economics Association was chosen to be added to organizations entitled to nominate Directors to the Bureau's Board.\*\*

ALBERT J. HETTINGER, JR., who served as a Director of the Bureau for more than fifteen years, retired as an active member of the Board to become a Director Emeritus. Mr. Hettinger was appointed Director at Large in March 1953, and since that time has served continuously on the Board, on the Executive Committee and on the Finance Committee. He was Vice President of the Bureau from 1961-1962 and Chairman of the Board 1963-1964. He is currently serving as Chairman of the Fiftieth Anniversary Committee. Mr. Hettinger's counsel and advice have been, and we hope will continue to be, most important in the management of Bureau affairs and in the shaping of Bureau policy.

\*At a meeting of the Executive Committee on November 24, 1969, GARY S. BECKER was elected Columbia University's Representative on the Bureau's Board of Directors to complete Dr. Burns' term.

\*\*At a meeting of the Executive Committee on November 24, 1969, DOUGLAS G. HARTLE was elected Director by Appointment of the Canadian Economics Association for the period 1969 to 1972.

The Ford Foundation has awarded the Bureau a grant of \$2 million to be used for general program support over a seven-year period.

FORD GRANT  
RECEIVED

The Ford Foundation's general support will supplement grants the National Bureau receives from foundations and government agencies for specific research projects, and the general support the Bureau receives from business firms, labor organizations, individuals, and foundations. With the current grant the Ford Foundation will have provided since 1955 a total of \$5,750,000 of general support for the National Bureau's program of research and publications.

**The Business Cycle in a Changing World**

Arthur F. Burns

*Price: \$8.50, 352 pp.*

*Publication date: September 17, 1969*

"Economic change is a law of life," says Arthur Burns in the opening essay of this volume. The book represents a distillation of the factual information and insights Dr. Burns has acquired during his distinguished career as researcher, teacher, chairman of President Eisenhower's Council of Economic Advisers from 1953 to 1956, and as counselor to both the Executive and Legislative branches of the Federal Government. The essays seek to diagnose, interpret, and report upon economic problems. They draw upon the research and thinking of an economist who has devoted most of his professional life to the study of the nature and causes of prosperity and depression.

NEW PUBLICATIONS

The opening report of the volume summarizes Burns' views of the business cycle and surveys those held by other economists today. The following twelve reports illustrate more specifically many of its propositions and findings.

The book provides a scholarly and scientific review of the factors that have, over a long period of time, needed to be considered in shaping policy toward the goal of a rapid economic growth and a high level of employment without inflation. Harry Scherman in *The Book of the Month Club News* says, "To my mind, accordingly, the book becomes a 'must' for anyone — certainly businessmen — eager to appraise and understand the nature and the basic causes of cycles, the questions raised by the so-called new economics, and all the associated problems with which our newspapers will surely be filled in the coming months and years."

**Essays on Interest Rates, Vol. I**

Jack M. Guttentag & Phillip Cagan, editors

*Price: \$10.00, 282 pp.*

*Publication date: December 5, 1969*

Each of the six essays in this volume confront a wide range of problems regarding the role of interest rates; together they form a comprehensive study of the field as a whole. They focus on interrelationships between interest rates on specific capital market instruments — residential and nonresidential mortgages, corporate, municipal and federal government bonds — and other economic variables.

Among the questions explored is why short-term interest rates and commercial bank reserve ratios show an inverse association over the business cycle; why residential mortgage yields are less buoyant and tend to lag behind corporate bond yields at cyclical turning points; why new corporate bonds tend to

carry higher yields than similar outstanding issues; how liquidity premiums on U.S. Treasury bills are related to short-term interest rate levels; and the relation between the cyclical timing of bond yields and the duration of cycles in general business.

While the essays diverge greatly in approach and method, all have the common objective of illuminating the effects of financial variables on economic activity, the channels through which monetary policy influences the economy, and the efficiency of financial markets.

**Economic Forecasts and Expectations: Analysis of  
Forecasting Behavior and Performance**

Jacob Mincer, editor

*Price: \$10.00*

*Publication date: December 29, 1969*

What will happen to GNP, prices, interest rates, and unemployment rates over the near term is a matter of deep concern and interest to the business community, the government, and the public. Forecasts of these economic factors are made by a great variety of sources, and these forecasts have a powerful influence on the behavior of those who make use of them. There has been, however, very little systematic analysis of the forecasts themselves: How accurate have they actually been? Which types of forecasts tend to be more reliable? How are the forecasts themselves generated? To what extent do forecasts simply extrapolate what has happened recently and to what degree do they incorporate independent information? How should (and do) forecasters weigh events that are further back in time in arriving at judgments about future events? Are the expectations and plans of economic units a reliable basis for predicting future behavior? How much do uncertainties in the basic data themselves contribute to forecasting inaccuracies? What can we tell from forecasts about the expectations held by business and consumers?

These are among the questions explored in a collection of five essays. Jacob Mincer and Victor Zarnowitz examine questions of bias, efficiency, and error in a collection of business forecasts of general economic conditions. Mincer also examines alternative structures used to describe the influence of the past on the formation of expectations.

Other contributors to the volume are Stanley Diller and F. Thomas Juster. Diller's essay applies extrapolative forecasting techniques to an analysis of the structure of interest rates, and Juster examines the role of consumer anticipations in models of durable goods demand.

**The Role of Agriculture in Economic Development**

Erik Thorbecke, editor

*Price: \$12.50, 496 pp.*

*\*Available in early January*

It has become increasingly evident in the last few years that the concepts of both economists and policy-makers regarding the role of agriculture in economic development, has undergone an important evolution. While in the past, agriculture was often viewed as the passive partner in the development process, it is now typically regarded as an active and co-equal partner to the industrial sector.

In 1965, a Universities-NBER conference was held for the purpose of examining the relationship between agriculture and foreign trade at regional, national, and global levels. Three items were emphasized and also eventually became the basis for the main divisions of this volume: agriculture in the world economy, the relationship between agriculture and other sectors, and national studies analysing the transformation of traditional agriculture.

**Dating Postwar Business Cycles: Methods and Their Application  
To Western Germany, 1950-67**

Ilse Mintz

*Price: \$3.75*

*\*Available in early January*

Since World War II, most European economies do not seem (on the surface) to have experienced the alternate rise and fall in economic activity observed in previous times. In the United States, more than eight years have passed since the last business cycle turning point was identified by the NBER.

This study of the German economy, reveals clearly that cycles, albeit milder ones, continue to manifest themselves. Ilse Mintz shows that, despite its strong upward trend, the German economy experienced three and one-half well-marked cycles, in the period from 1950 to 1967.

Two different statistical techniques are applied to the twenty-one German indicators on which the study is based. One method adjusts the indicators for their long-run trends and identifies cycles in the adjusted series. The other method focuses on rates of growth and defines business cycles as alternations of periods of relatively rapid and slow growth. The two methods yield similar results which enable Mrs. Mintz to firmly establish a German business chronology, 1951-67. The volume includes a discussion of the author's own methodology and the results obtained by her.

## AVAILABLE PAPERS

The following papers by Bureau staff members have recently become available at the National Bureau in either reprint or mimeographed form. Kindly address requests for copies of the reprints to the Publications Department — unless otherwise specified — and to the authors for the mimeographed papers.

## REPRINTS

Eisner, Robert, "Investment and the Frustrations of Econometricians," *American Economic Review*, May 1969.

\_\_\_\_\_, and Nadiri, M. I., "Investment Behavior and Neo-Classical Theory," *Review of Economics and Statistics*, August 1968.

Gordon, R. A., "Airline Costs and Managerial Efficiency," *Transportation Economics*, NBER 1965.

\_\_\_\_\_, "The Incidence of the Corporation Income Tax in U.S. Manufacturing," *American Economic Review*, September 1967.

\_\_\_\_\_, "A New View of Real Investment in Structures, 1919-66," *Review of Economics and Statistics*, November 1968.

\_\_\_\_\_, "The Incidence of the Corporation Tax in U.S. Manufacturing: Reply," *American Economic Review*, December 1968.

\_\_\_\_\_, "\$45 Billion of U.S. Private Investment Has Been Misaid," *American Economic Review*, June 1969.

Haitovsky, Yoel, "Estimation of Regression Equations When a Block of Observations is Missing," American Statistical Association, 1968 Proceedings of the Business & Economics Statistics Section, August 1968.

\_\_\_\_\_, "A Note on the Maximization of  $R^2$ ," *American Statistician*, February 1969.

\_\_\_\_\_, "On Multicollinearity in Regression Analysis: A Comment," *Review of Economics and Statistics*, November 1969.

Kain, John F., "Coping with Ghetto Unemployment," *AIP Journal*, March 1969.

"Theories of Residential Location and Realities of Race," *Savings and Residential Financing*, 1969 Conference Proceedings.

\_\_\_\_\_, and Joseph J. Persky, "Alternatives to the Gilded Ghetto," *The Public Interest*, Winter 1969.

\_\_\_\_\_, "Migration, Employment and Race in the Deep South," *Southern Economic Journal*, January 1970.

\_\_\_\_\_, and John R. Meyer, "Transportation and Poverty," *The Public Interest*, Winter 1970.

\_\_\_\_\_, and John Quigley, "Measuring the Quality and Cost of Housing Services," Harvard Program on Regional and Urban Economics Discussion Paper No. 54, July 1969.

Nadiri, M.I., "The Determinants of Real Cash Balance in the U.S. Total Manufacturing Sector," *The Quarterly Journal of Economics*, May 1969.

\_\_\_\_\_, "A Disaggregated Model of Real Cash Balances of the U.S. Corporate Sector," American Statistical Association, 1968 Proceedings of the Business & Economics Statistics Section, August 1968.

\_\_\_\_\_, "The Effects of Relative Prices & Capacity on the Demand for Labour in the U.S. Manufacturing Sector," *Economic Studies*, July 1968.

\_\_\_\_\_, and Sherwin Rosen, "Interrelated Factor Demand Functions," *American Economic Review*, September 1969.

Rosen, Sherwin, "On the Interindustry Wage and Hours Structure," *Journal of Political Economy*, March-April 1969.

Schwartz, Anna J., "Why Money Matters," *Lloyds Bank Review*, October 1969.

#### MIMEOGRAPHED PAPERS

Eisner, Robert, "Statement on Proposals to Extend 10% Tax Surcharge and Certain Excise Tax Rates and to Repeal 7% Investment Tax Credit," *Congressional Record*, May 28, 1969.

\_\_\_\_\_, "Monetary Policy and Inflation," *Congressional Record*, April 1, 1969.

\_\_\_\_\_, "Tax Policy and Investment Behavior: Further Comment."

\_\_\_\_\_, "Fiscal and Monetary Policy Reconsidered," *The American Economic Review*, December 1969.

\_\_\_\_\_, "Investment Anticipations and Realizations: Cross Sections and Time Series of Data of the McGraw-Hill Surveys, 1955-66."

\_\_\_\_\_, and M.I., Nadiri, "Once More on That Neo-Classical Theory of Investment Behavior." *Review of Economic Statistics*, 1969.

Fuchs, Victor R., "Health Services Research Moves Ahead," (a review of M.S. Feldstein's *Economic Analysis for Health Service Efficiency*)

Gordon, R. A., "The Brookings Model in Action: A Review Article," May 1969.

\_\_\_\_\_, "The Disappearance of Productivity Change," September 1968.

\_\_\_\_\_, "Measurement Bias in Price Indexes for Capital Goods," August 1969.

- \_\_\_\_\_, "The Economic Outlook: Too Much Restraint," May 1969.
- Haitovsky, Yoel, "On the Correlation Between Estimated Parameters in Linear Regressions."
- \_\_\_\_\_, "On Errors of Measurements in Regression Analysis."
- \_\_\_\_\_, "Multicollinearity in Regression Analysis: An Experimental Evaluation of Alternative Procedures."
- \_\_\_\_\_, "A Note on Regression on Principal Components and Constrained Least Squares."
- Juster, F. Thomas, "Ex-Ante Household Savings Data: Some Preliminary Results" (with John McNeil and Thomas R. Stoterau, U.S. Bureau of the Census).
- \_\_\_\_\_, "Consumer Anticipations Surveys: A Summary of U.S. Postwar Experience."
- \_\_\_\_\_, "A Note on Uncertainty, Expectations and Durable Goods Demand Models."
- Lipsey, Robert E., and Merle Yahr Weiss, "The Relation of U.S. Manufacturing Abroad to U.S. Exports: A Framework for Analysis."
- Roberts, Paul, "New Procedures for Road Planning and Design."
- Rosen, Sherwin, "Unionism and the Occupational Wage Structure," forthcoming in the *International Economic Review*.
- \_\_\_\_\_, "Learning by Experience and Joint Production," August 1969.

IRVING SILVER has been appointed to the staff as Research Associate in the Urban Studies section.

STAFF CHANGES  
AND  
APPOINTMENTS

ROBERT EISNER has joined the Research Staff of the National Bureau.

SOLOMON FABRICANT was appointed a member of President Nixon's Task Force on Science Policy on October 9, 1969.

MORRIS SILVER was elected Chairman of the Department of Economics at City College of the City University of New York.

JOHN BOSSONS has been appointed Chairman of the Econometric Society committee to raise funds to provide travel grants for Canadian economists taking part in the forthcoming Second World Congress of the Society, to be held in Cambridge, England, in September 1970.

F. THOMAS JUSTER is the newly elected Chairman for 1971 of the Business and Economic Statistics Section of the American Statistical Association.

H. LAURENCE MILLER, Jr. was appointed Professor of Economics at the University of Hawaii, as of September 1, 1969. A Research Fellow at the Bureau for the academic year 1969-70, he has been working on research and information costs.

YOEL HAITOVSKY's appointment as Research Fellow at the Bureau has just ended. He is now at the Hebrew University in Jerusalem.

DAVID GORDON has been appointed a part-time lecturer in Economics at Yale University. While teaching two days a week there, he is also "plodding" on his Ph.D thesis.

JOHN F. KAIN was made a full professor at Harvard University in July 1969.

John R. Meyer presented testimony before the special subcommittee, in Washington (July 1969) on the "Evaluation and Planning of Social Programs of the Senate Committee for Labor and Public Welfare." In November he was invited to lecture at the Southern Economic Association and in December he lectured at Wesleyan in Connecticut. The following are the various speeches given by John R. Meyer prior to and during the summer months: "On Group and Individual Research in Economics or is There a Big as well as a Little Science of Economics?" at the Montreal Economic Association, in April 1969; "New Research Directions in Economics and Some Implications for Research Method" at the University of Minnesota, in April 1969; "Ecological Models in the Study of Urban Economics" at C.U.N.Y. Graduate Center, in May 1969; "Transportation Pricing & Project Evaluation: An Outline of a Decision Procedure" at American University, Washington, D.C., in June 1969; "Urban Problems from the Perspectives of a Social Scientist" presented at the Yale University Urban Studies Seminar, in July 1969; and a seminar on "Urban Transportation & Poverty," given at the Yale University Urban Studies Seminar, later in July 1969.

#### STAFF ACTIVITIES

A paper by Irving Kravis and Robert E. Lipsey on the price variables in international trade equations was presented by Dr. Kravis at a conference on the international linking of national econometric models at Hakone, Japan, in September 1969. Robert E. Lipsey and Merle Yahr Weiss presented a paper entitled "The Relation of U.S. Manufacturing Abroad to U.S. Exports: A Framework for Analysis," at the ASA meetings on August 20, 1969.

A paper on "Prices in the National Accounts Framework: A Case for Cost-Benefit Analysis" was presented by Solomon Fabricant at the Eleventh General Conference of the International Association for Research in Income and Wealth, on August 26, 1969, in Nathanya, Israel.

F. Thomas Juster presented a paper at the Annual Meeting of the American Statistical Association, April 19-22, 1969, in New York, at a session on "Personal Savings Functions." His paper is entitled "Ex-Ante Household Savings Data: Some Preliminary Results." In September 1969, he attended the 9th CIRET Conference in Madrid, where he presented a paper entitled, "Consumer Anticipations Surveys: A Summary of U.S. Postwar Experience." In the latter part of September, Mr. Juster visited Brussels, Belgium, where he met with the Chief of the Division of Analytical Methods and Business Surveys of the European Economic Community and some experts of the EEC countries for a discussion of practical and theoretical problems concerning consumers' surveys (especially EEC's survey project). From there he went to Cologne, Germany, to attend a conference on consumer surveys. Mr. Juster then proceeded to Munich, Germany, where he gave a lecture at the IFO-Institute für Wirtschaftsforschung, in conjunction with both Infratest (Munich) and Die Gesellschaft für Konsumforschung (Nuremberg), on "Value of Consumer Anticipations Surveys in Forecasting Consumer Spending."

In late August 1969, Mohammed I. Nadiri visited the Industrial Institute for Economic and Social Research in Sweden. Later, he delivered a paper entitled "Consumption, Human Capital and Labor Supply," at the International Meeting of the Econometric Society in Brussels. He also delivered his paper at the Econometric Workshop at Columbia University.

Douglas Eldridge served on the Program Committee and as Chairman of a session on Tax Policies and Business Decisions at the September 1969 Annual Meeting of the National Association of Business Economists in Chicago.

In August, 1969, R.J. Gordon, of the Department of Economics University of Chicago, attended the Eleventh General Congress of the International Association for Research in Income and Wealth, in Nathanya, Israel. He also presented a paper entitled "Measurement Bias in Price Indexes for Capital Goods." During Mr. Gordon's travels he delivered a lecture on "The Brookings Model in Action" to the Econometrics Seminar of the University of California at Berkeley, April 11, and on May 2 he spoke on "The Short-term Outlook" at the Eighteenth Annual Business Economists Conference held in Chicago. He traveled to Washington in May and July to advise the Office of Business Economics on proposed revisions in construction price deflators. In September he presented comments on several papers at the University Professors Conference of the American Bankers Association in Milwaukee.

John Kendrick is program chairman for the 1970 meetings of the Business and Economic Statistics section of the American Statistical Association to be held December 27-30, 1970, in Detroit jointly with the Allied Social Science Association's Annual Meeting.

Victor Zarnowitz addressed a meeting of government economists concerned with forecasting at the Council of Economic Advisers in Washington, D.C., in May 1969. He conferred with members of the Office of Business Economics in the Department of Commerce, also in May, in connection with a study of the OBE Quarterly Econometric Model of the U.S. for NBER. In August, Dr. Zarnowitz presented a paper on "The ASA-NBER Quarterly Surveys of the Economic Outlook: An Early Appraisal" at the 129th Annual Meeting of the American Statistical Association in New York City. Then, together with Charlotte Boschan, he prepared an analysis of the ASA quarterly forecast surveys in February, May, and August 1969. In addition, he chaired the session and gave a talk on Business Cycles and Forecasting at the Bureau Staff/Board Conference in Montauk, L.I. in September, and participated in planning the colloquium on Business Cycles for the Fiftieth Anniversary celebration at meetings in New York City and Montauk.

At Boston University, Department of Economics Lecture Series, John F. Kain presented a paper on "Black and White Migration from the Deep South." He spoke on the same subject at the University of Washington, Seattle, as well as on the topic of "Urban Transportation." At the Action for Boston Community Development Staff Seminar, Kain lectured on "Ghetto Economic Development." He presented his paper on "Measuring the Quality and Cost of Housing Services" at the Institute for Defense Analysis, in Washington, D.C., and addressed the Cambridge League of Women Voters in Boston on rent control. At the Conference on Savings and Residential Financing, in Chicago, Mr. Kain delivered his paper on "Theories of Residential Location and Realities of Race," also presenting the same paper at Michigan State and Northwestern Universities. In Maine, at Bowdoin College, Kain lectured on urban transportation, and at Yale University, at a summer session of the Urban Fellows Program, he gave another lecture. Finally, in September, at Cambridge, he attended a meeting of the Committee on Urban Economics. In a session devoted to urban problems at the American Statistical Association, New York Chapter annual forecasting meeting Joe Persky, Jim Brown, and John Kain presented their papers. Brown and Persky were participants in a seminar in June on regional econometric models. The two-day meeting was held at the University of North Carolina and was supported by the Economic Development Administration, Department of Commerce.

At the Joint Statistical Meetings of the American Statistical Association — the section on Physical and Engineering Sciences — and at the Biometric Society,

Yoel Haitovsky presented his paper entitled, "Multicollinearity in Regression Analysis: An Experimental Evaluation of Alternative Procedures."

A paper entitled, "Short-term Targets of Some Foreign Central Banks," was given by Anna J. Schwartz at the Conference on Indicators and Targets of Monetary Policy at the University of California at Los Angeles in April 1966. It has been published in *Targets and Indicators of Monetary Policy*, Karl Brunner, (ed.), 1969.

Ray Struyk and Franklin James delivered a paper entitled, "A Progress Report on a Study of Intrametropolitan Location of Industry," to the annual meeting of the Committee on Urban Economics. The meeting was held in Cambridge, Massachusetts in September.

Economic aspects of war and peace was the topic Robert Eisner spoke on at a conference of "Members of Congress for Peace Through Law," at the Airlie House in Warrenton, Va., October, 1969. He presented a paper entitled "Empirical Studies of the Investment Function," at De Paul University in Chicago on February 19, 1969, and a paper entitled "Investment Anticipations and Realization Cross Sections and Time Series of Data of the McGraw-Hill Surveys, 1955-66," at the CIRET Conference in Madrid, in September, 1969.

During August 1969, Donald S. Shoup acted as Consultant to a Tax Mission to the Republic of Liberia. The Mission was concerned with a complete review of the Liberian tax and revenue system. Shoup's particular responsibility was the area of nontax governmental revenues, and represented a broadened follow-up of work he had done in Liberia in 1965-66.

In September 1969, Victor R. Fuchs addressed a Health Services Research Conference given at the University of Iowa, Iowa City, on "Health Economics Research - An Overview." He also addressed the Annual Meeting of the Hartford County Medical Association at Hartford, Connecticut, (September 1969). In October, Dr. Fuchs presented testimony before the Joint Legislative Committee on the problems of public health, medicare, medicaid, and compulsory health and hospital insurance. In addition, he gave the Autumn Lecture at the Roosevelt Hospital entitled, "An Economist's Prescription for Health and Medical Care."

Carl S. Shoup was Director of a Tax Mission to Liberia, July-September 1969. A report has been submitted to the Liberian Government on the Liberian tax system, but has not yet been published. In the September 1969 issue of the *Economic Journal* an article by John G. Head and Carl S. Shoup was published entitled, "Public Goods, Private Goods, and Ambiguous Goods." Dr. Shoup also wrote three articles: "Experience with the Value-Added Tax in Denmark, and Prospects in Sweden," *Finanzarchiv*, March 1969; "Excess Burden: The Corner Case," *American Economic Review*, March 1969, and "Effects of Sales Taxation on Risk-Taking," Heinz Haller and Horst Claus Recktenwald, (eds.), *Finanz- und Geldpolitik im Umbruch* (Mainz: Hase & Koehler, 1969).

The following were various speeches given by John Bossons: "Regressivity in Expectations - Resolving an Aggregation Paradox," presented at the Toronto-UWO Spring Colloquium, London, April 1969. "A Comparison of the Initial Incidence of the Carter Reforms in the U.S. and in Canada," presented to the Canadian Economic Association annual meeting, Toronto, June 1969, and "Recent Developments in Canadian Taxes," presented to the Annual Conference of the Tax Executives Institute, Philadelphia, October 1969. In addition, Professor Bossons presented papers to seminars at Carleton University, the University of Wisconsin, the University of Chicago, and Michigan State University. During the spring quarter of 1969, John Bossons was Ford Foundation Visiting Research Professor at the University of Chicago. Professor Bossons is currently on leave from the University of Toronto to work on an NBER project in New Haven; he is also a Visiting Fellow at Yale University.

Solomon Fabricant's book, *A Primer on Productivity*, which draws on many of the National Bureau's studies, was published by Random House recently. Mr. Fabricant's introduction to Frank G. Dickinson's forthcoming study of philanthropy appeared in *Foundation News*, September-October 1969, under the title, "Philanthropy in the American Economy."

NEWS NOTES

In its January 1970 issue of *The Book of the Month Club News*, under the title "Other New Books to Know About," the Arthur F. Burns book *The Business Cycle in a Changing World*, has been selected by the judges as an important book, worth bringing to the attention of the members of the Book-of-the-Month Club.

Jimmy Hayes, the actor from the NBER manuscript department, made his film debut recently. He will be seen in "Cotton Comes to Harlem" with Raymond St. Jacques and Godfrey Cambridge. The movie is a United Artists Release, produced by Mr. Samuel Goldwyn, Jr. Mr. Hayes can currently be seen on the stage in the Off-Broadway production of "A Black Quartet" at the Frances Adler Theatre.

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Members of the staff and their associates regretfully noted the deaths of Mr. Harry Scherman on November 12, 1969 and Professor Harold M. Groves on December 2, 1969. Mr. Scherman, Chairman of the Board of the Book-of-the-Month Club, was a Director from 1937 to 1967, at which time he became a Director Emeritus. Professor Groves, was Director by Appointment of the University of Wisconsin from 1939 to 1968, at which time he became Director Emeritus.