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ASA/NBER Business Outlook Survey: First Quarter 1975
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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 by the National Bureau until the President has sent each member of the Board a notice that a manuscript is recommended for publication and that in the President's opinion it is suitable for publication in accordance with the principles of the National Bureau. Such notification will include an abstract or summary of the manuscript's content and a response to the Board or exempted by the terms of the manuscript for review. 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 President (or by the Executive Committee in case of inability to decide on the part of the President and Vice President), consisting of three Directors selected as nearly as may be by the Board from each general division of the Board. The names of the special manuscript committee shall be stated to each Director when notice of the proposed publication is submitted to him. It shall be the duty of each member of the special manuscript committee to read the manuscript, transmit it to the member of the Board, the report may be published. If at the end of that period any member of the Board, requesting approval or disapproval of publication, the President shall then notify the Board that at least a majority of the entire Board have voted 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 make. Such memorandum of dissent or reservation shall not be published unless the Board votes to publish the memorandum of such dissent in accordance with the request of the President of the Board.

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 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 the 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, as revised through September 30, 1974)
Vol. 2, No. 2

Editor's Overview

Since its establishment in 1920 by Wesley C. Mitchell and others, the National Bureau of Economic Research has been closely identified with business cycle research. Partly because of the Bureau's early and continuing prominence in the area and partly because no other body's findings have been accorded comparable acceptance, persons outside the National Bureau generally have deferred to it for the dating of cyclical peaks and troughs. Thus, Geoffrey Moore's lead article in this issue of Explorations in Economic Research will be interpreted by many as constituting official recognition by the National Bureau of Economic Research that the United States entered into its sixth recession since World War II in November 1973.

Some persons may criticize the Bureau for its failure to "announce" the present recession earlier; others may criticize it for reaching such a conclusion now; still others may criticize it for presuming to decide so politically sensitive a question at all. All three criticisms are based on a common misconception that the National Bureau in fact performs either an official or a judicial function regarding the analysis of business cycles, the identification of cyclical phases and/or the dating of cyclical peaks and troughs. As the front matter of all NBER publications states, the National Bureau is a private, nonprofit research organization. The publications program of the NBER is keyed to the pace of its research program, which in turn is determined by needs for basic economic information, not day to day demands for guidance regarding the direction and pace of current economic activity.

There also may be some misunderstanding outside the National Bureau regarding the existence within it of an official, institutional position regarding the taxonomy of cyclical phases. The absence of such a position is evidenced by Bureau publications in this journal and elsewhere during the past year of papers by Ilse Mintz ("Dating United States Growth Cycles," EER, Summer 1974), Geoffrey Moore ("Productivity, Costs, and Prices: New Light from an Old Hypothesis," EER, Winter 1975 and "Slowdowns, Recessions, and Inflation: Some Issues and Answers," EER, Spring 1975) and John Meyer and Daniel Weinberg ("On the Classification of Economic Fluctuations," EER, Spring 1975) that reflect different approaches to and perceptions of the complex of interactions among constantly changing economic processes that constitute a modern business cycle.

The thought that one, tightly constructed, immutable model of the business cycle could, for all countries, uses and times, provide an analytically sufficient basis for measurement and prediction never has been accepted by the National Bureau or reflected in its work. The cycle itself, despite persistent traits, has been recognized throughout the Bureau's history to be a changing phenomenon. As Mitchell noted in Business Cycles, Vol. 3 (Berkeley: University of California Press, 1913), "Business history repeats itself, but always with a difference."

Mitchell and other Bureau researchers experimented constantly with different representations of cyclical fluctuations, including Mitchell's original four phase representation in 1913, namely: revival, prosperity, crisis, and depression; Mitch-

Moore's lead article in this issue employs the familiar two phase description of cyclical behavior, albeit in two alternative forms: business cycles and gross cycles. The following piece by Meyer and Weinberg reports on an experimental use of multivariate discriminant analysis to develop a four phase characterization of cyclical fluctuations over the post-World War II period. The four phases derived by the authors are: recession, recovery, demand-pull, and stagflation. Forward extrapolation of Meyer/Weinberg analyses beyond September 1973 provides support for Moore's conclusion that the United States entered a new recession in November 1973, although July 1974 also appears a possible starting date for the current contraction. Backward extrapolation to the period 1920-1931 suggests that the major difference between prewar and postwar U.S. business cycles is the apparent absence during the former of a stagflation phase.

Tabular comparisons of reference dates for business cycles over the postwar period derived from standard NBER criteria, the growth cycle criteria developed by Mintz for the first issue of Explorations in Economic Research, and the four phase taxonomy developed by Meyer and Weinberg for this issue are summarized in Table 1.

In the third paper in this issue, Philip Cagan continues his studies of the process of inflation by analyzing the effect on price behavior of industry structure. Through cross-section analyses of the behavior of prices in 86 industries, Cagan notes that prices advanced less rapidly in industries whose output is concentrated in a few large firms during periods such as 1967-1969 and 1973 when general price inflation was more rapid, and that prices advanced more rapidly in such concentrated industries during 1970-1971 when the general rate of inflation subsided.

In an interpretation that may generate controversy, Cagan concludes that large firms and concentrated industries do not spearhead inflation, but in fact lag and tend to delay the transmission of inflationary pressures.

In the final research paper in this issue, Leo Troy presents a systematic account and analysis of the financial resources of American labor unions, their wealth, investment policies, and sources and uses of funds over the period 1962-1969. Troy's paper grows out of and extends earlier research conducted by him as part of the National Bureau's contribution to the Securities and Exchange Commission's 1971 Institutional Investor Study Report. The Bureau's portion of which has subsequently been published separately as Raymond Goldsmith (ed.), Institutional Investors and Corporate Stock: A Background Study, New York; NBER, 1973. The First Quarter 1975 ASA/NBER Business Outlook Survey, conducted jointly by the American Statistical Association and the National Bureau of Economic Research, completes this issue of EIR.

The editors regret that the name of John Pencavel was inadvertently omitted from the acknowledgments to Victor Fuchs' article, "A Note on Sex Segregation in Professional Occupations," that appeared in Volume 2, Number 1.
### TABLE 1 Comparative Reference Dates, NBER Business Cycle Studies of the Post-World War II Period

<table>
<thead>
<tr>
<th>Demand-Pull*</th>
<th>M/W Stagflation*</th>
<th>Peak</th>
<th>M/W*</th>
<th>Trough</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>GC</td>
<td>NBER</td>
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<tr>
<td>June 1951</td>
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<td>June 1951</td>
<td>May 1952</td>
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<td>April 1962</td>
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**NOTE:** M/W = Meyer/Weinberg (Explorations in Economic Research, this issue)

GC = Growth Cycle (Explorations in Economic Research, Moise, Summer 1974, and Moore, this issue)

NBER = NBER Business Cycle (Explorations in Economic Research, Moore, this issue)

*Starting dates for these studies.

*The peak month is here defined as the month before the start of a recession.

*The trough month is here defined as the month before the start of a recovery.

*Revised. See Meyer/Weinberg article in this issue.

*Revised. See Moore in this issue. Note that in two instances, 1957 and 1969, the revisions are confirmed by Meyer/Weinberg.