NATIONAL BUREAU OF ECONOMIC RESEARCH

Officers:
George T. Conklin, Jr., Chairman
Paul W. McCracken, Vice Chairman
Martin Feldstein, President and Chief Executive Officer
Geoffrey Carliner, Executive Director
Charles A. Walworth, Treasurer
Sam Parker, Director of Finance and Administration

Directors at Large:
John H. Biggs
Andrew Brimmer
Carl F. Christ
George T. Conklin, Jr.
Don R. Conlan
Kathleen B. Cooper
Jean A. Crockett
George C. Eads
Martin Feldstein
George Hatsopoulos
Lawrence R. Klein
Franklin A. Lindsay
Paul W. McCracken
Leo Melamed
Robert T. Parry
Peter G. Peterson
Douglas D. Purvis
Robert V. Roosa
Richard N. Rosett
Bert Seidman
Eli Shapiro
Donald S. Wasserman

Directors by University Appointment:
Jagdish Bhagwati, Columbia
William C. Brainard, Yale
Glen G. Cain, Wisconsin
Franklin Fisher, Massachusetts Institute of Technology
OPEN, Northwestern
Saul H. Hymans, Michigan
Marjorie B. McElroy, Duke
James L. Pierce, California, Berkeley
OPEN, California, Los Angeles
Andrew Postlewaite, Pennsylvania
Nathan Rosenberg, Stanford
Harold T. Shapiro, Princeton
Craig Swan, Minnesota
Michael Yoshino, Harvard
Arnold Zellner, Chicago

Directors by Appointment of Other Organizations:
Marcel Boyer, Canadian Economics Association
Rueben C. Buse, American Agricultural Economics Association
Richard A. Easterlin, Economic History Association
Gail Fosler, The Conference Board
A. Ronald Gallant, American Statistical Association
Robert S. Hamada, American Finance Association
Charles Lave, American Economic Association
Rudolph A. Oswald, American Federation of Labor and Congress of Industrial Organizations
Dean P. Phypers, Committee for Economic Development
James F. Smith, National Association of Business Economists
Charles A. Walworth, American Institute of Certified Public Accountants

Directors Emeriti:
Moses Abramovitz
Emilio G. Collado
Thomas D. Flynn
Gottfried Haberler
Geoffrey H. Moore
James J. O’Leary
George B. Roberts
William S. Vickrey

Because this volume is a record of conference proceedings, it has been exempted from the rules governing critical review of manuscripts by the Board of Directors of the National Bureau (resolution adopted 8 June 1948, as revised 21 November 1949 and 20 April 1968).
## CONTENTS

Introduction *James M. Poterba*  vii

Acknowledgments  xi

**R&D TAX POLICY DURING THE 1980s: SUCCESS OR FAILURE?**  1  
*Bronwyn H. Hall*

**WHAT DO WE KNOW ABOUT ENTERPRISE ZONES?**  37  
*Leslie E. Papke*

**PRIVATE SAVING AND PUBLIC POLICY**  73  
*B. Douglas Bernheim and John Karl Scholz*

**THE UNEMPLOYMENT INSURANCE PAYROLL TAX AND INTERINDUSTRY AND INTERFIRM SUBSIDIES**  111  
*Patricia M. Anderson and Bruce D. Meyer*

**INCOME INEQUALITY AND THE INCOMES OF VERY HIGH-INCOME TAXPAYERS: EVIDENCE FROM TAX RETURNS**  145  
*Daniel R. Feenberg and James M. Poterba*