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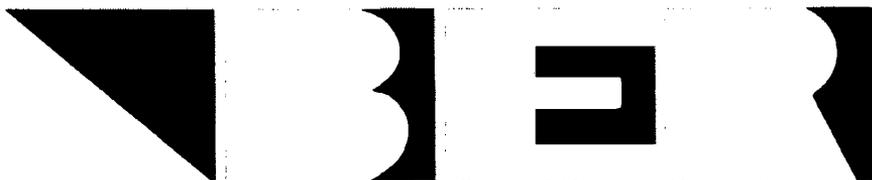
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2. The President of the National Bureau shall submit to the Board of Directors, or to its Executive Committee, for their formal adoption all specific proposals for research to be instituted.

3. No research report shall be published until the President shall have submitted to each member of the Board the manuscript proposed for publication, and such information as will, in his opinion and in the opinion of the author, serve to determine the suitability of the report for publication in accordance with the principles of the National Bureau. Each manuscript shall contain a summary drawing attention to the nature and treatment of the problem studied, the character of the data and their utilization in the report, and the main conclusions reached.

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7. Unless otherwise determined by the Board or exempted by the terms of paragraph 6, a copy of this resolution shall be printed in each National Bureau publication.

*(Resolution adopted October 25, 1926, and revised February 6, 1933,
February 24, 1941, April 20, 1968, and September 17, 1973)*

Editor's Corner

OVERVIEW—Vol. 1, No. 1

With this first issue of *Explorations in Economic Research*, the National Bureau of Economic Research launches a new quarterly journal designed to expedite publication and increase exposure of its broad research programs. Staff members who work in such areas as economic growth, business cycles, monetary problems and inflation, industrial organization and location, economic aspects of law, transportation and regional development, corporate and public finance, human capital, housing, international economic relations, and natural resources and environmental concerns will be invited to submit papers.

All articles appearing in *Explorations in Economic Research* will undergo the National Bureau's full review procedure, described in the front matter of the journal, and accordingly they will be official NBER publications. We hope that this new journal, which replaces the National Bureau's Occasional Paper series, will prove to be a flexible and convenient publication, responsive to the needs of both those who participate in the National Bureau's research program and those who take an interest in or benefit from its research.

Given the National Bureau's long-standing involvement in studies relating to the business cycle, it is perhaps fitting that the paper selected to head up this inaugural issue of *Explorations in Economic Research* should present a discussion of the latest refinements and findings in the area of cyclical analysis. Ilse Mintz laid the groundwork for "Dating United States Growth Cycles" at an NBER-sponsored colloquium entitled *The Business Cycle Today*, which was held in September 1970 as part of the National Bureau's Fiftieth Anniversary observance. (The genesis of her "growth cycle" concept can be traced to her 1969 National Bureau publication, *Dating Postwar Business Cycles: Methods and Their Application to Western Germany, 1950-1967*, although at that time she had neither named nor explored the possibilities that the concept engendered.) At the September 1970 meeting she said that since economic fluctuations had become much milder than they used to be, "the time has come . . . to adjust the tools of business cycle analysis to the moderation of the cycle . . ." She proposed the concept of a "growth cycle" to refer to "fluctuations in aggregate economic activity . . . consisting of a period of relatively high growth rates occurring at about the same time in many economic activities, followed by a period of similarly widespread low growth rates which merges into the high-growth phase of the next cycle." In the paper published here, Mintz documents seven growth cycles recognized in the U.S. economy between 1948 and 1969 and offers a careful study of the similarities and differences between business cycles as conventionally defined by the National Bureau and growth cycles as measured either by deviations from longer-term moving average trends or step cycles of varying length, characterized alternately by high and low average rates of growth. She also examines the feasibility of dating U.S. growth cycles by computerized methods rather than by subjective judgment and finds the results encouraging.

Whereas Mintz's paper represents the culmination of several years of intensive research in an area of traditional NBER interest, the other, shorter articles appearing herein were developed primarily for the purpose of furthering much broader investigations. "The Commodity Structure of Ocean Transport Charges," by Robert E. Lipsey and Merle Y. Weiss, is a by-product of their study of interrelations between international investment and trade. Recognizing that ocean transport costs

play a role in determining which goods will enter international trade, what proportion of the total output of a commodity will be traded, and which countries will be exporters and which will be importers of each commodity, Lipsey and Weiss decided to develop a method of estimating transport prices through an empirical study of the relation between characteristics of commodities and associated shipping charges. They found shipping charges for individual commodities to be related to the value per ton of the commodity, its bulkiness, the distance over which it is shipped, the prevalence of small individual shipments, and whether or not the good in question lends itself to shipment by tanker, and they derived a formula expressing these relationships. They found no evidence to support the contention that exports from the United States incur systematically higher freight charges than exports from other countries. They do find some evidence that charges for products shipped principally by regularly scheduled liners tend to be somewhat higher than charges incurred on other products. Where there is a disparity between export and import shipments on a route, the shipments in the direction with less trade bear somewhat lower charges, but this effect of excess capacity in one direction is surprisingly small.

The last paper in this issue, "The Yield on Insured Residential Mortgages," by Anthony J. Curley and Jack M. Guttentag, represents a methodological contribution that should prove to be of considerable significance to mortgage lenders. The study grew out of the authors' earlier work on mortgage yields, carried out as part of the National Bureau's investigation of interest rates, in which their efforts to construct reliable time series of mortgage yields and to explain the determinants of yield were interrupted by the rather basic question, "How should mortgage yields be calculated?" They found that early repayment, discounts, foreclosure, and compounding frequency are treated by institutional lenders in such a way as to introduce biases into conventional calculations of mortgage yield. The direction and magnitude of the biases are documented and the authors conclude by suggesting a procedure that would eliminate such errors.

In addition to major articles *EER* will also regularly feature a summary of the ASA-NBER Business Outlook Survey. Released jointly by the American Statistical Association and the National Bureau of Economic Research on a quarterly basis since December 1968, the survey is designed to record forecasts for one to five quarters ahead. Participants are a panel of economists and economic statisticians who are members of the Business and Economic Statistics Section of the ASA. They are asked to forecast short-term economic change using ten major variables: GNP; GNP implicit price deflator; industrial production; unemployment rate; corporate profits after taxes; plant and equipment expenditures; new private housing units started; change in business inventories; consumer expenditures for durable goods; and national defense purchases. They are also asked for the probabilities that they would attach to a decline in real GNP in each of the forecast quarters. The forecasts are collected and tabulated and a brief analysis with a set of summary tables is prepared by the National Bureau's staff. The reader is thus offered a systematic, analytical record of short-term economic forecasts.

A description of the general characteristics and results of the ASA-NBER Survey is provided in an article by Victor Zarnowitz entitled, "New Plans and Results of Research in Economic Forecasting," *National Bureau of Economic Research 51st Annual Report*, 1971.

Articles being considered for publication in the next issue of *Explorations in Economic Research*, which is scheduled to appear during the fall of 1974, focus on such diverse topics as the railroad industry, the influence of price expectations on a

household's demand for financial assets, econometric models of the demand for durable goods, and the relationship between monetary policy and the allocation of bank credit. We hope that this newest addition to the National Bureau's family of publications, which also includes numerous books, conference proceedings, the *Annals of Economic and Social Measurement*, *National Bureau Reports*, and *Annual Reports*, will prove to be of significant value to both researchers and the interested public alike.

