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Organization and Finances

Directors and Officers

The Board of Directors held two meetings during the fiscal year to consider and act upon developments in the research program and the operation, staffing, and financing of the National Bureau. The annual meeting was held in Washington, D.C. on September 26, 1975. A special meeting was held on April 23, 1976, in Cambridge, Massachusetts. The Board's Executive Committee also met twice to take action on research proposals, staff appointments, and budgets, within the general policies established by the Board.

At the annual meeting, three new Directors were elected. Edward L. Ginzton, Chairman and Chief Executive Officer of Varian Associates, became a Director at Large. Richard M. Bird became Director by Appointment of the Canadian Economic Association, succeeding Robert M. Will, and Carl F. Christ succeeded Willard L. Thorp as Director by Appointment of the American Economic Association.

Mr. Thorp, who had served many years on the research staff beginning in 1923 and who had been a member of the Board of Directors since 1956, became a Director Emeritus.

The Bureau lost two Directors at Large. Alice M. Rivlin, Director of the Congressional Budget Office, resigned from the Board in late September 1975. Vivian W. Henderson, President of Clark College, died on January 28, 1976. Also Nathaniel Goldfinger, who had served since 1963 as Director by Appointment of the American Federation of Labor and Congress of Industrial Organizations, died on July 22, 1976.

Irving Forman who joined the staff in 1929 and became the National Bureau's chartist died on July 24, 1976. Although he had retired from regular employment he had continued to serve in a consulting capacity.

At the annual meeting, recommendations by the President for changes in the organizational structure of the Bureau's administration and in

titles of some officers were endorsed by the Committee on Management Development and Compensation and approved by the Board. The following officers were elected for the ensuing year: Arthur F. Burns, Honorary Chairman; J. Wilson Newman, Chairman; Moses Abramovitz, Vice Chairman; John R. Meyer, President; Thomas D. Flynn, Treasurer; Harvey McMains, Vice President-Executive Director; Victor R. Fuchs, Vice President, Co-Director NBER-West and Director, Center for Economic Analysis of Human Behavior and Social Institutions; Edwin Kuh, Vice President, Director, Computer Research Center; Douglas H. Eldridge, Executive Secretary; Gary Fromm, Director, Special Studies; Robert E. Lipsey, Director of International and Financial Studies; Sherman J. Maisel, Co-Director, NBER-West; Geoffrey H. Moore, Director, Business Cycle Research; Edward K. Smith, Director, Corporate Planning and Development and Director, NBER-Washington; Charlotte Boschan, Director, Data Services; Warren Lackstrom, Assistant Vice President-Operations; Sam Parker, Assistant Treasurer and Controller; Robert T. Michael, Associate Director, Center for Economic Analysis of Human Behavior and Social Institutions; Richard Hill and Gerald Ruderman, Assistant Directors, Computer Research Center.

Following the annual meeting, the President established a Senior Staff Policy Committee comprised of himself and the three Vice Presidents, and with Warren Lackstrom serving as secretary. This committee undertook a general review of the Bureau's overall research program.

Mr. Lackstrom resigned from the staff as of April 30, 1976. He was succeeded as Executive Secretary of the Senior Staff Policy Committee by Joel Popkin, effective July 1, 1976. At the same time Mr. Popkin assumed responsibility as Director of the Washington, D.C. office of the Bureau.

At the spring meeting of the Board, President

Meyer announced that he had advised the Committee on Management Development and Compensation that he believed there should be a turnover in his position as President after approximately ten years of service. He suggested that plans be made for his phasing out as President no later than the end of the next annual term which would end with the annual meeting of the Board of Directors in September 1977. A subcommittee of the Committee on Management Development and Compensation was appointed as a Screening Committee to undertake the initial steps of search and selection of a candidate to be President Meyer's successor. The subcommittee, comprised of Messrs. Abramovitz (Chairman), Heller, Shapiro, and Yntema, was charged to make a report and recommendation to the full Committee and that Committee in turn would make a report and recommendation to the Board of Directors.

Douglas H. Eldridge

Finances and Sources of Support

During the fiscal year ending June 30, 1976, expenditures for the National Bureau's program of research, conferences, publications, and related activities were approximately \$5.6 million. Income totaled about \$5.3 million, leaving a current operating deficit of about \$275 thousand,¹ which was financed by drawing on the principal of the National Bureau's sustaining funds.

The National Bureau's current income is of two general types, restricted and unrestricted. Restricted income is derived from grants or contracts for whole or partial support of particular research projects in accordance with specific terms. Unrestricted income is comprised of revenues that are available for general program support and that are allocable by the Bureau to individual projects and activities as deemed appropriate by the administration and the Board of Directors.

In fiscal 1976, 71 percent of total income was obtained from restricted fund grants or con-

tracts. Sources of restricted support for projects discussed in the staff reports in the present volume included the following:

American Association of Advertising Agencies, Educational Foundation—marketing and advertising studies; concentration and profit rates.

American Bar Foundation—law and economics program.

American Enterprise Institute—international economic indicators.

Ford Foundation—population and family economics.

Hoover Institution—business cycles and economic indicators.

IBM World Trade Corporation—Latin American research, conference program, and computer workshops.

Investment Company Institute—individual investor portfolio performance.

Japan Society, Inc.—Pacific Basin trade conference.

Robert Wood Johnson Foundation—Human Behavior and Social Institutions Center program in the economics of health.

National Economists Club Educational Foundation—public forum in economic issues.

Rockefeller Foundation—Human Behavior and Social Institutions Center studies of education and income distribution; research fellowship program for scholars from developing countries.

Scherman Foundation—money, financial flows, and credit in the Soviet Union.

Alfred P. Sloan Foundation—research fellowships.

Alex C. Walker Educational and Charitable Foundation—monetary trends.

United States Government

Agency for International Development—foreign trade regimes and economic development; alternative trade strategies and employment.

Council on Wage and Price Stability—wholesale price index study; inflation study.

Department of Commerce: (1) Bureau of the Census—measurement of business inventories; seasonal analysis of economic time series; (2) Bureau of Economic Analysis—cycli-

1. These are preliminary, preaudit figures. When this *Annual Report* was sent to press, the books of account had just been closed and the audit for the fiscal year had not been completed. In late September 1976, detailed financial statements, with a report of independent certified public accountants, will be available from the National Bureau on request.

cal indicators; (3) Office of Competitive Assessment—international economic indicators; price-quantity relations in U.S. trade; (4) Economic Development Administration—analysis of Federal economic development programs; modeling the differential incidence of Federal tax, transfer and expenditure policy (IDIOM).

Environmental Protection Agency—short-run costs of water pollution abatement; air pollution and health.

Department of Health, Education and Welfare: (1) National Center for Health Services Research—economics of health; (2) National Institute of Child Health and Human Development—population and family economics.

Department of Housing and Urban Development—NBER urban simulation model.

Department of Labor—earnings and income distribution; foreign influences on input costs and manufacturing prices; studies of multinational firms.

National Commission on Water Quality—water quality study.

National Science Foundation—inflation study; research and development and firm productivity; evaluation of forecasting performance of econometric models; measurement of economic and social performance; law and economics program; earning and income distribution; risks and capital adequacy in financial institutions; financial flows and economic activity; effects of product quality regulation on innovation; industrial demand for energy; multinational firms' technology and trade flows; U.S.-U.S.S.R. scientific and technical program of cooperation; projects of the NBER Computer Research Center; Alaska model for Man in the Arctic Program; several conference and workshop programs.

Department of the Treasury—economics of taxation and social insurance; location of overseas manufacturing operations of multinational firms.

Several business firms made special contributions for the support of the International Economic Indicators Project.

The National Bureau's unrestricted income in fiscal 1976 was about \$1.5 million or 29 percent of total income. A general program support grant from the Scherman Foundation and the

annual contributions of business firms, banks, labor organizations, libraries and individuals provided about 11 percent of total income. Interest and dividends from the investment of sustaining funds amounted to somewhat more than 9 percent of total income, and more than 8 percent of total income was received from sales of publications and statistical materials and services.

The National Bureau was fortunate to have the help of a Development Committee comprised of leaders in the business and financial communities who sought to maintain and increase the level of unrestricted income from the contributions of business firms and others. During 1976 James J. O'Leary, Vice Chairman, United States Trust Company of New York, served as Chairman of the Development Committee. Robert V. Roosa, Partner, Brown Brothers, Harriman & Company, was Vice Chairman. Other Development Committee members were:

James S. Bingay, President
The Mutual Life Insurance Company of
New York

Thornton F. Bradshaw, President
Atlantic Richfield Company

W. Graham Claytor, Jr., President
Southern Railway System

W. J. De Lancey
President and Chief Executive
Republic Steel Corporation

James L. Ferguson
Chairman and President
General Foods Corporation

Thomas D. Flynn
Arthur Young and Company

Edward L. Ginzton, Chairman
Varian Associates

Gabriel Hauge, Chairman
Manufacturers Hanover Trust Company

John W. Larsen, President
The Bowery Savings Bank

Gustave L. Levy, Partner
Goldman, Sachs & Co.

Gerard Piel, Publisher
Scientific American

Eli Shapiro
Chairman, Finance Committee
The Travelers Corporation

G. Robert Truex, Jr.
President and Chief Executive
Rainier National Bank

H. R. Weckerley
Senior Vice President, Finance
American Can Company

F. Perry Wilson
Chairman and Chief Executive
Union Carbide Corporation

The efforts of the Development Committee in enlisting the interest and support of business-

men and others are important for the National Bureau's program. Unrestricted income, although less than one third of the total, is a critical factor for independent, objective and innovative studies. It is used for the initiation and development of research proposals, for cost sharing on projects for which restricted funds provide only partial support, and for costs of publications and dissemination of results not covered by restricted grants. Several projects approved by the Board of Directors are supported, at least from time to time, entirely from unrestricted funds. Members of the Development Committee deserve much credit for broadening understanding of the significance of the Bureau's program and of the importance of support from the general public as well as from philanthropic foundations and government agencies.

Douglas H. Eldridge