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PART I I

Activities During 1961

NEW STUDIES

Much has been said and written in recent years about the rate of our nation's economic growth during the 1950's relative to the higher rates achieved by Russia, Germany, Japan, and other countries. Many proposals for increasing our rate of growth have been put forward, and many assertions have been made about the ways in which our federal tax system has either stimulated or inhibited economic growth. Unfortunately, public discussion of this issue has suffered from inadequate knowledge of the effects of our tax structure on the rate and characteristics of economic development.

In an effort to contribute to a better understanding of the problem, the National Bureau decided in 1960 to undertake a study of federal tax policies for economic growth, and work on it began last year. The study, directed by Norman B. Ture, aims at strengthening the empirical foundation required for analysis of the influence of the present tax system on the processes of economic growth, and for evaluation of proposals for tax changes. The plan is to focus on those features of the tax system which bear most heavily and directly on what we take to be the major determinants of economic growth: saving and investment, technological progress, and incentives for personal effort. Detailed plans and progress to date are reported in Part III. Financial support is being provided by the Rockefeller Brothers Fund and the Life Insurance Association of America. -

Another issue that has recently aroused great public interest is the contribution of education to the nation's economic growth. This contribution comes about because education is, at least in part, a form of investment—investment in human capital. Thus, although it yields many other values, the educational process may from this point of view be considered as an investment parallel and complementary to investment in tangible capital goods and in research and development. The exploratory project on which Gary Becker has been engaged for several years was designed to determine whether systematic and comprehensive research on the magnitude of this investment and its "rate of return" was worthwhile.

The results of his explorations demonstrated the desirability and feasibility of further research in this important field. We have begun a new study, aided by a grant from the Carnegie Corporation, designed to develop more adequate estimates of investment in education and of the educational level of the labor force, of the rates of return upon this investment, and of the contribution it has made to economic growth. Becker reports on the present status of this work in Part III. A report on a Special Conference on Capital Investment in Human Beings appears below.

The National Bureau's researches on productivity, supported in the recent past by grants from the Alfred P. Sloan Foundation, reached a milestone last year with the publication of John Kendrick's *Productivity Trends in the United States*. Solomon Fabricant is devoting some attention this year to broadening popular understanding of the Bureau's research in this field and discussing it with persons at the various productivity centers that have sprung up around the world. He is also exploring the possibilities for further research on comparative productivity levels and trends.

The business cycle studies of Mitchell, Burns, and others have emphasized the strategic role of investment and the process whereby investments are made. As a result, a large collection of monthly and quarterly statistics on the various stages of capital investment, from commitment to final installation, has been assembled over the years. In order to make this collection more accessible to scholars, we plan to reproduce a substantial portion of the basic data, together with source notes, seasonal factors, and selected cyclical measures. Robert Lipsey is in charge of this program, and financial support for it has been provided by the National Science Foundation.

The scope of the study of interest rates, begun last year under the direction of Joseph Conard and William Brown, has been extended to include collection of new data on interest rates on mortgages and direct placements. In both fields relatively little information on interest rates has hitherto been available, and new compilations from original sources cover-

ing the period since 1951 are planned. The rates will be recorded as of the time commitments are made, thus permitting appropriate comparison with other long-term as well as short-term rates. The mortgage rate statistics will supplement in a significant way the new compilations of current data presently being undertaken by government agencies: the National Bureau series will provide the historical record, especially valuable for analytical purposes, while the government series will keep the record up to date. A report on the project as a whole, which is being supported by a grant from the Life Insurance Association of America, is contained in Part III.

Hyman Minsky, University of California at Berkeley, is visiting the National Bureau on a Ford Foundation Faculty Research Fellowship. He is undertaking a study, based on the flow-of-funds accounts, that will show the relations among money payments resulting from (1) current income-producing activity; (2) contractual commitments such as loan repayments, rents, and so on; and (3) transactions in existing real assets and financial assets. These relations will be developed for various private and governmental sectors of the economy. They will, he expects, help to show how contractual commitments affect the stability of the economy and throw light on whether deep depressions are related especially to financial factors.

RESEARCH UNDER WAY

Reports by members of the staff on their research during 1961 are presented in Part III. The findings briefly mentioned there have not yet undergone the full critical review accorded the National Bureau's studies and are therefore tentative.

STUDIES COMPLETED

Twenty-one reports on research conducted by the staff have been published since January 1, 1961, and five are in or about to go to press.¹ The titles and authors of these reports are

¹A complete list of publications begins on page 107.

listed below, together with those of reports that will soon be ready for review by the Board. For a list of conference reports, see the next section.

REPORTS PUBLISHED SINCE JANUARY 1, 1961

BUSINESS CYCLES

Business Cycle Indicators, Geoffrey H. Moore, ed. (Studies in Business Cycles 10, 1961, Vol. I, xxxv + 757 pp., \$12.50; Vol. II, xvii + 179 pp., \$4.50; both vols., \$15.00).

Vol. I: *Contributions to the Analysis of Current Business Conditions*. Most of the previously published NBER reports on this subject, together with a number of new ones, are included in the first volume. It presents a newly developed list of leading, coinciding, and lagging indicators based on studies of postwar and prewar business cycles and the latest available statistical information. The factors accounting for the characteristic behavior of many leading indicators are treated in detail, and an extensive historical record of their behavior during recessions and recoveries is provided.

Vol. II: *Basic Data on Cyclical Indicators*. Contains a compilation of original and seasonally adjusted monthly data for some fifty economic indicators from their inception through 1958.

Signals of Recession and Recovery: An Experiment with Monthly Reporting, by Julius Shiskin (Occasional Paper 77, 1961, xii + 191 pp., \$3.00). Describes a tested system for earlier warning of business recessions and recoveries that takes advantage of new findings about the relations among economic processes over time, the availability of a great many time series, and electronic computers. Describes the monthly report, *Business Cycle Developments*, now being published by the U.S. Department of Commerce, and analyzes its past performance.

Postwar Cycles in Manufacturers' Inventories, by Thomas M. Stanback, Jr. (Studies in Business Cycles 11, 1962, xiv + 146 pp., \$2.00). Analyzes the behavior of manufacturers' stocks of finished goods, goods in process, and purchased materials during postwar business cycles. Explains why inventory movements

have continued to play a major role in business recessions, despite the fact that stocks are smaller relative to sales.

American Exports During Business Cycles, 1879-1958, by Ilse Mintz (Occasional Paper 76, 1961, xii + 92 pp., \$1.00). This study reviews the relation between exports and domestic business cycles over a sixty-year span, showing how the movements in exports have become an increasingly important factor in recent years. The influence of fluctuations in world trade on United States exports is also demonstrated.

WEALTH, CAPITAL FORMATION, AND FINANCING

Capital in the American Economy: Its Formation and Financing, by Simon Kuznets (Studies in Capital Formation and Financing 9, 1961, xxix + 664 pp., \$12.00). An examination of long-term trends in capital formation and financing in the United States, organized primarily around the principal capital-using sectors of the economy: agriculture, mining and manufacturing, public utilities, nonfarm residential real estate, and government. The analysis summarizes major trends in real capital formation and financing, stressing the importance of savings as a determining factor.

Trends in Government Financing, by Morris A. Copeland (Studies in Capital Formation and Financing 7, 1961, xxvi + 210 pp., \$5.00). The reasons for the long-term rise in government indebtedness at the federal, state, and local level are analyzed. The trend suggests that more and more of the functions now performed by state and local governments will be financed by federal grants-in-aid—one of the factors making prospects for debt reduction dim.

The Postwar Residential Mortgage Market, by Saul B. Klamman (Studies in Capital Formation and Financing 8, 1961, xxxi + 301 pp., \$7.50). Describes and appraises the flow of residential mortgage funds during the decade after World War II and the institutional framework of the residential mortgage market in terms of lender policies and practices, and market techniques and characteristics.

The Share of Top Wealth-Holders in National Wealth, 1922-56, by Robert J. Lampman (General Series 74, 1962, xxvii + 286 pp., \$6.50). Offers new information on the numbers, char-

acteristics, and investments of American wealth-holders. Measures the concentration of wealth-holding and its changes over recent years.

The United States Savings Bond Program in the Postwar Period, by George Hanc (Occasional Paper 81, 1962, xiv + 108 pp., \$1.50). Analyzes the objectives and techniques of the savings bond program, its role in individuals' financial saving, and its significance for federal debt management.

Industrial Demands Upon the Money Market, 1919-57: A Study in Fund-Flow Analysis, by Wilson F. Payne (Technical Paper 14, 1961 xix + 139 pp., \$1.50). An exploratory study on how to trace, through analysis of corporate balance sheets and income accounts, the forces that affect the level of corporate cash balances and income accounts and thus a concern's needs for outside funds. The analysis is applied to data for a sample of companies.

PRICES, WAGES, AND PRODUCTIVITY

The Price Statistics of the Federal Government, Report of the Price Statistics Review Committee (General Series 73, 1961, 526 pp., \$1.50). This report and the twelve staff papers accompanying it, which were prepared at the request of the U.S. Bureau of the Budget and submitted to the Joint Economic Committee in January 1961, provide a review and appraisal of the main price series compiled by the government and make recommendations for remedying deficiencies in them.

Real Wages in Manufacturing, 1890-1914, by Albert Rees (General Series 70, 1961, xvi + 163 pp., \$3.75). On the basis of new estimates of money wages and a new cost-of-living index for the period before World War I, this volume corrects previous conclusions that real wages remained stationary in the period 1890-1914 and shows that they rose substantially.

Productivity Trends in the United States, by John W. Kendrick (General Series 71, 1961, lii + 630 pp., \$12.50). A basic study of the long-term average rate of growth of productivity; the degree to which the rate of productivity increase has varied over time; and the differences in the rates of productivity increase among different industries. Among the conclusions is the fact that real hourly earnings have grown about as rapidly, on the average,

as has output per man-hour, while the rate of return on capital has tended to remain roughly constant.

SOVIET ECONOMIC GROWTH

Growth of Industrial Production in the Soviet Union, by G. Warren Nutter (General Series 75, 1962, xxvii + 706 pp., \$15.00). An exhaustive study of industrial growth in Russia since the founding of the USSR in 1917, based on a thorough check and cross-check of available statistics on individual commodities and industries. Considers expansion of the labor force and of population in relation to industrial output. Soviet growth is compared with that of the United States, and the uncertainties attached to such comparisons are shown.

Freight Transportation in the Soviet Union, Including Comparisons with the United States, by Ernest W. Williams, Jr. (General Series 76, 1962, xxi + 222 pp., \$4.50). This study discloses major shifts in the volume of freight traffic handled by different forms of transport in the Soviet Union and the United States. In the former, overwhelming reliance is placed on railroads for intercity freight transportation, whereas in the latter the role of the railroads has declined and the importance of other forms of transport has increased.

Small-Scale Industry in the Soviet Union, by Adam Kaufman (Occasional Paper 80, 1962, xvi + 95 pp., \$2.00). This report studies the almost complete absorption of small-scale by large-scale industry in the Soviet Union between 1913 and 1933, and its effect on the interpretation of growth in large-scale production. As a case study of the major structural changes experienced by an economy in the process of rapid industrialization, the report may help provide an understanding of the problems encountered by underdeveloped countries.

OTHER

Dividends Under the Income Tax, by Daniel M. Holland (Fiscal Studies 7, 1962, xviii + 190 pp., \$4.50). Deals with the importance of dividends in personal and taxable income, the degree to which dividend receipts have shown up on tax returns, the "double taxation" of

dividends, and the differential taxation of corporate earnings, as well as recent methods to provide income tax relief for stockholders.

The Postwar Rise in the Velocity of Money: A Sectoral Analysis, by Richard T. Selden (Occasional Paper 78, 1962, iv + 68 pp., \$1.00). Examines the shift in the trend of money turnover—called velocity of circulation—by sectors of the economy: geographic, business, household, government; and finds that money has been circulating through the economy at an increasingly rapid rate since World War II.

The American Baby Boom in Historical Perspective, by Richard A. Easterlin (Occasional Paper 79, 1962, 64 pp., \$1.00). Suggests that the marked postwar increase in births may be part of a long succession of major population fluctuations rather than an abrupt reversal of a long-term downtrend as commonly considered. The report presents data on the U.S. birth rate from the middle of the nineteenth century and relates the swings in this rate to economic and other factors.

The Growth of Public Expenditure in the United Kingdom, by Alan T. Peacock and Jack Wiseman (General Series 72, 1961, xxxi + 213 pp., \$5.00). Presents facts about the behavior of British government expenditures since 1890 and explains that behavior by reference to the nature of government and the facts of British history. The authors also analyze possible future trends in government expenditures during the next twenty years.

Methods for Improving World Transportation Accounts, Applied to 1950-1953, by Herman F. Karreman (Technical Paper 15, 1961, xvii + 121 pp., \$1.50). Sets forth the problems involved in recording transportation transactions between world areas; provides new estimates and points out ways in which the major remaining deficiencies in estimation of gross freights might be eliminated.

REPORTS IN PRESS

Diversification and Integration in American Industry, by Michael Gort (General Series 77).

The National Wealth of the United States in the Postwar Period, by Raymond W. Goldsmith (Studies in Capital Formation and Financing 10).

REPORTS SOON TO GO TO PRESS

"The United States Money Stock, 1867-1960," by Milton Friedman and Anna J. Schwartz (Studies in Business Cycles 12).

"Price and Quantity Trends in the Foreign Trade of the United States," by Robert E. Lipsey (General Series 78).

"Studies in the National Balance Sheet of the United States," by Raymond W. Goldsmith and Robert E. Lipsey (Studies in Capital Formation and Financing).

REPORTS SOON TO BE SUBMITTED FOR APPROVAL

"Capital and Rates of Return in Manufacturing Industries," by George J. Stigler.

"The Flow of Capital Funds in the Postwar Economy," by Raymond W. Goldsmith (Studies in Capital Formation and Financing).

"The Quality of Bank Loans: A Study of Bank Examination Records," by Albert Wojnilower (Occasional Paper).

"Notes on the Interpolation of Time Series by Related Series," by Milton Friedman (Technical Paper).

"Cost of Providing Consumer Credit: A Study of Four Major Types of Financial Institutions," by Paul Smith (Occasional Paper).

"Trends and Cycles in the Finance Company Paper Market," by Richard T. Selden (Occasional Paper).

"Corporate Sources and Uses of Funds," by David Meiselman and Eli Shapiro (Technical Paper).

"Unfilled Orders, Price Changes, and Business Fluctuations," by Victor Zarnowitz (Occasional Paper).

"Unincorporated Enterprise Under the Income Tax," by C. Harry Kahn (Fiscal Studies).

CONFERENCES ON RESEARCH

Besides the research conducted by its own staff, the National Bureau from time to time arranges special conferences and also sponsors

two continuing groups that plan and organize conferences on research. University, government, and other specialists in particular fields participate in these conferences. They are invited to prepare papers growing out of their own research, and to discuss those prepared by others. The revised papers are, in most instances, submitted to the National Bureau for publication in conference proceedings volumes. A list of the volumes published last year or in press, together with future scheduled conferences, follows. The special conference on philanthropy held in 1961 and the current activities of the two conference-organizing groups are described below.

CONFERENCE PROCEEDINGS PUBLISHED SINCE JANUARY 1, 1961

Public Finances: Needs, Sources, and Utilization (Special Conference Series 12, 1961, xiv + 512 pp., \$10.00). Contains papers on financial needs and resources at all levels of government; fiscal theory; taxation and expenditure decisions; defense planning; and user prices vs. taxes.

Output, Input, and Productivity Measurement (Studies in Income and Wealth 25, 1961, x + 506 pp., \$10.00). In this collection of papers national income accounts are used as a framework to measure productivity and related variables. Different methods of estimating real national product and factor inputs are discussed. Also contains author and title indexes for Studies in Income and Wealth, Volumes 1-25.

The Rate and Direction of Inventive Activity: Economic and Social Factors (Special Conference 13, 1962, xi + 626 pp., \$12.50). This volume covers problems of definition and measurement, theory and macro-quantitative analysis, case studies, nonmarket factors, efficiency in research and development, and welfare economics and inventive activity.

The Flow-of-Funds Approach to Social Accounting (Studies in Income and Wealth 26, 1962, xi + 481 pp., \$12.50). Contains thirteen papers dealing with the integration of social accounting systems, the use of flow-of-funds data and

their applications to the analysis of financial and economic conditions, and problems of availability and techniques.

CONFERENCE PROCEEDINGS IN PRESS

Aspects of Labor Economics (Special Conference 14).

Capital Investment in Human Beings (Special Conference 15).

CONFERENCE PROCEEDINGS IN PREPARATION FOR PRESS

"Income Shares" (Income and Wealth 27).

"Models of Income Determination" (Income and Wealth 28).

"Monetary Economics" (Special Conference).

CONFERENCES BEING ARRANGED

Components and Sources of Output Growth, 1840-1920, Conference on Research in Income and Wealth, September 7-8, 1962.

Transportation Economics, Conference of the Universities-National Bureau Committee for Economic Research, spring 1963.

CONFERENCE ON PHILANTHROPY

The National Bureau in cooperation with the Merrill Center for Economics held a conference on philanthropy at the Merrill Center, Southampton, Long Island, New York, from June 26 through June 30, 1961; the conference was continued by the Merrill Center through July 7. Willard L. Thorp, director of the Center, was chairman of the eighteen sessions held.

The conference was organized to examine economic aspects of philanthropy with the emphasis on policy questions. The scope of the

conference is indicated in the following questions which were included in a statement sent in advance to the conferees:

What is the appropriate "division of labor" among government, the market, and private philanthropy, in meeting human needs most effectively? Have the appropriate lines of division changed; do they continue to change; in what direction should they change? Should government continue to subsidize (or encourage) private philanthropy through the various provisions of the tax system (for example, tax exemption of property and of income; inclusion of philanthropic contributions among deductions for personal and corporate tax purposes)? Should government expand or contract its direct support, or alter the ways in which it directly supports private philanthropy? What of the respective roles of the federal, state, and local governments? Should philanthropy, for purposes of governmental support, be redefined in any way? In what directions should private philanthropy concentrate its efforts, taking account of past and prospective expansion of governmental activities and of market developments (private insurance, etc.)? What media of giving should be favored by private givers?

Five papers prepared for the conference and two earlier papers (by Fabricant and Dickinson) were sent to the conferees as background materials but not for formal discussion at the conference: "An Economist's View of Philanthropy," Solomon Fabricant; "The Growth of Public and Private Philanthropy," Frank G. Dickinson; "Voluntarism in America—Attitudes and Behavior," James N. Morgan; "Some Economic Aspects of Philanthropy," William S. Vickrey; "Notes on a Theory of Philanthropy," Kenneth E. Boulding; "Hospitals and Philanthropy," Eli Ginzberg; "Philanthropy and the Business Corporation, Existing Guide Lines—Future Policy," Covington Hardee.

The paper by Morgan is largely included in a book, *Income and Welfare in the United States*, to be published by McGraw-Hill this year. The other six papers and two additional papers—Dickinson's brief report on the highlights of the conference and Willard L. Thorp's reflections on the discussion—will be published in a conference volume edited by Dickinson.

The range of the discussion at the conference may be indicated by the topics covered in Dickinson's report: concept of philanthropy, voluntary and compulsory giving, the future of philanthropy, private versus public philanthropy, philanthropic foundations, corporate philanthropy, the impact of government on private philanthropy, fund raising in private giving, the impact of market forces on the changing role of philanthropy, and areas of philanthropic neglect.

For a report on the National Bureau's study of philanthropy, see Part III.

CONFERENCE ON RESEARCH IN INCOME AND WEALTH

Two conference-proceedings volumes have been published since January 1, 1961 (see list above). The papers presented at the April 1961 sessions on Income Shares are now being prepared for publication as a proceedings volume.

The most recent meeting was devoted to a discussion of Models of Income Determination, and was held at the University of North Carolina on February 2-3. The members of the Program Committee were Irwin Friend (chairman), Edward F. Denison, Raymond W. Goldsmith, Lawrence R. Klein, and James Tobin. The following papers were presented:

"A Postwar Quarterly Model: Description and Applications," Lawrence R. Klein, University of Pennsylvania.

"A Forecast Determination of National Product, Employment, and Price Level in Canada, from an Econometric Model," T. M. Brown, Royal Military College of Canada.

"Income and Asset Effects of Consumption: Aggregate and Cross Section," Jean Crockett, University of Pennsylvania.

"Capital Expenditures, Profits, and the Acceleration Principle," Robert Eisner, Northwestern University.

"Inventory Investment," Michael C. Lovell, Yale University.

"The Federal Sector in National Income Models,"
Wilfred Lewis, Jr., Bureau of the Budget.

"Short-Run Forecasting Models Incorporating
Anticipatory Data," Irwin Friend and Robert
C. Jones, University of Pennsylvania.

"An Empirical Model of the U.S. Economic
Growth: An Exploratory Study in Applied
Capital Theory," Albert Ando, Massachusetts
Institute of Technology.

"Notes on the Measurement of Price and Quality
Changes," Zvi Griliches, University of Chicago.

A Conference on Components and Sources
of Output Growth, 1840-1920, under the
chairmanship of William N. Parker, will be
held in early 1963.

Members of the Executive Committee are
Charles F. Schwartz (chairman), Irwin Friend,
Simon A. Goldberg, Raymond W. Goldsmith,
George Jaszi, John W. Kendrick, John B.
Lansing, Stanley Lebergott, Tibor Scitovsky,
Louis Weiner, and Mildred E. Courtney
(secretary).

UNIVERSITIES-NATIONAL BUREAU COMMITTEE FOR ECONOMIC RESEARCH

Two special-conference proceedings volumes
have been published since January 1, 1961,
and one is in press (see list above). The Con-
ference on Capital Investment in Human
Beings was held in New York on December
1 and 2, 1961. The proceedings of the con-
ference are now being prepared for publication
by Theodore W. Schultz, University of Chi-
cago, who is chairman of the Planning
Committee.

A Conference on Monetary Economics was
held at the Carnegie Institute of Technology
on April 13 and 14, 1962, with George Leland
Bach of the host institution as chairman. The
annual meeting of the Universities-National
Bureau Committee was held in conjunction
with the conference.

A Conference on Transportation Economics
has been scheduled for the spring of 1963

by a Planning Committee with John R. Meyer,
Harvard University, as chairman.

Thirty-two universities offering graduate
work in economics and emphasizing research,
together with the National Bureau, are repre-
sented on the Committee. The participating
universities are:

Buffalo	Arthur Butler
California, Berkeley	Robert A. Gordon
California, Los Angeles	Armen Alchian
Carnegie Institute of Technology	G. L. Bach
Chicago	H. Gregg Lewis
Columbia	Harold Barger
Cornell	Morris A. Copeland
Duke	Joseph J. Spengler
Harvard	Arthur Smithies
Illinois	V Lewis Bassie
Indiana	Louis Shere
Iowa State	Karl A. Fox
Johns Hopkins	Carl F. Christ
Massachusetts Institute of Technology	Albert Ando
McGill	Earl F. 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,
Edgar M. Hoover, Walter S. Salant, Herbert
Stein, and George J. Stigler, members at large;
and Solomon Fabricant, representing the Na-
tional Bureau of Economic Research.

The members of the Executive Committee
elected at the 1962 Annual Meeting of the
Universities-National Bureau Committee are
Rendigs Fels (chairman), Carl F. Christ

(vice-chairman), Earl F. Beach, Solomon Fabricant, Douglass C. North, and Walter S. Salant. Robert P. Shay is secretary.

VISITORS TO THE NATIONAL BUREAU

Economists, businessmen, government officials, and students visit the National Bureau to learn about the Bureau's research findings, procedures, and organization. During 1961 individuals from universities, research institutions, government agencies, banks, and business concerns visited the National Bureau from some thirty countries, including Argentina, Australia, Bolivia, Cameroun, Canada, Central African Republic, Colombia, Ethiopia, Egypt, Germany, Ghana, Great Britain, Italy, Japan, Libya, Madagascar, Mali, Morocco, Netherlands, Nigeria, South Korea, Sudan, Sweden, Syria, Togo, Tunisia, Uruguay, USSR, Viet Nam, and Yugoslavia.

DIRECTORS, OFFICERS, AND RESEARCH STAFF

At the 1962 Annual Meeting of the National Bureau, Nicholas Kelley was elected Member at Large of the Board of Directors, and the acceptance by Erwin D. Canham and Robert B. Anderson, who were elected Members at Large at the 1961 meeting, was reported.

Officers elected for 1962 were Harold M. Groves, Chairman; Arthur F. Burns, President; Albert J. Hettinger, Jr., Vice-President; Donald B. Woodward, Treasurer; Solomon Fabricant, Director of Research; Geoffrey H. Moore and Hal B. Lary, Associate Directors of Research; and William J. Carson, Executive Director and Secretary. During the period of Dr. Fabricant's absence abroad in 1961, Dr. Moore was appointed Acting Director of Research.

Leo Wolman, a Director at Large since 1943, died on October 2, 1961. A resolution passed by the Executive Committee stated, in

part: "His election added to the Board one who had continued to play a most important part in shaping the Bureau's program of research. His practical grasp of the economic issues of our times and of the need for their understanding in devising public and private policies made him an invaluable member of the Board and a wise counsellor to members of the staff."

Dr. Wolman was the author of three National Bureau books: *The Growth of American Trade Unions, 1880-1923*; *Planning and Control of Public Works*; and *Ebb and Flow in Trade Unionism*. His studies of trade union strength were among the first researches to be undertaken by the National Bureau. His annual estimates of union membership have been carried through 1960 under his supervision by Leo Troy. A report on the status of these figures and on the preparation of a paper presenting them will be found in Part III.

George O. May, Director at Large from 1925 to 1942, died on May 25, 1961. A memorial resolution passed at the 1962 Annual Meeting stated in part: "A distinguished accountant and leader in his profession, he had a strong interest in objective studies of contemporary economic developments . . . As an author himself and as critic of the work of staff members of the National Bureau and other investigators in economics, Mr. May contributed much to advance scholarship in the interrelated areas of accounting and economics, and to raise the standards of research in both."

Reuben Kessel, University of Chicago, and Melvin I. White, Brooklyn College, were appointed research associates for 1961-62. Challis A. Hall, Jr., joined the research staff on leave of absence from Yale University to take charge of a section of the new study of tax policies for economic growth. H. G. Georgiadis, Princeton University, has assumed responsibility for a study of the competitive performance of the United States in international trade.

In addition to the regular meetings of the research staff during the year, it has long been a custom for members of the staff to address

seminars held for the research assistants, many of whom are graduate students in economics and related subjects. In the past year these seminars, arranged by Ralph L. Nelson, have covered such diverse subjects as graphic short-cuts in statistics, international comparisons of productivity, education and the earnings and economic worth of persons, current problems in central banking, and the cyclical behavior of interest rates.

The National Bureau's research program benefits from the voluntary services of many individuals and groups. The Board of Directors governs its policies, selects its officers, and diligently reviews each report before publication. Several advisory committees aid in the planning of specific research projects and review the progress of the investigations. The Universities-National Bureau Committee for Economic Research and the Conference on Research in Income and Wealth plan and organize conferences, securing the cooperation of many specialists on the subjects selected. Finally, many individuals who are no longer on the research staff nevertheless undertake to revise or otherwise complete reports that will in due course be published by the National Bureau. All these collaborators, who in the aggregate far outnumber the National Bureau's own personnel, play a vital part in each year's achievement.

A note about each of the authors of National Bureau studies completed during 1961 or in process is given at the end of Part III. Of the seventy-three individuals listed there, fifty-seven are faculty members at twenty-six universities in the United States and two in the United Kingdom.

FINANCES AND SOURCES OF SUPPORT

During 1961 the National Bureau spent \$1,171,241 on its researches. In January 1961 the Alfred P. Sloan Foundation contributed a grant of \$200,000 toward general support of the research program, and in February 1961 made a special grant of \$10,000 for

productivity studies. In April 1961 the Carnegie Corporation made a grant of \$75,000 for a study of investment in education. In June 1961 the National Science Foundation made a grant of \$30,000 in support of a project to prepare a "Source Book on Statistics Relating to Investment." In December 1961 the Life Insurance Association of America made a grant of \$230,000 for a study of effects of personal income taxation on economic growth, and an additional grant of \$93,000 to supplement an earlier grant for the support of a study of interest rates.

Grants and contributions in support of the work of the National Bureau come from a variety of sources. In addition to philanthropic foundations, they include business associations, public agencies, companies, labor organizations, and individuals. Royalties and receipts from the sale of publications provide some income. Also, many thousands of dollars of services that do not enter its books of account are contributed to the National Bureau's work.

Foundations whose grants supported studies planned, carried on, or completed in 1961 include the Carnegie Corporation of New York, the Maurice and Laura Falk Foundation, the Ford Foundation, the Merrill Foundation for Advancement of Financial Knowledge, the Relm Foundation, the Rockefeller Foundation, the Rockefeller Brothers Fund, the Russell Sage Foundation, the Scherman Foundation, the Alfred P. Sloan Foundation, and the Foundation for Research in Economic Growth. Business associations and other organizations providing funds for specific studies include the Life Insurance Association of America, the Research and Educational Trust Fund of the Mortgage Bankers Association, and the Commission on Money and Credit. Federal agencies that provided support for certain projects were the Board of Governors of the Federal Reserve System, the Bureau of the Budget, and the National Science Foundation.

Cash contributions for general support of the National Bureau's research program, from companies, labor organizations, and individuals, totaled \$294,647 in 1961, about a fourth of the total budget.

Particularly important among contributions of services in 1961 was the donation of electronic computing machine time by the International Business Machines Corporation and by C-E-I-R Inc.

Information on how to contribute to the support of the National Bureau and how to

obtain its publications is given on page 118. A full list of publications appears on pages 107-117.

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