

Directors, Officers, and Staff

The Board of Directors held their annual meeting on September 30, 1968, in accordance with the reorganization adopted in April of that year and with the change to an operating and fiscal year ending June 30. A special meeting of the Board was also held on May 9, 1969, principally to review developments in the research program.

Three members who have served on the Board with distinction for many years became directors emeriti: Gottfried Haberler, a Board member since 1948, and Joseph H. Willits, a former executive director and Board member for twenty-five years, were so designated by their colleagues at the September meeting; and George B. Roberts, a member since 1943, at the May meeting.

In September 1968 the Board elected three new directors at large: Eli Goldston, President, Eastern Gas and Fuel Associates; Vivian W. Henderson, President, Clark College; and J. Irwin Miller, Chairman of the Board, Cummins Engine Company. Moses Abramovitz was elected as Stanford University's first representative director. Otto Eckstein was elected Harvard University's representative director, replacing Gottfried Haberler. George Cline Smith, of MacKay-Shields Economics, Inc., was elected a director upon nomination of the National Association of Business Economists, succeeding A. G. Abramson, who died on October 6, 1968.

In 1969 Tom E. Davis was elected a director upon nomination by Cornell University to replace Melvin G. de Chazeau, who had retired. And upon the nomination of Princeton University, Charles H. Berry was elected to replace Lester V. Chandler upon his retirement from that University on June 30.

Arthur F. Burns indicated his wish to retire in 1968 as Chairman of the Board. Acceding to his desire to lessen his Bureau duties and recognizing the importance of his contribution to National Bureau affairs, the Board unanimously elected him to the newly created post of Honorary Chairman of the Board.

Other officers elected at the September 1968 meeting were Theodore O. Yntema, Chairman of the Board; Walter W. Heller, Vice Chairman; John R. Meyer, President; Donald B. Woodward, Treasurer; Geoffrey H. Moore and Victor R. Fuchs, Vice Presidents-Research; Douglas H. Eldridge, Vice President-Administration; and Hal B. Lary, Director of International Studies. By action of the Executive Committee in February 1969, F. Thomas Juster was made a Vice President-Research and Donald S. Shoup was made an officer of the Bureau in a new post — Director of Research Services and Planning. Another change in the roster of officers during the past year was the resignation of Mark S. Reinsberg as Director of Publications.

In January 1969 Arthur F. Burns assumed the position of Counselor to the President of the United States; he has since resigned from the research staff while continuing as Honorary Chairman of the Board. Also in January Geoffrey H. Moore was appointed Commissioner of Labor Statistics in the new federal administration in Washington, and arrangements were made for him to be on leave from his duties at the National Bureau. In June Phillip Cagan also took leave from the research staff to serve as a member of the staff of the Council of Economic Advisers.

Individuals from a number of institutions received research staff appointments during 1968-69. They, their present or former university affiliations, and their respective fields of investigation are:

<i>Name</i>	<i>University</i>	<i>Area of Interest</i>
Albert E. Beaton	Princeton University Educational Testing Service	Benefits of higher education
John Bossons	University of Toronto	Tax and fiscal structures
Stephen P. Dresch	Yale University	Urban economics
Isaac Ehrlich	Columbia University	Law and economics
Robert Eisner	Northwestern University	Determinants of investments
Michael K. Evans	University of Pennsylvania	Evaluation of short-term econometric models
J. Royce Ginn	Harvard University	Urban economics and computer systems analyses
Orin C. Hansen, Jr.	Yale University	Research information processing programs
David Kresge	Harvard University	Empirical models of economic growth
Benoit Mandelbrot	IBM Research Staff	Statistical analysis of historical business cycle data
Michael B. McElroy	Northwestern University	Estimates of capital gains and losses
Robert T. Michael	University of California, Los Angeles	Economics of education
Paul O. Roberts	Harvard University	Urban economics, transportation economics, systems models
Warren C. Sanderson	Stanford University	Economic models relating to birth rates and population
Carl S. Shoup	Columbia University	Tax and fiscal structures
Irving Silver	Massachusetts Institute of Technology	Urban economics, housing, econometrics
Mahlon R. Straszheim	Harvard University	Urban economics, transportation economics
Paul J. Taubman	University of Pennsylvania	Benefits of higher education
Terence J. Wales	University of Pennsylvania	Benefits of higher education

In June 1968 John R. Meyer, President of the National Bureau, resigned from his position as Professor of Economics at Harvard University and assumed a position as Professor of Economics at Yale University, with a provision enabling him to have leave from teaching duties for one or two years.

Norman B. Ture, who had been the director of studies of tax policies for economic growth, resigned from that function in August 1968 to take a position with the Planning Research Corporation in Washington, D.C.

Members of the staff and associates of the National Bureau were saddened by the deaths of Challis A. Hall, Jr. on September 15, 1968, and of Sophie Sakowitz on October 7, 1968. Professor Hall, of Yale University, had joined the Bureau in 1962 and had worked on the studies of tax policies for economic growth. Miss Sakowitz had been with the Bureau for forty years and had headed the Statistical Computing Group whose work contributed data underlying virtually all of the Bureau studies of business cycles as well as other research projects.

Douglas H. Eldridge

Finances and Sources of Support

As part of the reorganization undertaken in 1968 the National Bureau's operating and accounting periods were changed from a calendar year to a fiscal year ending June 30. This involved a transitional fiscal period of six months ending June 30, 1968. The first full new fiscal year ended June 30, 1969.

For the six-month period National Bureau expenditures were \$866,545 and income, \$685,581. Expenditures for fiscal year 1969 were \$2,070,863 and income \$1,813,258. The deficits of \$180,964 and \$257,605 were financed by drawing on the National Bureau's unrestricted fund balances.

During these fiscal periods the largest source of income, more than two-fifths, was from restricted fund grants for the support of specific research projects. Several philanthropic foundations provided grant funds for the conduct of particular studies: the Carnegie Corporation of New York — economics of education; the Carnegie Commission on the Future of Higher Education — benefits of higher education; the Commonwealth Fund — economics of health; the Ford Foundation — productivity trends in service industries, international economic relations, and technological diffusion; the Rockefeller Foundation — a program in international economics; the Russell Sage Foundation — studies of philanthropy; the Alfred P. Sloan Foundation — studies of productivity, employment, and price levels. Grants from government agencies assisted a number of research projects: Economic Development Administration, Department of Commerce — regional economic studies; Department of Health, Education and Welfare — economics of health; Department of Housing and Urban Development — urban economic studies; National Science Foundation — household capital formation and saving, relation of U.S. manufacturing abroad to U.S. exports, and the National Bureau's conference programs. A study of banking structure and performance was supported by a grant from the American Bankers Association. In most of these instances, the restricted fund grants provided a major portion of the support for the respective studies, but some additional financing was re-

quired from the National Bureau's general or unrestricted income.

General support grants for current operations were received from the Scherman Foundation and the Richard King Mellon Foundation. A grant of computer time from the International Business Machines Corporation for the application of computers in economic analysis assisted virtually all of the National Bureau's projects. The Bureau's work was also aided by contributions of data tapes on manufacturing establishments from Dun & Bradstreet, Inc., and by other data and research materials made available by companies, banks, universities, and public agencies.

General financial support, comprising about one-fourth of total income, was received from the annual contributions and subscriptions of companies, banks, labor organizations, individuals, and libraries. The major part of this support was from the 300 contributing subscribers who each contribute \$100 or more a year. Interest and dividend income on long-term foundation grants used as sustaining funds provided approximately another one-fourth of total income.

As of June 30, 1969, the amount of sustaining funds was \$8,461,450 with securities at book value and \$9,826,553 with securities valued at current market prices. The sustaining funds were augmented by payments of \$250,000 each received in February 1968 and February 1969 from the Alfred P. Sloan Foundation on their general purpose grant of \$1,000,000.

In mid-1969 two new grants were awarded for the support of specific studies. The Securities and Exchange Commission is providing \$68,000 for a study of flow of funds and national balance sheets. The study is designed to develop basic data which will be of help in the SEC's study of institutional investors. The Board of Governors of the Federal Reserve System is also interested in the flow of funds study and is assisting by having members of its staff develop and process some of the data. The Scherman Foundation has made a grant of \$50,000 to support a study of uses of credit in Communist countries.

Douglas H. Eldridge

TABLE IV-1
Balance Sheet
June 30, 1968, and June 30, 1969,
With Comparative Figures at December 31, 1967

	December 31, 1967	June 30, 1968	June 30, 1969
<i>Assets</i>			
<i>Current funds</i>			
Grants & contracts receivable	\$ 896,374	\$1,343,157	\$ 858,474
Less: unmatured grants & contracts receivable	<u>856,811</u>	<u>1,296,899</u>	<u>812,916</u>
Grants & contracts receivable & matured	39,563	46,258	45,558
Cash	135,726	118,614	124,075
Receivables	27,689	27,228	85,241
Marketable securities, at cost ¹	666,991	771,731	270,000
Cash & securities held in sustaining funds	624,400		
Prepaid expenses	<u>1,477</u>	<u>856</u>	<u>4,673</u>
Total current funds	<u>1,495,846</u>	<u>964,687</u>	<u>529,546</u>
<i>Sustaining funds</i>			
Cash	43,698	1,008	142
Marketable securities, at cost ²	<u>7,859,173</u>	<u>7,976,795</u>	<u>8,461,308</u>
	7,902,871		
Less amount applicable to current funds	<u>624,400</u>		
Total sustaining funds	<u>7,278,471</u>	<u>7,977,803</u>	<u>8,461,450</u>
Total assets	<u>\$8,774,317</u>	<u>\$8,942,490</u>	<u>\$8,990,996</u>
<i>Liabilities and Fund Balances</i>			
<i>Current funds</i>			
Accounts payable & accrued expenses	\$ 32,034	\$ 44,141	\$ 39,062
Unrestricted fund balances	813,720	327,295	129,140
Restricted fund balances	<u>650,092</u>	<u>593,251</u>	<u>361,344</u>
Total current funds	<u>1,495,846</u>	<u>964,687</u>	<u>529,546</u>
Sustaining funds balance	<u>7,278,471</u>	<u>7,977,803</u>	<u>8,461,450</u>
Total liabilities & fund balances	<u>\$8,774,317</u>	<u>\$8,942,490</u>	<u>\$8,990,996</u>

¹Quoted market values were: 1967, \$660,355; 1968, \$765,513; 1969, \$268,218.

²Quoted market values were: 1967, \$9,982,518; 1968, \$10,097,638; 1969, \$9,826,553.

TABLE IV-2
Statement of
Current Income and Expenditures

	Year Ended December 31, 1967	Six Months Ended June 30, 1968	Year Ended June 30, 1969
<i>Income</i>			
Contributions & subscriptions	\$ 432,018	\$ 65,695	\$ 397,550
Unrestricted grants	85,028	43,946	102,558
Restricted funds used	692,624	352,975	777,711
Interest and dividends	439,456	191,431	472,338
Publications sales & royalties	71,201	31,501	62,646
Miscellaneous	547	33	454
Total income	<u>\$1,720,874</u>	<u>\$685,581</u>	<u>\$1,813,258</u>
<i>Expenditures</i>			
Research programs	\$1,413,823	\$758,117	\$1,920,213
Fund raising	41,458	23,203	81,570
Distribution of publications	21,101	12,674	27,723
General publicity	11,627	1,958	6,951
General & administrative expenses unallocated	82,012	70,593	34,406
Total expenditures	<u>\$1,570,021</u>	<u>\$866,545</u>	<u>\$2,070,863</u>
Excess of income or (expenditures)	<u>\$ 150,853</u>	<u>(\$180,964)</u>	<u>(\$ 257,605)</u>

TABLE IV-3
Statement of Changes in Fund Balances
From December 31, 1967, to June 30, 1968, and to June 30, 1969

	Current Funds		Sustaining Funds
	Unrestricted	Restricted	
Balance at December 31, 1967	\$813,720	\$650,092	\$7,278,471
<i>Additions</i>			
Grants received		259,328	250,000
Advances on contracts receivable		32,945	
Interest income		3,861	
Capital gain on sale of securities			143,871
Transferred from unrestricted current funds			305,461
	<u>\$813,720</u>	<u>\$946,226</u>	<u>\$7,977,803</u>
<i>Deductions</i>			
Excess of expenditures from current operations	180,964		
Research program expenditures financed from restricted funds		352,975	
Transferred to sustaining funds	305,461		
Balance at June 30, 1968	<u>327,295</u>	<u>593,251</u>	<u>7,977,803</u>
<i>Additions</i>			
Grants received		496,615	250,000
Advances on contracts receivable		45,558	
Interest income		4,689	
Capital gain on sale of securities			298,578
	<u>327,295</u>	<u>1,140,113</u>	<u>8,526,381</u>
<i>Deductions</i>			
Excess of expenditures from current operations	257,605		
Research program expenditures financed from restricted funds		777,710	
Transferred to current funds			64,931
Reversion to restricted fund grantor	5,481	1,058	
Balance at June 30, 1969	<u>\$129,140</u>	<u>\$361,345</u>	<u>\$8,461,450</u>

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 post-doctoral stage of their careers.

The Research Fellows for 1968-69 are:

<i>Name</i>	<i>University</i>	<i>Area of Interest</i>
Yoel Haitovsky	Technion-Israel Institute of Technology	Econometrics
William M. Landes	University of Chicago	Economics of accidents Economics of the courts
Seiji Naya	University of Wisconsin	Trade and development
Neil Wallace	University of Minnesota	Money and banking Econometrics

The following Research Fellows have been appointed for 1969-70:

V.K. Chetty	Columbia University	Economics of education
H. Laurence Miller, Jr.	Carleton College	Economics of information and transaction costs
Lewis Solmon	Purdue University	Economics of education
Finis Welch	Southern Methodist University	Economics of education

Professor John C. Hause of the University of Minnesota has been appointed a Research Fellow for 1970. His area of interest is the economics of education.

Victor R. Fuchs

STAFF SEMINARS

During the past year the National Bureau initiated a series of weekly seminars. These meetings are designed to facilitate the exchange of ideas among members of the staff and to provide contact with scholars from various universities and research institutions in the United States and abroad. A list of speakers and of the topics discussed at these meetings is given below.

M.I. Nadiri

Yoel Haitovsky	Multicollinearity in Regression Analysis	July 3, 1968
M.I. Nadiri & Sherwin Rosen	Interrelated Factor Demand, Adjustment Dynamics, and Relative Prices	July 10, 1968
Morris Silver	An Economic Analysis of Variations in Medical Expenses and Work Loss Rates	July 17, 1968
Michael Michaely	An Over-all View of Balance-of-Payments Adjustments	July 24, 1968

Mohammed Nadiri	A Disaggregated Model of Real Cash Balances of the Manufacturing Industries	July 31, 1968
Michael Grossman	A Cross-Sectional Model of the Demand for Health	August 7, 1968
William D. Nordhaus	Study of Price and Wage Rate in the U.S.	August 15, 1968
Thomas Sargent	Regression in the Context of Paretian Disturbances	August 16, 1968
Neil Wallace	A Static Nonstationary Macro Model	August 28, 1968
David Levhari	Estimation of Learning-by-Doing Functions	Sept. 4, 1968
Robert Michael	Effects of Education on Efficiency in Consumption	Sept. 11, 1968
H.G. Georgiadis	The Performance of the United States in International Trade Competition in Recent Years	Sept. 13, 1968
Gilbert Ghez	Nonmarket Activities and Life Cycle Consumption	Sept. 18, 1968
Michael K. Evans & Yoel Haitovsky	Forecasting Performance of Large-Scale Econometric Models	Sept. 25, 1968
Porter K. Wheeler	Price and Service Sensitivity in Urban Transportation	Oct. 2, 1968
John D. Bossons	Analyzing the Effects of Alternative Tax Reforms: A Programmatic View	Oct. 4, 1968
Robert Hall	A Programming Language for Econometric Computations	Oct. 9, 1968
Robert Eisner	Empirical Studies of Investment	Oct. 18, 1968
Robert J. Gordon	The Disappearance of Productivity Change	Oct. 25, 1968
Joan Tron	From Rough Draft to Publication: The Final Steps in the Research Process	Oct. 30, 1968
George J. Stigler & James K. Kindahl	A Preliminary Report on Industrial Price Behavior	Nov. 1, 1968
Marvin Frankel	Cost Benefits and Law Economics	Nov. 15, 1968
Franklin M. Fisher & Peter Temin	Trends in Agricultural Productivity – Wheat	Nov. 22, 1968
F. Thomas Juster	Some Tentative Findings on the Personal Saving Function	Nov. 27, 1968
Seiji Naya	Substitution and Two Concepts of Effective Rate of Protection	Dec. 11, 1968
William M. Landes	Law Enforcement and the Courts	Jan. 10, 1969
Raford Boddy	Investment Demand, Lags, and Production Relations	Jan. 17, 1969
Michael Adler	On the International Competitiveness of U.S. Exports of Manufactured Goods	Jan. 24, 1969
Marc Eisner	Display of Troll – A Computer Research Utility System	Feb. 14, 1969
Victor R. Fuchs	Differentials in Hourly Earnings in the United States	Feb. 28, 1969

Raymond Struyk	Equalization and Stimulation Effects on Intergovernmental Transfers in New Jersey	March 14, 1969
Jacob Mincer	Human Capital and Income Distribution	March 21, 1969
Josef Goldmann	Growth Rate Fluctuations in Central and East European Economies	March 28, 1969
Maurice Wilkinson	An Econometric Analysis of the Demand for Children in the United States and Sweden	April 11, 1969
Isaac Ehrlich	Participation in Illegitimate Activities	April 18, 1969
James Brown & Royce Ginn	Experiments in Land Use Modeling	April 25, 1969
P.J. Verdoorn	Forecasting and the First Difference Transformation	May 2, 1969
Solomon Fabricant	Inflation and the Lag in Accounting Practice	May 16, 1969
Assar Lindbeck	Is Stabilization Policy Possible?	May 23, 1969
Michael Gort	The Quantitative Analysis of Regulatory Effect	June 6, 1969
John Beresford	Seminar Discussion on 1970 Census Data Products	June 13, 1969
Phillip Cagan	Price Flexibility in the Short Run	June 20, 1969
Gregory Chow	An Econometric Model of Business Cycles	June 27, 1969

Visitors to the National Bureau

Economists, businessmen, government officials, and students visit the National Bureau to learn about its methods of work, organization, and research findings. Often they come from abroad. During 1968-69 the National Bureau welcomed visitors from twenty-eight countries: Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Ceylon, Chile, England, France, Ghana, Guyana, Hungary, India, Italy, Japan, Korea, Netherlands, Norway, Pakistan, Poland, Scotland, Sweden, Switzerland, Turkey, the U.S.S.R., West Germany, and Yugoslavia.

Plans for the National Bureau's Fiftieth Anniversary

Early in 1969, a Fiftieth Anniversary Committee of the Bureau's Board of Directors was formed to plan and oversee the organization of

events which would take place during 1970 in honor of the Bureau's Golden Anniversary. Mr. Albert J. Hettinger, Jr., Chairman of the Fiftieth Anniversary Committee, and the following Board members are participating in the work of the Committee: Emilio G. Collado, Solomon Fabricant, Eugene P. Foley, Eli Goldston, Harry W. Laidler, J. Irwin Miller, Geoffrey H. Moore, J. Wilson Newman, George B. Roberts, Robert V. Roosa, Harry Scherman, Boris Shishkin, and Joseph H. Willits. Walter W. Heller, John R. Meyer, Donald B. Woodward, and Theodore O. Yntema are assisting this Committee in an ex-officio capacity.

The Fiftieth Anniversary Committee decided to launch the Anniversary year with a dinner to pay tribute to those whose guidance and accomplishments contributed importantly to the Bureau's development. We expect the dinner will be held in late February or early March, 1970.

The Committee designated three main objectives to be achieved during the Bureau's Anniversary year:

1. To exhibit the interaction between past Bureau research and that contemplated with a view toward defining future areas of research;

2. To establish a greater dialogue between economists and others about problems the Bureau is investigating, the major purpose being to ensure that Bureau research expands in directions that are most relevant to society's needs;

3. To highlight the relevance of Bureau research to policy issues.

To accomplish these objectives the Committee suggested that a series of colloquia, publications, and a conference be developed to review research efforts in areas of particular Bureau concern and, on this basis, to speculate about future undertakings in light of present and future policy issues. As planned, six areas of economic research would be assessed: economic growth, business cycles, finance and money markets, industrial organization, human resources, and public expenditures and taxation.

Six economists have been invited to write papers on research accomplishments in these respective areas and on the needs for future research. These survey papers will provide the principal basis for the colloquia discussions,

which will be held at one-week intervals during the fall of 1970. Business and governmental leaders will be invited to participate with economists for the purpose of examining relevant policy and research issues from different viewpoints. It is expected that each Board member will serve on a subcommittee organized to select the discussants best suited to debating the issues presented in the survey papers.

The survey papers will be published as part of the Anniversary series of publications. The first volume in this series is *The Business Cycle In A Changing World* by Arthur F. Burns, published in 1969.

To conclude the Anniversary year program, a conference is planned which would be attended by the colloquia participants, the Bureau's Directors and senior staff, and others. The purposes of this conference will be to synthesize the views developed in the colloquia and to evaluate the Bureau's future research priorities.

In addition to these events, we are preparing a short history of the Bureau and other materials which we hope will increase public awareness of Bureau accomplishments and serve to advance the Anniversary fund raising campaign.

Nancy Steintal