ISSUES FOR RESEARCH

Energy, the Environment, and the Economy

Inflation Accounting
The National Bureau of Economic Research was organized in 1920 in response to a growing demand for objective determination of the facts bearing upon economic problems, and for their interpretation in an impartial manner. The National Bureau concentrates on topics of national importance that are susceptible of scientific treatment.

The National Bureau seeks not merely to determine and interpret important economic facts but to do so under such auspices and with such safeguards as shall make its findings carry conviction to all sections of the nation.

No report of the research staff may be published without the approval of the Board of Directors. Rigid provisions guard the National Bureau from becoming a source of profit to its members, directors, or officers, and from becoming an agency for propaganda.

By issuing its findings in the form of scientific reports, entirely divorced from recommendations on policy, the National Bureau hopes to aid all thoughtful men, however divergent their views of public policy, to base their discussions upon objective knowledge as distinguished from subjective opinion.

The National Bureau assumes no obligation toward present or future contributors except to determine, interpret, and publish economic facts for the benefit of the nation at large, and to provide contributors with copies of its publications.
Relation of the Directors
to the Work and Publications
of the
National Bureau of Economic Research

1. The object of the National Bureau of Economic Research is to ascertain and to present to the public important economic facts and their interpretation in a scientific and impartial manner. The Board of Directors is charged with the responsibility of ensuring that the work of the National Bureau is carried on in strict conformity with this object.

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.

4. For each manuscript so submitted, a special committee of the Directors (including Directors Emeriti) shall be appointed by majority agreement of the President and Vice Presidents (or by the Executive Committee in case of inability to decide on the part of the President and Vice Presidents), consisting of three Directors selected as nearly as may be one from each general division of the Board. The names of the special manuscript committee shall be stated to each Director when the manuscript is submitted to him. It shall be the duty of each member of the special manuscript committee to read the manuscript. If each member of the manuscript committee signifies his approval within thirty days of the transmittal of the manuscript, the report may be published. If at the end of that period any member of the manuscript committee withholds his approval, the President shall then notify each member of the Board, requesting approval or disapproval of publication, and thirty days additional shall be granted for this purpose. The manuscript shall then not be published unless at least a majority of the entire Board who shall have voted on the proposal within the time fixed for the receipt of votes shall have approved.

5. No manuscript may be published, though approved by each member of the special manuscript committee, until forty-five days have elapsed from the transmittal of the report in manuscript form. The interval is allowed for the receipt of any memorandum of dissent or reservation, together with a brief statement of his reasons, that any member may wish to express; and such memorandum of dissent or reservation shall be published with the manuscript if he so desires. Publication does not, however, imply that each member of the Board has read the manuscript, or that either members of the Board in general or the special committee have passed on its validity in every detail.

6. Publications of the National Bureau issued for informational purposes concerning the work of the Bureau and its staff, or issued to inform the public of activities of Bureau staff, and volumes issued as a result of various conferences involving the National Bureau shall contain a specific disclaimer noting that such publication has not passed through the normal review procedures required in this resolution. The Executive Committee of the Board is charged with review of all such publications from time to time to ensure that they do not take on the character of formal research reports of the National Bureau, requiring formal Board approval.

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)
Contents

I President's Report and Future Research Possibilities Discussed at the Board of Directors' Spring Meeting, 1974

Energy, the Environment, and the Economy: Automobiles and Air Quality as a Case Study—Gregory Ingram and John Meyer

Introduction

The Clean Air Act of 1970: A Policy Problem in Need of Further Research

The Cost Effectiveness of Transportation Control Policies for Achieving Clean Air in Boston: An Illustrative and Preliminary Analysis

Conclusion

Inflation Accounting: Issues for Research—Solomon Fabricant

II Staff Reports on Research Under Way

1. Economic and Social Performance

Productivity, Employment, and Price Levels

Introduction—Robert E. Lipsey

The Short-run Behavior of Prices—Phillip Cagan

Behavior of Output and Input Prices—M. Ishaq Nadiri

Labor Market Models and the Rate of Inflation—Robert J. Gordon

The Measurement of Durable Goods Prices—Robert J. Gordon

Aggregation of Production Function and Explanation of Wages—Franklin M. Fisher and Robert M. Solow

Measurement of Economic and Social Performance

Introduction—Richard and Nancy Ruggles

The Integration and Analysis of Microdata Sets for the Household Sector—Nancy and Richard Ruggles

Measurement and Analysis of National Income—Robert Eisner

National Accounting and the Environment—Henry M. Peskin and Leonard P. Gianessi

Lifetime Income—Milton Moss and Jane Duberg

Time Use—F. Thomas Juster and John Robinson

Valuation of Nonmarket Time—Reuben Gronau

Business Cycles

Introduction—Geoffrey H. Moore

Money—Milton Friedman and Anna J. Schwartz

Determinants of Investment—Robert Eisner

Rational Expectations and Investment Behavior—Peter K. Clark

Short-term Economic Forecasting—Victor Zarnowitz

Evaluation of Cyclical Indicators—Victor Zarnowitz and Charlotte Boschan

International Economic Indicators—Geoffrey H. Moore and Philip A. Klein

Current Developments in Productivity: A Proposal—Geoffrey H. Moore and Philip A. Klein

Public Finance


2. Urban and Regional Studies

Introduction—John F. Kain

Simulation of Housing Market Dynamics—John F. Kain, William Apgar, Jr., J. Royce Ginn, and Gregory K. Ingram
Local Public Sector Decision Making and the Housing Market—Mahlon Straszheim  
Workplace Location Studies—John R. Meyer and Robert A. Leone  
Union Labor Markets and Public Assistance—Daniel H. Saks  
Industrial Water Consumption—Robert Leone, J. Royce Ginn, and An-loh Lin  
Mobility of Household Residences and Workplaces—Daniel H. Weinberg

3. Human Behavior and Social Institutions

Introduction—Victor R. Fuchs and Robert T. Michael  
Income Distribution and Education and Information  
Introduction—Lee A. Lillard and Robert T. Michael  
The Distribution of Earnings and Human Wealth—Lee A. Lillard  
The Distribution of Earnings—Jacob Mincer  
The Continuous Life Histories—Linda Leighton and John Owen  
The Earnings Function and Job Mobility—George Borjas  
Ability, Schooling, and Earnings Over the Life Cycle and Human Wealth—Lee A. Lillard  
Sources of Inequality in Earnings—Paul J. Taubman  
The Covariance Structure of Earnings and the On-the-Job Training Hypothesis—John C. Hause  
Women in the Labor Market—Victor R. Fuchs  
The Distribution of Income—Barry R. Chiswick  
Schooling as Screening—Ken Wolpin  
Determinants of High School and College Completion Rates—Kathleen V. McNally  
A Theory of Productive Saving—Isaac Ehrlich  
Education and Marital Behavior—Robert T. Michael  
The Quantity and Quality of Educational Attainment—Paul Wachtel  
Earnings and Career Patterns of Scientists—Yoram Weiss

Law and Economics

Introduction—William M. Landes  
The Time Trend of Crime—Isaac Ehrlich  
The Cost of Access to Legal Remedies—William M. Landes  
Legal Theory and Reality: Some Evidence on Criminal Procedure—William M. Landes  
Economics of Legal Rules—Isaac Ehrlich and Richard A. Posner  
Administrative Delay—Richard A. Posner  
The Demand for Private Protection—Ann P. Bartel  
The Sources of Economic Legislation—George J. Stigler  
Citizen Rights and the Costs of Law Enforcement—The Theory of Controls—Melvin W. Reder

Economics of Health

Introduction—Michael Grossman  
Production and Demand for Health at Various Stages in the Life Cycle—Michael Grossman  
Utilization of Surgical Manpower—Edward F. X. Hughes  
Hospital and Nursing Home Utilization—Barry R. Chiswick  
Abortion and Fertility in New York City—Marcia J. Kramer  
Experience and the Demand for Healthy Infants—Eugene M. Lewit  
Medical Malpractice—Melvin W. Reder  
Health Manpower—Victor R. Fuchs

Population and Family Economics

Introduction—Robert J. Willis  
The Economics of Fertility Control—Robert T. Michael and Robert J. Willis  
Toward Broadening Economic Models of Fertility—Warren C. Sanderson  
Stochastic Models of Reproduction—James J. Heckman and Robert J. Willis
The Timing and Spacing of Births and Women's Labor-Force Participation: 81
An Economic Analysis—Sue Goetz Ross
Marriage and Social Interaction—Gary S. Becker 82
Marital Instability—Gary S. Becker and Elisabeth M. Landes 83
Male-Female Wage and Employment Differences—Elisabeth M. Landes 83
Human Capital Formation at Home and in School—Arleen Leibowitz 84
Trends in Female Labor Supply—James P. Smith and Robert J. Willis 84
Black-White Income Trends in the Sixties—James P. Smith and Finis Welch 85
The Distribution of Family Earnings—James P. Smith 85
Public Finance Aspects of Family Behavior—Michael Boskin 86

4. Financial and Industrial Institutions and Processes 86
Financial Institutions and Processes 86
Introduction—Robert E. Lipsey 86
The Effects of Inflation on Financial Markets—Phillip Cagan 87
Investment Policies of Major Financial Institutions Under Inflationary Conditions—
John Lintner, Thomas Piper, and Peter Fortune 87
The Influence of Price Expectations on Household Saving—Lester D. Taylor 90
Convertible Bonds—Stanley Diller 91
Individual Investor Portfolio Performance—Wilbur G. Lewellen 92
The Influence of Structural Variables on Monetary Behavior in Country Cross Sections—
Henry C. Wallich, Francis X. Splane, and Mabel Wallich 92
Industrial Institutions and Processes 93
Introduction—Michael Gort 93
Returns to Firm Investment Outlays—Henry Grabowski and Dennis Mueller 93
Marketing and Advertising—Henry Grabowski 94
Consumer Information and Advertising—Phillip Nelson 94
Diffusion of Product Innovations—Michael Gort 95
Profit Rates—Michael Gort 95
Diversification in American Industry—Michael Gort 96
Mergers and Diversification—Thomas A. Wilson 96
The Economics of the Performing Arts—Guy Herregat 98
Railroad Productivity—John R. Meyer and Alexander L. Morton 98

5. International Studies 99
Introduction—Hal B. Lary 99
Studies of Multinational Firms—Robert E. Lipsey 100
The Relation of U.S. Manufacturing Abroad to U.S. Exports—
Robert E. Lipsey and Merle Yahr Weiss 101
The Impact of Multinational Firms on Technology and Trade Flows—
Robert E. Lipsey and Irving B. Kravis 102
The Role of Prices in International Trade—Irving B. Kravis and Robert E. Lipsey 102
Foreign Trade Regimes and Economic Development—
Jagdish N. Bhagwati and Anne O. Krueger 103

6. Measurement Methods and Operations 103
Research on Computer-Based Quantitative Methods 103
Introduction—Edwin Kuh 103
Mathematical Programming—Jeremy Shapiro 104
Data Analysis—Paul W. Holland 105
Simultaneous-Equation Systems—David A. Belsley 106
Spectral Analysis and Spectral Regression—Robert F. Engle 107
Estimation Methods for Time-Varying Parameters—Aleco Sarris 109
Numerical Analysis—Virginia Klema 109
Computer Programming—Mark Eisner
Documentation—John Kirsch
Computer Operations Activity—Gerald Ronkin and Walt Maling
Other Computer-Oriented Activities
Electronic Data Processing for Research Support—Charlotte Boschan
NBER Data Bank—Josephine Su
Annals of Economic and Social Measurement—Sanford V. Berg

III Conference Programs
Conference on Research in Income and Wealth—Mildred E. Courtney
Universities—National Bureau Committee for Economic Research—Christine Mortensen
Workshops on the Computer in Economic and Social Research—M. Ishaq Nadiri
Latin American Computer Workshops—M. Ishaq Nadiri
Conference on Econometrics and Mathematical Economics (CEME)—Gary Fromm

IV Report on New Publications—Wilbur E. Mangas
Titles Published Since July 1973
Publications Forthcoming

V Organization and Finances
Directors and Officers—Douglas H. Eldridge
Finances and Sources of Support—Douglas H. Eldridge
Research Fellowships—Hal B. Lary
Staff Seminars—Paul Wachtel

VI National Bureau Staff

VII Publications, 1920–74
Contributions and Subscriptions
How to Order Publications
ISSUES FOR RESEARCH

Energy, the Environment, and the Economy

Inflation Accounting