

This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: The Study of Economic Growth

Volume Author/Editor: Solomon Fabricant

Volume Publisher: NBER

Volume URL: <http://www.nber.org/books/fabr59-2>

Publication Date: 1959

Chapter Title: Activities during 1958

Chapter Author: Solomon Fabricant

Chapter URL: <http://www.nber.org/chapters/c5227>

Chapter pages in book: (p. 14 - 22)

## PART II

### Activities during 1958

#### NEW STUDIES

The recession of 1957-58 gave rise to widespread concern about the possibility of a recurrence of the severe cyclical contractions experienced from time to time before World War II. These fears proved unjustified, since a substantial recovery set in promptly. Hence the third business contraction of the postwar period, like the previous two, proved relatively moderate. Does this mean that a definite change — toward moderation — has occurred in the character of the business cycle? How can this tendency, if it exists, be fostered?

Arthur F. Burns and Geoffrey H. Moore have embarked on a study designed to throw light on these questions. They plan to write a brief monograph on the postwar business cycle, which will compare recent cyclical behavior with earlier experience and trace the influence of public and private policies on the changes that have occurred. The analytical records of business cycle phenomena that have been developed over the years at the National Bureau will be of inestimable value in this project.

Two conferences on research problems in comparative economic growth and structure were held under the chairmanship of Raymond Goldsmith, and memoranda on a variety of topics were prepared. These, together with an analytical essay by Goldsmith, will constitute an exploratory report that should provide valuable guideposts for future research. The exploration was financed by a grant from the Ford Foundation.

One of the concomitants of economic growth in this country, at least at a certain stage, was a vast expansion in philanthropic activities. Philanthropic support has been provided for education, research, health, cultural and religious activities, and family welfare. In the last twenty-five years, however, the place of philanthropy in the United States has been greatly influenced by three major developments. Rapid growth, especially at the federal and state levels, has occurred in those governmental activities concerned with safeguarding personal economic security and advancing education, research and health. A related development has been the sharp rise of income and estate

taxes, with significant influence on contributions and grants for philanthropic purposes. Finally, there has been an accelerated growth of private institutions to provide security through pensions, insurance, and the like.

The problems occasioned by these shifts need clarification, and to provide it a study of the basic facts and their implications is required. We have therefore planned a three-year study of the changing position of philanthropy in the economy. Frank G. Dickinson will be in charge of the investigation. Financial support for the study has been assured by the Russell Sage Foundation.

Consideration has been given, also, to the need for a broad study of the place of consumer credit in the economy. This is one area, it is fair to say, where the issues of economic growth and economic stability are joined. Nor are these the only issues of public concern, as the recent surge of interest in regulation of instalment credit finance charges and terms and in the competitive position of different financial institutions testifies. To deal effectively with the important questions of consumer credit that are in the minds of the public, government officials and legislators, and the industry, it is essential (1) to establish the relevant basic facts, (2) to discern their implications, and (3) to do this with such thoroughness and objectivity as to command public acceptance of the validity of the findings. Plans for the study are being considered, but final arrangements have yet to be made.

Richard Selden of Vanderbilt University, a Research Associate this year, has been exploring the recent upward trend in the velocity or rate of turnover of money. This has attracted attention because it stands in such sharp contrast to the downward trend that prevailed for many years before World War II. The behavior of interest rates is one of the factors that he is looking into in seeking an explanation.

## RESEARCH UNDER WAY

Reports by members of the staff on their research activities during 1958 are presented in Part Three. The findings briefly mentioned there have not yet been subjected to the full critical review accorded the National Bureau's

studies and are therefore tentative and provisional.

## STUDIES COMPLETED

Eighteen reports have been published since January 1, 1958 and six are in press as of May 1, 1959. A number of reports are expected to go to press soon or will shortly be ready for review by the Directors. A checklist of these is provided below.

Brief descriptions of the new publications follow.

*The Demand for Currency Relative to the Total Money Supply*, by Phillip Cagan, deals with the determinants of long-run movements in the money supply. It examines the composition of the money supply in the United States since 1875 on the basis of new estimates compiled by the National Bureau, and reviews the behavior and the determinants of the ratio of currency to total money supply annually, 1875 to 1955.

*Basic Facts on Productivity Change*, by Solomon Fabricant, gives the principal findings of past and current National Bureau research on the efficiency with which the nation's resources are being used. In the least-technical language possible, Dr. Fabricant deals with a wide range of questions concerning the growth of national productivity: its long-term average rate; the degree to which it underwent change of pace; its relation to the rise in the nation's real output; the extent to which it has been generally experienced by various industries; its relation to the increase in real wages; and, lastly, recent changes in productivity.

*Financial Intermediaries in the American Economy since 1900*, by Raymond W. Goldsmith, is the third report in the series of studies of capital formation and financing. It shows the increase during the past half-century in the practice of entrusting savings to institutions; traces the growth and changes in the assets of institutions holding savings; measures the share of the nation's assets held by financial intermediaries; and discusses the implications of present trends for the future.

*Corporate Bond Quality and Investor Experience*, by W. Braddock Hickman, is the second monograph reporting substantive findings growing out of the Corporate Bond Research Project. It analyzes an extensive body of newly developed materials, relating bond quality—as judged prospectively by investment agencies, the securities markets, legal lists, and various indicators

—to the investment performance of corporate bonds viewed comprehensively under changing economic conditions since 1900.

*The Income-Tax Burden on Stockholders*, by Daniel M. Holland, is concerned with measuring the degree to which stockholders, because of the corporation income tax and the personal tax on dividends, have been subject to heavier (or lighter) tax liabilities than other income recipients, and how this differential burden varies with size of income. Utilizing data for the postwar years, the study develops and analyzes various estimates of the combined weights of the personal and corporate income tax. The stockholder relief provisions of the Internal Revenue Code of 1954 are also studied.

*The Volume of Mortgage Debt in the Postwar Decade*, by Saul B. Klamán, is the first report to be issued giving results of the Postwar

Capital Market Study. It provides the most complete and consistent set of statistics now available on total amounts of mortgages outstanding on different types of properties and on the holdings of these mortgages by the main groups of investors, from 1945 through 1955. The data are annual through 1952 and quarterly for the three years 1952-1955 and thus fill an important gap in our basic financial knowledge, namely knowledge of the magnitude, composition, and holdings of mortgage debt.

*The Postwar Rise of Mortgage Companies*, by Saul B. Klamán, deals with the rise of mortgage companies in postwar years. It presents organized and quantitative information on these companies and discloses their importance as institutions in the postwar capital market. It shows that their rise is one of the results of the

## Studies

### REPORTS PUBLISHED SINCE JANUARY 1, 1958

*The Demand for Currency Relative to Total Money Supply*, Phillip Cagan, Occasional Paper 62

*Basic Facts on Productivity Change*, Solomon Fabricant, Occasional Paper 63

*Financial Intermediaries in the American Economy since 1900*, Raymond W. Goldsmith, Studies in Capital Formation and Financing 3

*Corporate Bond Quality and Investor Experience*, W. Braddock Hickman, Studies in Corporate Bond Financing 2

*The Income-Tax Burden on Stockholders*, Daniel M. Holland, Fiscal Studies 5

*The Postwar Rise of Mortgage Companies*, Saul B. Klamán, Occasional Paper 60

*The Volume of Mortgage Debt in the Postwar Decade*, Saul B. Klamán, Technical Paper 13

*The Role of Middleman Transactions in World Trade*, Robert M. Lichtenberg, Occasional Paper 64

*The Labor Force under Changing Income and Employment*, Clarence D. Long, General Series 65

*Measuring Recessions*, Geoffrey H. Moore, Occasional Paper 61

*International Financial Transactions and Business Cycles*, Oskar Morgenstern, Studies in Business Cycles 8

*The National Economic Accounts of the United States: Review, Appraisal, and Recommenda-*

*tions*, the National Accounts Review Committee, General Series 64

*Federal Lending and Loan Insurance*, R. J. Saulnier, Harold G. Halcrow, and Neil H. Jacoby, Other Financial Studies 2

*Seasonal Adjustment by Electronic Computer Methods*, Julius Shiskin and Harry Eisenpress, Technical Paper 12

*Freight Transportation in the Soviet Union: A Comparison with the United States*, Ernest W. Williams, Jr., Occasional Paper 65

*Problems in International Economics*, Special Conference Series 9

*A Critique of the United States Income and Product Accounts*, Studies in Income and Wealth 22

*An Appraisal of the 1950 Census Income Data*, Studies in Income and Wealth 23

### REPORTS IN PRESS

*City Expenditures in the United States*, Harvey E. Brazer, Occasional Paper 66

*Wages and Earnings in the United States, 1860-1890*, Clarence D. Long, General Series 67

*Trade Balances during Business Cycles: U. S. and Britain since 1880*, Ilse Mintz, Occasional Paper 67

*The Merger Movement in American Industry, 1895-1956*, Ralph L. Nelson, General Series 66

*The Quality and Economic Significance of Anticipations Data*, Special Conference Series 10

*Capital in Transportation, Communications, and Public Utilities: Its Formation and Financing*, Melville J. Ulmer, Studies in Capital Formation and Financing 4

federal government's underwriting of residential mortgages introduced first in the mid-1930's and greatly extended after World War II, points out the significance of their development and operation in the present day capital market, and assesses their future role.

*The Role of Middleman Transactions in World Trade*, by Robert M. Lichtenberg, is one of a series to emerge from the Study of the Structure of World Trade and Payments. It explores the multilateral character of international trade and the complications to an understanding of international economic relations arising from the role played by some countries serving as intermediaries between producing and consuming countries.

*The Labor Force under Changing Income and Employment*, by Clarence D. Long, throws light on what is meant by the concepts, labor

supply and labor force; examines the reliability of the statistics that are currently used to measure them; and attempts through statistics of the United States and four foreign countries to determine the behavior of the labor force during any moment of time among different areas, nations, and income groups, during short-run periods of war and economic fluctuation, and during long-run periods up to a century and more. The principal focus of the investigation is on the influence of changing income and employment opportunities, but detailed analysis is also made of the roles of a great many social, demographic, and economic developments in determining the size and composition of the labor force.

*Measuring Recessions*, by Geoffrey H. Moore, provides a set of measurements of past business cycle recessions with which any current recessions

---

## REPORTS SOON TO GO TO PRESS

"Regional Cycles of Manufacturing Employment in the United States, 1914-53," George Borts, Occasional Paper

"Wages in Germany, 1871-1945," Gerhard Bry, General Series

"Capital in Manufacturing and Mining: Its Formation and Financing," Daniel Creamer, Sergei P. Dobrovolsky, and Israel Borenstein, Studies in Capital Formation and Financing

"The Demand for Money — Some Theoretical and Empirical Results," Milton Friedman, Occasional Paper

"Soviet Statistics of Physical Output of Industrial Commodities: Their Compilation and Quality," Gregory Grossman, General Series

"Corporate Bond Quality and Experience: Basic Statistics," W. Braddock Hickman, Studies in Corporate Bond Financing 3

"Personal Deductions in the Individual Income Tax," C. Harry Kahn, Fiscal Studies

"The Market for State and Local Government Securities," Roland I. Robinson, Studies in Capital Formation and Financing

"The Average Workweek as an Economic Indicator," Gerhard Bry, Occasional Paper

## REPORTS SOON TO BE SUBMITTED FOR APPROVAL

"Trends in Government Financing," Morris Copeland, Studies in Capital Formation and Financing

"Housing Issues in Economic Stabilization Policy," Leo Grebler, Occasional Paper

"Dividends under the Personal Income Tax, 1918-1953," Daniel M. Holland, Occasional Paper

"Changes in Labor Cost during Cycles in Production and in Business," Thor Hultgren, Occasional Paper

"Consumer Expectations, Plans and Purchases — A Progress Report," F. Thomas Juster, Occasional Paper

"Productivity Trends in the United States," John W. Kendrick, General Series

"Capital in the American Economy: Its Formation and Financing," Simon Kuznets, Studies in Capital Formation and Financing

"Changes in the Share of Wealth Held by Top Wealth-Holders, 1922-1953," by Robert J. Lampman, Occasional Paper

"Business Cycle Indicators," Geoffrey H. Moore, Editor, Studies in Business Cycles

"Industrial Production in the Soviet Union," G. Warren Nutter, General Series

"The Growth of Public Expenditure in the United Kingdom," by Alan T. Peacock and Jack Wiseman, General Series

"Real Wages in Manufacturing, 1890-1914," Albert Rees, General Series

"The Comparative Study of Economic Growth and Structure," Exploratory Reports

"Trends in the American Economy in the Nineteenth Century," Studies in Income and Wealth 24

"Output, Input, and Productivity Measurement," Studies in Income and Wealth 25

"The Interrelations of Demographic and Economic Change in the Developed Countries," Special Conference 11

sion can be compared. The measurements suggest possible ways of providing answers to such questions as: How soon can a severe decline in business be detected? How do relative declines in the various available measures of economic activity compare with one another as a contraction develops? How can one determine whether a contraction that is currently under way is already, or is going to be, smaller or larger than those that have occurred in the past? How can one judge when it is about to end?

*International Financial Transactions and Business Cycles*, by Oskar Morgenstern, deals with the problem of business cycle transmission from one economy to another. It examines specifically how economic fluctuations spread through financial markets—focusing especially on the United States, Great Britain, Germany, and France from the 1870's to World War II. The book thus throws light on the interrelations of individual national economies, on the way different economies are linked to one another, and on the way national economies operate to constitute a world economy.

*The National Economic Accounts of the United States: Review, Appraisal, and Recommendations*, by the National Accounts Review Committee, reviews the national income and related accounts and makes recommendations concerning improvements needed in the accounts for more effective analysis. It ascertains needed reorientation in concept and statistical procedure in order that the accounts may serve government and private users more effectively. The review was undertaken by the National Bureau at the request of the Office of Statistical Standards of the Bureau of the Budget.

*Federal Lending and Loan Insurance*, by R. J. Saulnier, Harold G. Halcrow, and Neil H. Jacoby, is directed to one aspect of the rising tide of governmental activities—the extension of credit by the federal government or by organizations it sponsors, including government insurance or guarantee of loans made by private financial agencies. It shows how the various credit programs developed over the past thirty-five years and where they stand today. The services offered and the experience of the federal government as a lender are described, and the impact of government credit activities on private finance and on the economy generally is analyzed.

*Seasonal Adjustments by Electronic Computer Methods*, by Julius Shiskin and Harry Eisenpress, summarizes recent progress in using electronic computers for making seasonal adjustments in time series, and describes the methods that have been devised. It shows how the heavy

burdens and high costs previously required for seasonal adjustments can be reduced and the scope of statistical analysis greatly extended.

*Freight Transportation in the Soviet Union: A Comparison with the United States*, by Ernest W. Williams, Jr., attempts a comparison of freight transportation output in the Soviet Union with that in the United States in quantitative terms, a comparison of the contribution to the output of the several forms of transportation which serve in each nation, and some comment upon the reliability of the data which are available for the two countries. It is one of the reports growing out of the study of economic growth in the Soviet Union.

*Problems in International Economics* reports on a conference called by the Universities-National Bureau Committee for Economic Research. It contains discussions of the effects of shifts in demand and in terms of trade on employment and economic development, and an analysis of the commodity composition of trade. Methods of accounting for transactions between world areas and for transportation costs and payments are outlined. Factors involved in the operation of the international price mechanism and in the adjustment of international payments are described.

*A Critique of the United States Income and Product Accounts* contains conference papers devoted to a review and critique of the concepts, methodology, and data used in preparing the gross national product and national income accounts. The papers are designed to contribute to the hard tasks of appraisal and refinement of the estimates, tasks that fall on the technician. One paper covers many of the theoretical issues in national accounting; two are devoted to a discussion of the income and expenditure sides of the accounts; several comment at length on the issues raised.

*An Appraisal of the 1950 Census Income Data* presents the results of a conference dealing with the nature, reliability, and utilization of income data included in that census. Reports and analyses of a series of cooperative studies designed to match income information from the individual schedules of the census with income information from other sources—field surveys, and administrative records of government regulatory, fiscal, and social security agencies—are given. Another group of papers deals with substantive findings based on income data, and three papers of a more general nature are included. One surveys the frontiers of size distribution research; another builds a bridge between the census data and other income data; and the third provides a historical review of income questions in census surveys.

## CONFERENCES ON RESEARCH

Besides the research conducted by its own staff, the National Bureau sponsors two continuing groups that initiate and organize conferences of university, government and other specialists in particular fields. Conference plans are formulated several years in advance and a substantial research effort goes into the preparation of papers discussed at these meetings. Recent and forthcoming conference proceedings reports are included in the check list of publications given above. The current activities of the two conference groups, the Conference on Research in Income and Wealth and the Universities-National Bureau Committee for Economic Research, are reported below.

From time to time the National Bureau also organizes special conferences. The exploratory study of comparative economic growth described by Goldsmith in Part Three, involved such an activity. In this manner the intellectual efforts of a group of experts can be concentrated on a common target, with results that it would be difficult to achieve in as short a time in any other way.

### *Conference on Research in Income and Wealth*

The proceedings of the September 1957 conference are being prepared for press as Volume 24 of *Studies in Income and Wealth*—"Trends in the American Economy in the Nineteenth Century."

The 1958 conference, devoted to output, input, and productivity measurement, was held at the Carnegie Endowment International Center on October 17 and 18. The planning committee consisted of John W. Kendrick, George Washington University and National Bureau of Economic Research, *Chairman*; Harold Barger, Columbia University; T. C. Schelling, Yale University; and Irving H. Siegel, Council of Economic Advisers. Mr. Kendrick is serving as conference editor for the proceedings volume.

The 1959 autumn meeting will be devoted to a comprehensive appraisal of the flow-of-funds type of social accounting. The Program Committee consists of Henry C. Murphy, International Monetary Fund, *Chairman*, George L. Bach, Carnegie Institute of Technology,

Daniel H. Brill, Board of Governors of the Federal Reserve System, Edward F. Denison, Committee for Economic Development, Raymond W. Goldsmith, National Bureau of Economic Research, and Wesley Lindow, Irving Trust Company.

Members of the Executive Committee of the Conference on Research in Income and Wealth are: Edward F. Denison, *Chairman*, Harold J. Barnett, Irwin Friend, Raymond W. Goldsmith, Marvin Hoffenberg, John W. Kendrick, Frank Leacy, Richard Ruggles, Charles F. Schwartz, Louis Weiner, and Mildred E. Courtney, *Secretary*.

### *Special Conferences of the Universities-National Bureau Committee for Economic Research*

Selected papers presented at the Conference on Consumption and Economic Development (October 1955) were published by Harper and Brothers in Part Two of a volume entitled *Consumer Behavior: Research on Consumer Reactions*. Several papers and abstracts of others presented at the Conference on International Economics (April 1956) were published in *Problems in International Economics*, a Supplement to the *Review of Economics and Statistics*, February 1958. The proceedings of the Conference on the Quality and Economic Significance of Anticipations Data (November 1957) are in press, and the volume will be issued as No. 10 in the Special Conference series.

A Conference on the Interrelations of Demographic and Economic Change was held at Princeton University on December 5, 6 and 7, 1958. The planning committee consisted of Ansley J. Coale, Princeton University, *Chairman*, Edgar M. Hoover, Harvard University, Joseph J. Spengler, Duke University, and Richard Ruggles, Yale University.

A volume containing the papers and discussions, together with an introduction by Ansley Coale, is expected to be ready for the press this spring. A Conference on Public Finances: Needs, Sources and Utilization was held at the University of Virginia, Charlottesville, on April 10 and 11, 1959. Those serving on the planning committee responsible for the or-

ganization of this conference are James M. Buchanan, University of Virginia, *Chairman*, Lazlo Ecker-Racz, Treasury Department, Walter Heller, University of Minnesota, Charles E. Lindblom, Yale University, Roland N. McKean, The Rand Corporation, Richard A. Musgrave, University of Michigan, Lawrence H. Seltzer, Wayne State University, and C. Harry Kahn, Rutgers University and National Bureau of Economic Research, *Secretary*. A number of papers on public financial needs and on efficiency in the public economy were presented.

Plans for future conferences are well advanced. A conference on Labor Economics is scheduled for the spring of 1960. The members of the planning committee are H. Gregg Lewis, University of Chicago, *Chairman*, Gary Becker, Columbia University, George Hildebrand, University of California, Stanley Lebergott, Bureau of the Budget, and Charles Myers, Massachusetts Institute of Technology. Suggestions for a conference on Monetary Economics have been formulated by a committee headed by Edward Shaw, Stanford University. A conference on the economics of research and development has been authorized. Charles J. Hitch, Rand Corporation, headed the exploratory committee which considered the feasibility of a conference in this area. Consideration is being given, also, to possible conferences on the economics of marketing and distribution and on investments in human beings.

Thirty-one universities offering graduate work in economics and emphasizing research, together with the National Bureau, are represented on the Universities-National Bureau Committee for Economic Research. The participating universities are:

Buffalo	Ralph C. Epstein
California,	
Berkeley	Robert A. Gordon
California,	
Los Angeles	Armen Alchian
Carnegie Institute of	
Technology	G. L. Bach
Chicago	H. Gregg Lewis
Columbia	Albert G. Hart
Cornell	M. Slade Kendrick
Duke	Joseph J. Spengler

Harvard	Arthur Smithies
Illinois	V Lewis Bassie
Iowa State	Karl A. Fox
Johns Hopkins	G. Heberton Evans, Jr.
Massachusetts Institute	
of Technology	M. A. Adelman
McGill	Earl Beach
Michigan	Paul W. McCracken
Minnesota	Francis M. Boddy
New School for Social	
Research	Adolph Lowe
New York	Jules Backman
North Carolina	William N. Parker
Northwestern	Richard B. Heflebower
Pennsylvania	Irving B. Kravis
Princeton	Oskar Morgenstern
Queen's	F. A. Knox
Stanford	Moses Abramovitz
Texas	Carey C. Thompson
Toronto	D. C. MacGregor
Vanderbilt	Rendigs Fels
Virginia	Rutledge Vining
Washington	Douglass C. North
Wisconsin	James S. Earley
Yale	Richard Ruggles

Other members of the Committee include: Raymond T. Bowman, Martin R. Gainsbrugh, Charles J. Hitch, Edgar M. Hoover, Walter S. Salant, Herbert Stein, and George J. Stigler, Members at Large; and Solomon Fabricant, representing the National Bureau of Economic Research.

The members of its Executive Committee are: George J. Stigler, *Chairman*, H. Gregg Lewis, *Vice Chairman*, Solomon Fabricant, Charles J. Hitch, Irving B. Kravis, D. C. MacGregor and Richard Ruggles. William J. Carson is Secretary of the Committee.

In 1958 the Universities-National Bureau Committee for Economic Research completed its eighth year of operations and was continued for another four-year term, July 1, 1958-June 30, 1962.

## VISITORS TO THE NATIONAL BUREAU

The National Bureau has been favored with an unusually large number of visitors from foreign lands this year. Their interest in the Bureau's work apparently stems from three sources. First, they wish to know what is going on in the United States economy and are therefore interested in our studies of economic growth, productivity trends, and business fluctuations.



Second, they are interested in the possibility of organizing research and applying research techniques along lines successfully used in this country. Third, some of our studies of foreign economies and of international economic relations are of direct interest.

Among our visitors from other countries during 1958 were the following groups:

A group of economists participating in the United Nations In-Service Training Program, from Ethiopia, Liberia, Libya, Somalia, and Tunisia.

A delegation of members of the French Economic Council.

Members of the Japanese Economic Research Organizations Study Team, and of the Japanese Small Business Financing Specialists Study Team, under the auspices of the International Cooperation Administration.

A group of trainee technicians under the auspices of the International Cooperation Administration and the United Nations Technical Assistance Administration, from Brazil, El Salvador, Haiti, Korea, Mexico, Pakistan, Panama, Philippines, Thailand, and Vietnam.

In addition, a number of individuals from universities, research organizations, government agencies, and business concerns in Australia, Argentina, Belgium, Brazil, Canada, France, Germany, Great Britain, Israel, Japan, Netherlands, Poland, Sweden, Switzerland, Taiwan, and Yugoslavia visited the National Bureau.

#### **DIRECTORS, OFFICERS, AND RESEARCH STAFF**

At the 1959 Annual Meeting Gabriel Hauge was elected a Director at Large of the Board of Directors. Willis J. Winn was elected a Director by Appointment of the University of Pennsylvania to fill the unexpired term caused by the death of C. Arthur Kulp.

New members of the Board elected in 1958 were Walter W. Heller, Maurice W. Lee, and Lloyd G. Reynolds, Directors by Appointment respectively of the University of Minnesota, the University of North Carolina, and Yale University; and Theodore V. Houser, Director by Appointment of the Committee for Economic Development.

At the 1959 meeting George B. Roberts was elected Chairman; Theodore W. Schultz, Vice-President; and Murray Shields, Treasurer. Arthur F. Burns was reelected President; Solomon Fabricant, Director of Research; Geoffrey H. Moore, Associate Director of Research; and William J. Carson, Executive Director and Secretary.

Richard T. Selden of Vanderbilt University was appointed Research Associate for 1958-59.

Gerhard Bry, Frank G. Dickinson, James Earley, C. Harry Kahn, and Robert P. Shay were elected members of the research staff.

#### **FINANCES AND SOURCES OF SUPPORT**

During 1958 the National Bureau spent \$944,320 on its researches. Approximately \$470,700 came from current grants and contributions, \$148,300 from interest and dividends, and \$325,300 were taken out of capital funds. In addition, many thousands of dollars of services that do not enter the National Bureau's books of account were contributed to the National Bureau's work by individuals, universities, business associations, companies, and government agencies.

The work of the National Bureau is supported by grants and contributions of funds from a variety of sources. They include philanthropic foundations, business associations, public agencies, companies, labor organizations, individuals, income from invested capital funds. In addition, royalties and receipts from the sale of publications provide some income.

Foundations whose grants supported studies planned, carried on, or completed in 1958 included the Carnegie Corporation of New York, the Maurice and Laura Falk Foundation, The Ford Foundation, the Merrill Foundation for Advancement of Financial Knowledge, the Reim Foundation, the Rockefeller Foundation, the Scherman Foundation, and the Alfred P. Sloan Foundation. Business associations providing funds included the Life Insurance Association of America and the Association of Reserve City Bankers. Federal agencies providing some support for certain projects were the Board of Governors of the Federal Reserve

System, Bureau of the Budget, National Science Foundation, and the Council of Economic Advisers.<sup>1</sup>

Cash contributions received in 1958 from companies, labor organizations and individuals — all of which were for general support of the National Bureau's research program — totaled \$223,000, about a fourth of the total budget. Contributions from companies, labor organizations and individuals ranged from \$100 to \$15,000 each.

Particularly important among contributions of services in 1958 were contributions of electronic computing machine time and programming time by the International Business Machines Corporation.

Receipts in 1958 from the sale of publications included royalties on books sold by Princeton University Press, publishers of the National Bureau's books, and receipts from sales by the National Bureau. Income from these sources, however, continued to be only a small fraction of the National Bureau's budget.

Information on contributing subscriptions through which the National Bureau receives support for its work and on how to obtain its publications is given on page 91; the full publications list, on pages 83-90.

GEOFFREY H. MOORE  
*Associate Director of Research*

<sup>1</sup> Reports published during 1958 and to date in 1959 on studies supported, in whole or in part, by special grants from the sources indicated were:

*Federal Lending and Loan Insurance* (Association of Reserve City Bankers)

*Financial Intermediaries in the American Economy since 1900* (Life Insurance Association of America)

*The National Economic Accounts of the United States: Review, Appraisal and Recommendations* (Bureau of the Budget)

*Seasonal Adjustments by Electronic Computer Methods* (National Science Foundation)

*Corporate Bond Quality and Investor Experience* (Merrill Foundation for Advancement of Financial Knowledge, Association of Reserve City Bankers, Life Insurance Association of America, Trust Investment Study Committee of the New York State Bankers Association, and others)

*Basic Facts on Productivity Change* (Sloan Foundation)

*The Postwar Rise of Mortgage Companies* (Life Insurance Association of America)

*The Volume of Mortgage Debt in the Postwar Decade* (Life Insurance Association of America)

*The Role of Middleman Transactions in World Trade* (Ford Foundation)

*Freight Transportation in the Soviet Union: A Comparison with the United States* (Rockefeller Foundation)

All other publications during 1958 were financed out of general funds and grants.