

NATIONAL BUREAU OF ECONOMIC RESEARCH

Memorandum

To: All NBER Staff  
From: John R. Meyer  
Date: May 1, 1972  
Subject: The Organization of the NBER in New York City

I.

Given the development of the NBER Computer Research Center in Cambridge, the growth of the New Haven branch of the Bureau, the strong likelihood that we will be starting a West Coast branch in Palo Alto, and the overall size of the Bureau in terms of budgets, projects and personnel, I am convinced that this is an appropriate time to begin a fundamental decentralization of the Bureau's administration. As the administrative complexity of the Bureau grows, it will simply be impossible for me to be directly involved in the range of issues that I have dealt with in recent years. Moreover, now that the Bureau's deficit has been largely erased and our accounting system is functioning responsively, I can monitor budgets and delegate responsibility in a way which was not previously feasible. Finally, I personally want to devote more of my effort to individual research and supervising long-term Bureau research development.

During the past few months, I have thus considered a variety of decentralization plans and now feel - after extensive discussions with administrative personnel - that we are ready to initiate a reorganization of the New York research group. The Cambridge Computer Center has been operating in a semi-autonomous manner since it started and we anticipate that the Palo Alto Branch will be operated in this fashion if we proceed on the West Coast. Greater autonomy for the New York research functions is thus consonant with the long-run plans for the Bureau's direction.

Although a few major aspects and numerous details of this restructuring remain to be worked out, the overall directions for change are clear. While we will begin the transition today we expect to consider each step carefully and will be consulting with many of you in areas which are of interest and concern. My purpose, at this time, is to inform you of the decision to move toward a more autonomous organizational structure for the New York operation and to indicate to you our current thinking about that structure.

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NBER

CHART OF ACCOUNTS FY 1972

<u>Acct. No.</u>	<u>Description</u>	<u>Officer</u>	<u>Project Head/s</u>	<u>Funding Agency</u>	<u>Telephone Billing Code</u>
41000	Administration	Meyer	Smith, E.K.	NBER	728-1300
41010	Accounting	Smith, E.K.	Stephens	NBER	1301
41020	Library	Smith, E.K.	Crowley	NBER	1302
41040	Distribution of Publications	Stephens	Cozens	NBER	1303
41050	Telephone Operators	Smith, E.K.	Chaperak	NBER	1304
41060	Contributions	Eldridge	Brody	NBER	1305
41070	Subscriptions	Stephens	Stephens	NBER	
42000	Typing	Smith, E.K.	LaPan	NBER	1307
42010	Mailing and Shipping	Smith, E.K.	LaPan	NBER	1308
42020	Offsetting	Smith, E.K.	LaPan	NBER	1309
42030	Editing and Publishing	Smith, E.K.	Tron	NBER	1310
42040	Charting	Smith, E.K.	Forman, H.	NBER	1311
42050	Data Processing	Meyer	Boschan.	NBER	
42051	Systems Development	Meyer	Hansen	NBER	
42060	Stat. Computing Group	Juster	Cahn	NBER	
43010	General Publicity	Meyer	Steinthal	NBER	1313
44000	Occupancy Costs				
44010	Trustees Meetings	Eldridge	Eldridge	NBER	1305
44011	Annual Report	Lary	Tron	NBER	1309

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ECONOMIC GROWTH

71011	Tax Policy for Economic Growth-A	Smith, E.K.	Smith, E.K.	NBER	1314
71014	Tax Incentive Studies	Smith, E.K.	Bossons	NBER	1315
71015	State and Local Tax Studies	Smith, E.K.	Dresch	EDA/NBER	1316
71021	PEP-A (Book mfg. only)	Lipsey	Kendrick	WLKR	1318
71023	PEP-C	Lipsey	Fabricant	WLKR	1320
71026	PEP-F	Lipsey	Gordon, R.	WLKR	1321
71027	PEP-G	Lipsey	Fisher	WLKR	1322
71051	Empirical Growth Models	Meyer	Kresge	NBER	1322
71052	Population Demography	Fuchs	Michael	Ford	1323
71053	Econ. Determinants Human Fertility	Fuchs	Schultz	Pop. Incl.	1391
71081	Interrelated Factor Demand	Lipsey	Nadiri	WLKR	1325
71082	Aggregation of Prod. Function	Meyer	Fisher	NBER	
71085	Aggregation of Prod. Function and Expl. of Wages	Meyer	Fisher/Solow	N.S.F.	1359

NATIONAL INCOME, CONSUMPTION AND CAPITAL FORMATION

72011	Exploratory Study-National Accounts	Juster	Ruggles	NBER	1326
72021	Household Capital Formation and Savings	Juster	Landesburger	NBER	1327
72061	Determinants of Investment (Book mfg. only)	Juster	Eisner, R.	NBER	
72071	Estimated Non-Market Activities-A	Juster	Kendrick	WLKR	1330
72072	Estimated Non-Market Activities-B	Juster	Eisner, R.	NBER	1331

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HUMAN RESOURCES

73011	Economics of Education (Book mfg. only)	Juster	Becker	Cnqe. Corp.	
73031	Law and Economics	Juster	Landes	NSF	1333
73051	Benefits of Higher Education	Juster	Hause	NBER	1334
73052	Quality of Higher Education	Juster	Solmon	HEW	1396
73053	Education and Economic Activity	Juster	Chiswick	HEW	1335
73054	Survey of Labor-Market Behavior	Juster	Welch	OEO	1336
73056	Effects of Min. Wage on Teenage Employment	Juster	Welch	NBER	1338
73057	Berl Technical Studies	Juster	Solmon	Cnqe. Comm.	1395
73058	Factors in Increasing Agricultural Productivity	Juster	Welch	NSF	1393
73059	Return to Educational Quality	Juster	Solmon	HEW	1397
73060	Labor Market Stratification	Juster	Gordon, D.	Labor Dept.	1342
73061	Financing Higher Education	Meyer	Dresch, S.	Ford	
73062	Poverty and Labor Markets	Juster	Welch/Mincer	OEO	1398
73063	Deter. of Distribution of Income & Earnings	Juster	Welch/Mincer	NSF	1337

URBAN ECONOMICS

74011	Urban Economic Studies	Meyer	Meyer/Kain	NBER	1339
74012	Ghetto Housing	Meyer	Kain	NBER	1340
74031	Regional Unemployment Patterns (Book mfg. only)	Meyer		EDA	
74041	Intra-Metro. Workplace Location	Meyer	Meyer/Leone	NBER	1343
74042	Industrial Water Consumption	Smith, E.K.	Ginn/Leone	U.S. Engrs.	1324

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BUSINESS CYCLES

✓75013	Bus. Cycle-B-Dating Postwar Business Cycle	Juster	Mintz	NBER	728-1344
75014	-C-Stat. Anal. Historical Data	Neyer	Mandelbrot	NBER	1345
✓75015	-D-Anal. Econ. Model Simulation	Juster	Boschan	NBER	
✓75018	-G-	Juster	Boschan	NBER	
✓75031	Money and Banking	Juster	Friedman	NBER	1349
✓75041	Short Term Econ. Forecasting	Juster	Zarnowitz	NBER	1350
✓75051	Labor Force Unemployment	Juster	Mincer	NBER/FDA	1351

INDUSTRIAL ORGANIZATION

76031	Economics of Health-P	Fuchs	Fuchs	HEW	1354
76040	Organization of Mkts. and Functioning of American Economy	Fuchs	Gort	AAA/NBER	1341
76041	Industrial Diversification-Integration	Fuchs	Gort	NBER	1355
76051	Regional Wage Differentials	Fuchs	Fuchs	NBER	1356

FINANCIAL INSTITUTIONS AND PROCESSES

✓77011	Interest Rates-A	Lipsey	Guttentag	NBER	1357
✓77023	Quality of Credit-B	Lipsey	Fiedler	NBER	1361
✓77031	Banking Structure and Performance	Lipsey	Fuchs	ABA/NBER	1363

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FINANCIAL INSTITUTIONS AND PROCESSES (con't)

77045	Portfolio of Individual Investors	Lipsey	Llewelyn	NBER	1366
77053	Eastern European Credit Inst.	Lipsey	Garry	SHERMAN	1372
77054	Union Financial Statistics (Book mfg. only)	Lipsey	Troy	SEC	1373
77055	Effect of Inflation on Fin'cl. Mkts.	Lipsey	Gagan	LIMA	1390

INTERNATIONAL ECONOMIC RELATIONS

78011	Int'l Economic Position of U.S.	Lary	Lary	NBER	1368
78041	Technological Diffusion	Neyer	Herregat	FORD/NBER	1371
78042	Role of Computer in Econ. Development	Lary	Nadiri	IBM-KLD/TR	1372
78052	Trans. Ping-Regional Development	Neyer	Ginn	NBER	1373
78061	Trade of LDC's	Lary	Lary	NBER	1374
78063	Institute Fellowship Program - LDC's	Lary		ROCKWELLER/NBER	1353
78064	Foreign Funds in U.S. (Book mfg. only)	Lary	Furch	NBER	1358
78066	The Role of Prices in International Trade	Lipsey	Kravis	NSF	1377
78067	Price Quantity-Int'l Trade	Lipsey	Lipsey	NBER	1378
78068	Exchange Rate Policy-LDC's	Lary	Bhagwati-Kreuger	AID	1379
78071	Rel. U.S. Mfg. Abroad-U.S. Exports	Lipsey	Lipsey	NBER	1379
78081	Structure-World Trade Payments	Lary	Michael	NBER	



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OTHER RESEARCH ACTIVITIES

79011	Research Fellows	Fuchs	Klein	ROCKEFELLER	1381
79022	Time Sharing Data Bank	Boshan	Cahn	SUBSCRIPTION	1312
79026	Computer Research Center	Meyer	Kuh	NSF	1392
79031	Computer Workshops	Meyer	Nadiri	NSF	1383
79032	Role of Computer in Quan. Economics	Meyer	Ruggles, R.	NBER	1384
79033	Econometrics & Math. Econ. W/shops	Meyer	Nadiri	NSF/IBM	1385
79034	Econometrics Sub Group-Distribn. Lags	Meyer	Sims	NBER/NSF	1389
79035	Annals of Econ. & Social Measurement	Meyer	Berg	NBER	1394
79036	Seminars on Current Research	Juster	Michael	NBER	1366
79037	Journal of Economic Literature	Meyer	Hansen	IBM/NBER	
79041	I & W-Conference-General	Juster	Courtney	NSF	1386
79042	I & W-Measurement of Econ. & Soc. Perf.	Juster	Courtney	NSF	
79043	-Size Distribution of Income and Wealth	Juster	Courtney	NSF	
79046	-Econ. Models Cyclical (Book mfg. only)	Juster	Courtney	NSF	
79047	-Int'l. Com. Real Product (Book mfg. only)	Juster	Courtney	NSF	
79048	-Exploratory Committees	Juster	Courtney	NSF	
79051	U-NBER-Committee-General	Lipsey	Shay	NSF	1387
79053	-Prod. & Dis. Public Output	Lipsey	Shay	NSF	
79054	-Secular Inflation	Lipsey	Shay	NSF	
79055	-Expl. Comm. Medical Care as Ind.	Lipsey	Shay	NSF	
79056	UNB-Conf.-Poverty & Welfare	Lipsey	Shay	NSF	
79057	-Int'l Mobility of Capital	Lipsey	Shay	NSF	
79058	UNB-Conf.-Education as Industry	Lipsey	Shay	NSF	
79059	-Expl. Comm. Security Prices	Lipsey	Shay	NSF	
79060	-Expl. Comm. Environ. Quality	Lipsey	Shay	NSF	
79999	Publication Costs (Completed Projects)	Smith, E.K.	Tron	NBER	

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D R A F T

A POSSIBLE ORGANIZATION AND ARRANGEMENT OF RESPONSIBILITIES FOR THE BUREAU

REL/4-18-72

There is a new class of VP, call it VPA, who sit on a new policy committee (PC) which then consists of P, VPA (RL), VPA (VF), VPA (EK), VP (ES), VPES (DE), and possibly the director of the Stanford branch.

Each VPA has authority over a collection of research projects plus some amount of general funds not specifically allocated. It is his responsibility to keep expenditures within the budgets determined at the beginning of each fiscal year. The authority of the VPA is along subject-matter lines and thus encompasses staff in various locations.

Each main location (New York, Cambridge, New Haven, Palo Alto) has an administrative head who supervises the office manager, clerical, and other non-research services. These administrative heads might be, in New York, the VPES, in New Haven, the VP, in Cambridge, ?, etc.

A general principle should be that controls are exercised mainly through budgets, and that decisions taken at budget time should not be constantly reviewed during the year except under exceptional circumstances such as a major budget crisis. Thus research operations within budgeted totals, whether from restricted or unrestricted funds should be the responsibility of the VPA's and non-research operations the responsibility of the administrative heads of individual offices.



Some specific allocations of authority

Selection of major projects and areas	President, with PC
Allocation of funds (budgeting)	
Unrestricted funds	President, with PC
Restricted funds	VPA, with VP's and project directors
Administrative expenditures	President with PC
Control of expenditures	
Unbudgeted (general funds)	President, with PC
Restricted funds and those unrestricted funds allocated to VPA's	VPA's
Administrative funds	Administrators of individual offices
Selection of personnel	
General policy	President and PC
Senior research	President and VPA's
Senior administrative	President, VP and VPES
Junior research (NY)	VPA's with personnel dept (CB) and research staff
Junior non-research	VP, VPES, with supervisors
Salary decisions	
Executive	President
Senior research	President and VPA's
Senior non-research	President, VP and VPES
Salaries and promotions	
Junior research (NY)	Personnel dept (CB) with VPA's VP's and staff
Junior non-research	Personnel dept. with VP, VPES and supervisors

Research services (library, computer, etc.)

Allocation of budget (overhead)	President, with PC
Supervision, incl allocation of charges to projects	Asst VP with VPA's
Non-research services (acct'g, publications, publicity, secretarial)	Asst VP with VP and VPES
Relations with foundations and other contributors	President, VPES and VPA's

Some questions:

1) There are some respects in which lines of authority may cross, particularly between VPA's and administrative and personnel heads of individual offices. It seems clear to me that decisions on junior research and administrative salaries must be made on an office-wide basis (rather than by project) because labor market conditions vary geographically and within-office disparities create morale problems. The personnel department is a direct service to the research operation and perhaps should report directly to someone on that side. On the other hand, there are some personnel questions that are specific to an office and might properly be finally the responsibility of the administrative head.

2) Research services in general are a problem, particularly computer and library operations. They are listed above as reporting to assistant vice-presidents but there is clearly a need to link them closely with the research side, rather than the purely administrative side. In this they differ from accounting, subscriptions, and publications which are only much more indirectly research services. I am not sure how this link should be achieved. Perhaps they should report to a VPA.

3) I am not sure how much freedom to transfer funds among budgets should be in the hands of VPA's. My guess is that there should be unlimited freedom to shift within an individual budget (among categories or personnel), and to shift among budgets that are part of a single study (such as the LIAA study) but that shifts among programs should probably require consultation with the President and possibly the PC.

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Memorandum

To: All Staff  
From: J. R. Meyer  
Date: March 29, 1972  
Subject:

I am happy to inform you that Donald R. Gilmore of the Committee for Economic Development will join the Bureau April 1 as Assistant Vice President.

Mr. Gilmore will oversee the work in publications, publicity and library divisions of the Bureau as well as oversee or assist in research in industrial organization development and regional economics.

Mr. Gilmore will report to the Vice President.

I know all of you will join me in welcoming Mr. Gilmore to the Bureau.

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Memorandum

To: R. Lipsey & P. Cagan  
From: S. Shulman  
Date: March 29, 1972  
Subject: Farrar Proposal

Dr. Meyer has asked me to inform you of John Lintner's comments on the proposal - "Multiple Index Generalization of the Capital Asset Pricing Model" submitted by Don Farrar.

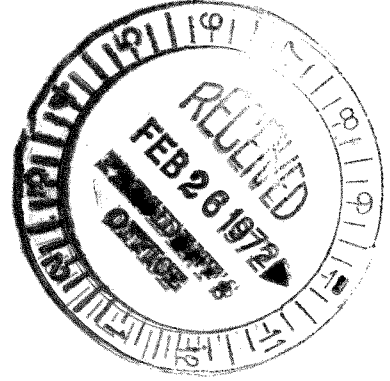
After speaking with Farrar, Mr. Lintner's recommendation to support his project was considerably strengthened. He points out the following:

- (1) his current analysis, with better models and data available, would go far beyond the earlier Farrar/King studies,
- (2) suggests that Farrar use the Chicago monthly return taxes for large number of individual stocks as his primary data source - he seemed to still be thinking in terms of using S&P Industry indexes as his inputs, and
- (3) his results would make a significant contribution to be used as articles or an Occasional Paper - this is true whether or not he can isolate a set of multiple factors whose coefficients are stable over time; when powerful techniques and a priori "good" models are used even negative results are "significant".

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Memorandum

*From*  
To: John R. Meyer  
*From*  
From: Robert E. Lipsey *job*  
*To*  
Date: February 28, 1972  
Subject: Assistance for Direct Investment Project



At the time of the budget preparation both the Kravis-Lipsey (78067) and Lipsey-Weiss (78071) projects were on general funds and we agreed that they should be kept going at a reduced level with only a half-time assistant in each.

We have now financed the international price work with NSF and I have transferred Marianne Lloris to that completely but I would like to have at least a half-time assistant continuing on the direct investment study so that we can finish up the present project by the end of this summer. If we don't get some financing at that point, I think we should probably stop there. For one thing, I find it a drain to continue on this small a scale and I don't think that further work will be fruitful at that level.

/vb  
(DNR)

*Seems very reasonable  
trace as planned,  
John*

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

Memorandum

To: Ed Smith  
From: R. Lipsey  
Date: 2/7/72  
Subject: Data on Employees in Bargaining Unit list

In going over the list of employees to be considered for increases I noticed several of what appeared to me to be errors or misleading items and thought of one suggestion for improvement.

1. Dates should show beginning of continuous employment rather than first date employed. For example, I do not think Iva MacLennan has been here continuously since June 1969 or Marianne Lloris since April 1965.
2. Elizabeth Wehle should certainly be at least under research analysts rather than research assistants. She has worked quite independently at times and I think was even the co-author of a book. On the other hand, Barry Geller may belong among the research assistants. Chris or Lottie should be asked about this.
3. Shouldn't the secretaries be divided up between those who have quite responsible positions (Courtney, Moeller, etc.) and those who are simply clerical workers?
4. Could we add to the information provided the date and amount of the last salary increase?

RL/mel.

10:2d Smith

From: R. Lessey

Re: Salary increases in bargaining unit

2/6/72

Most of the decisions we made last July still look sensible to me if we are still operating under strong ~~strong~~ requirements for economy. I take it that the increases for Grabiner, Ruth, and Weinstein will not be put into effect since they left before contract time.

Within my own group the only increase listed is for Marianne Lloris, and that should be put into effect as a merit increase. The comparison of levels should really be made with programmers since she has the qualifications to be a programmer and I use her for that purpose to a considerable extent.

Aside from my own staff, two who seem out of line to me are Nesille Beharic and Atos Dagli. I don't know much about Beharic's work as a research assistant but he has taken on a good deal of administrative work and I doubt he belongs at the bottom of the research analyst group. Dagli has been here over a year now and I have been told he is excellent - both bright and conscientious. If his report confirm that I think he deserves a merit increase.



NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

Memorandum "CONFIDENTIAL"

To: All Officers  
From: E. K. Smith  
Date: February 2, 1972  
Subject: Wage Increases for Members of the bargaining unit

In order to help you with your recommendations for merit increases, I am sending you two pieces of information that you will find helpful. One is a copy of the memo sent in July which summarized recommendations for each employee. The other is a listing of employees by department which shows current salary information and the anticipated cost-of-living adjustments. The code for reading this listing appears on the first page (Accounting Department).

Please be sure to indicate the \$ amount of your suggested merit increase.

Enc.

## National Bureau of Economic Research

MEMORANDUM"CONFIDENTIAL"

TO: All Officers  
 FROM: G. Ronkin  
 DATE: July 28, 1971  
 SUBJECT: Salary Increases

The following members of the Union, in addition to the 5.9% cost of living increase, were tentatively approved for "merit" increases.

All increases will be effective as of July 1, 1971. However, no increase will be processed for Union members until the contract is signed. There should be no discussion of these increases with members until that time.

<u>Name</u>	<u>Amount Requested</u> (Officers' meeting 7/21/71)	<u>Amount Approved</u>
I. Abramson	400	-0-
B. Blau	200	200
C. Breckner	200	200
R. Brody	200	150
H. Cheperak	250	250
M. Courtney	500	250
M. Cozens	150	-0-
J. Forman	200	-0-
P. Goldberg	200	200
<del>B. Grabiner</del>	<del>400</del>	<del>400</del>
C. Grant	200	200
J. Hayes	200	100
M. Jones	250	200
W. Kennedy	200	200
M. Lloris	140	140
M. Madrideojos	200	200
E. Moskowitz	250	150
M. Moeller	200	250
E. Ruth	300	300
F. Selhorst	300	300
<del>L. Weinstein</del>	<del>300</del>	<del>300</del>
H. Smith	-	150

# Explanation of Code

ACCOUNTING

SUBSCRIPTIONS

①	②	③	④	⑤	⑥	⑦	⑧
10011R 0561		COZENS M	7150	0771	7572	422	5.9
10011R 0871		FRONAPFEL V	7020				
10011R 0671		GOBENFLO N	7280				
10011R 0171		MADRIDEJOS M	8500				
10011R 0870		MORRISON P	9600	0771	10072	472	4.9
10011R 1071		NG M	7020				
10011R 0368		PAVONE C	5800	0771	6142	342	5.9

① Code (for identification only)

② Date arrived on payroll (month year)

③ Name

④ Salary rate as of June 30, 1971 (or rate as of arrival date if later than June 30, 1971)

⑤ Date increase to take effect

(in ALL cases this will be July 1971)

~~⑥~~ (retroactive COST-OF-LIVING INCREASE)

⑥ New SALARY showing COST-OF-LIVING INCREASE

⑦ Dollar amount of COST-OF-LIVING INCREASE  
(⑥ minus ④)

⑧ Per Cent COST-OF-LIVING INCREASE

Examples: a. Cozens is eligible for a full 5.9% cost of living increase. Her salary will go from \$7,150 to 7,572 an increase of \$422 or 5.9%

b. Fronapfel is not eligible for any cost-of-living increase. She stays at \$7,020

c. Morrison is eligible for 4.9% cost of living increase. Her salary will go from 9600 to \$10,072.

## BARGAINING UNIT

1

ACCOUNTING

SUBSCRIPTIONS

10011R 0561	COZENS M	7150 0771 7572	422	5.9	7,572
10011R 0871	FRONAPFEL V	7020			7,020
10011R 0671	GORENFLO N	7280			7,280
10011R 0171	MADRIDEJOS M	8500			8,700 +
10011R 0870	MORRISON P	9600 077110072	472	4.9	10,072
10011R 1071	NG Y	7020			7,020
10011R 0368	PAVONE C	5800 0771 6142	342	5.9	6,142

2

EDITORIAL

10021R 1029	FORMAN H	12000 077112708	708	5.9	12,708
10021R 1071	FOSTER G	6500			6,500
10021R 0771	JELLINEK H	9500			9,500
10021R 0154	MOSKOWITZ E	11000 077111649	649	5.9	11,799 +
10021R 0270	RIDLER R	7000 0771 7413	413	5.9	7,413

3

PROGRAMMING

10031R 1068	ABRAMSON I	7100 0771 7518	418	5.9	7,518
10031R 0267	CRAYNE S	11000 077111649	649	5.9	11,649
10031R 1063	DELAKE A	8750 0771 9266	516	5.9	9,266
10031R 0170	GOLDBERG R	12400 077113132	732	5.9	13,132
10031R 0243	JONES M	9500 077110060	560	5.9	10,260 +
10031R 1171	MCDERMOTT C	11000			11,000

4

RESEARCH ASSISTANTS

10041R 0869	BRECKNER C	8500 0771 9001	501	5.9	9,201 +
10041R 1071	CORNET O	8000			8,000
10041R 0970	DAGLI A	8000 0771 8393	393	4.9	8,393
10041R 1065	EISENSTEIN A	8750 0771 9266	516	5.9	9,266
10041R 0870	GOLDBERG P	8500 0771 8918	418	4.9	9,118 +
10041R 0270	HSU W	8000 0771 8472	472	5.9	8,472
10041R 0167	LIM C	8000 0771 8472	472	5.9	8,472
10041R 0465	LLORIS M	9500 077110060	560	5.9	10,200 +
10041R 0669	MACLENNAN I	8500 0771 9001	501	5.9	9,001

10041R 0971	MORRIS G	7000					7000
10041R 0969	RODRIGUEZ T	8250	0771	8736	486	5.9	8736
10041R 0770	SELHORST F	8000	0771	8472	472	5.9	8772 +
10041R 1071	STEVENS A	8000					8000
10041R 0967	TEBBETTS S	8750	0771	9266	516	5.9	9266
10141R 1240	WEHLE	10800	0771111437		637	5.9	11437

14

RESEARCH ANALYSTS

10141R 0469	BHATIA V	9400	0771	9954	554	5.9	9,954
10141R 1069	BEHARIE N	8500	0771	9001	501	5.9	9,001
10141R 0659	DUBRIN C	10500	0771111119		619	5.9	11,119
10141R 0468	GELLER B	9500	077110060		560	5.9	10,060
10141R 0669	LEWIT E	9000	0771	9531	531	5.9	9,531
10141R 0555	OBRIEN D	9300	0771	9848	548	5.9	9,848
10141R 1161	PRESTON	10400	077111013		613	5.9	11,013

6

SECRETARIES

10061R 1271	BATTS V	9100					9,100
10061R 0970	BLAU B	8320	0771	8688	368	4.4	8,888 +
10061R 1247	BRODY R	9000	0771	9531	531	5.9	9,681 +
10061R 1069	CHEPERAK H	7100	0771	7519	419	5.9	7,769 +
10061R 0340	COURTNEY M	9300	0771	9849	549	5.9	10,099 +
10061R 0569	DAMBROSIA M	8500	0771	9001	501	5.9	9,001
10061R 0351	FERRO R	7500	0771	7942	442	5.9	7,942
10061R 1170	FORMAN J	7800	0771	8107	306	3.9	8,107
10061R 0342	GRANT K	7100	0771	7519	419	5.9	7,719 +
10061R 1171	GUTSTEIN	6370					6,370
10061R 0853	HAYES J	7600	0771	8048	448	5.9	8,148 +
10061R 0740	MOELLER M	9300	0771	9848	548	5.9	10,098 +
10061R 0471	MORRIS J	6240					6,240
10061R 0769	PARSHLEY E	7100	0771	7518	418	5.9	7,518
10061R 0870	RANDOLPH D	7800	0771	8183	383	4.9	8,183
10061R 0669	SCOTTON N	8400	0771	8895	495	5.9	8,895
10061R 0970	SMITH H	7000	0771	7309	309	4.4	7,459 +
10061R 0971	WILSON C	6100					6,100

7

ADMINISTRATION

10071R 0439	CROWLEY V	7800	0771	8260	460	5.9	8,260
10071R 0869	GIBBONS M	6700	0771	7095	395	5.9	7,095
10071R 0145	KENNEDY W	8600	0771	9107	507	5.9	9,307 +
10071R 1255	MITCHELL C	7100	0771	7518	418	5.9	7,518

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

Memorandum CONFIDENTIAL

To: All Officers  
From: Edward K. Smith  
Date: January 31, 1972  
Subject: Wage Increases for Members of the Bargaining Unit

During an Officers' meeting last June every employee was discussed and recommendations for merit increases were made. The people outside the bargaining unit received their increases in July (of course, not all employees received merit increases) while those within the unit have not as yet received either their cost-of-living or merit increases.

Since so many months have passed since the last review, I feel it is now a good time to review each member of the bargaining unit again.

There are basically three categories to be considered, when the contract is signed.

1. Those employees who were on the payroll as of July, 1970. They will receive a 5.9% cost of living increase retroactive to July 1, 1971.
2. Those employees who joined the Bureau between July 1970 and December 1971. They will receive some proportion of 5.9% depending on the number of months completed by July of 1971.
3. Those employees who joined the Bureau after January 1, 1971. They will receive no cost-of-living increase. It was assumed that they were hired at the market price and would have adjusted their demands in light of past cost of living changes.

Employees within each category are eligible for merit increases.

The merit increases will have to be very limited. There are, however, some employees who have not received a wage increase for some time, or who are eligible for increases (if promised to them) upon completion of probation, and others who for whatever reasons are special cases needing attention. These cases need review. Some have already been brought to our attention. (Please repeat your request).

Please review those under your supervision and give me your recommendation in writing by Monday, February 7. Distinguish clearly between merit increases and special cases in your reply.

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

Memorandum

To: All Staff  
From: John R. Meyer  
Date: July 1, 1971  
Subject: Bureau Budget

I know many of our staff have expressed an interest in the budget of the Bureau for the new fiscal year which was presented to the Executive Committee at their last meeting of May 24, 1971.

I welcome this interest in budgetary matters as a healthy sign of involvement and concern with the Bureau's finances. From now on the library will keep a file on Bureau matters of general interest, and to start with it will contain copies of the minutes of our September 24, 1970 and April 23, 1971 Board Meetings, a copy of the amended retirement plan resolution passed at the last Executive Committee meeting, and the four pages of summary tables on the budget which were prepared for the Executive Committee.

If requests are made that the minutes of the Executive Committee meetings also be placed on file, I would certainly be willing to bring this up at the next meeting of the Executive Committee. There may be legitimate obstacles in making them readily accessible to everyone, but we can explore this point if there is an interest.

At this time, and supplementing the material in the library, I would like to present a short overview of our financial situation covering the last few years as well as our forecast for the year ahead.

I believe that it is a matter of common knowledge throughout the Bureau that for the past three years we have been operating with a considerable deficit. Indeed, the cumulative deficit of these years totals over \$1,000,000! This breaks down as follows:

For the 6 months ending June 30, 1968	\$ 180,964.00
For FY 1969 ending June 30, 1969	\$ 257,605.00
For FY 1970 ending June 30, 1970	\$ 585,775.00
	<u>\$1,024,344.00</u>

And this does not even include our anticipated deficit for FY 1971, which -- exclusive of the new Computer Research Center -- is estimated at about \$200,000; with the Center the figure should shrink to about \$150,000.

Our projected income for FY 72, again exclusive of the Computer Center, and not taking into account salary adjustments, falls approximately \$40,000 short of a break-even point. On the other hand, with the Center, we would have a surplus of about \$70,000, again exclusive of any salary increases. With salary adjustments, of course, this surplus figure will be appreciably lower if not eliminated altogether. In short, we are still probably heavily in

.../2

the red. Yet we can also note an undeniable and gratifying improvement in the trend.

I should stress that the reduction of the deficit gap has been achieved without any lay-offs of personnel, drastic curtailment of services, or general budget cuts.

If one compares this with the situation all around us -- e.g., industry, universities, and other non-profit research institutions -- I believe that this is a record of which we can be proud! Put differently, even though our expenses and payroll have not been cut, we have been able to reduce our deficit by being increasingly successful in making our income match our expenditures. In the last year this has been made possible largely through vigorous fund-raising activities. Thus, for example, in FY 72, the Computer Center will increase our expenditures, but it will simultaneously add to revenue, thereby offsetting to some extent the greater total expenses of the Bureau.

In general, I hope that it is obvious that we cannot keep on operating at a deficit. The very life of the organization would be in serious jeopardy if we ignored this basic fact. This point, moreover, was very strongly and emphatically underscored at the recent Executive Committee meeting, when the Committee instructed management to keep expenditures for the next fiscal year within available revenues. I fully concur with this admonition.

The Bureau for the past fifty years has provided a very useful service to the economics profession and to the entire government and business community at large, and continues to do so by undertaking research which is vital to a good grasp of current affairs in a complex society. In this conjunction there is another point which ought to be mentioned, namely, that we owe a great responsibility for maintaining a sound, viable institution for the many employees who can not only look back on a long-term career with us but will be able to look forward to many more years of fruitful work. They in the first place, but really all of us to a certain extent, would be unfairly short-changed if we let a run-away budget jeopardize the very existence of the institution.

I hope that you will keep these facts in mind as we enter the new fiscal year. Reiterating, we have every reason to be optimistic, for there is an undeniable turn for the better in our financial situation. Nonetheless, I would caution against becoming overconfident, because there still remains the reality of meeting or exceeding the projected revenues while carefully keeping expenditures under control. Yet I firmly believe that we can eliminate the deficit, and I am relying on our pooled abilities to stem -- if not turn -- the tide in FY 1972.



NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

TO: Walter W. Heller  
J. Wilson Newman  
Hal B. Lary  
Robert E. Lipsey ✓  
E.K. Smith  
Robert Michael

FROM: Douglas H. Eldridge *DHE*

DATE: November 29, 1972

SUBJECT: "Radical" economists

The attached articles may be of interest to you. I have discussed them with John Meyer, and we believe you may wish to be aware of the stories in the event further questions arise.

A couple of weeks ago Alice Widener, whom I do not know, telephoned and asked whether the NBER was sponsoring a study by Gordon, Reich and Edwards, which was supported by the Department of Labor, as had been reported in the Wall Street Journal, and as she had been told by some Washington officials. I told her that the NBER had undertaken a study but had discontinued it when agreement could not be reached with the investigators as to the way in which a conference could be arranged that would be in accord with the NBER's standards for objectivity and the presentation of a range of differing views. I told her that the investigators were no longer on the NBER staff but I understood that they were continuing their project at the Harvard School of Education.

She seemed to think that Howard Rosen of the Manpower Administration is a dangerous radical. I told her that I did not know Rosen, although we had had correspondence. I also told her that I had no knowledge of whether or not Gordon, Reich and Edwards were members of the Union for Radical Political Economists.

Yesterday she called again, saying that the story she was developing about radicals in universities, government and business was growing in importance. A Mr. McDougall who had worked for the Wall Street Journal for a number of years had quit and then written a scathingly critical article about Dow Jones, Barron's and the Journal in some underground paper called More. She said she was continuing her investigation of the subversive efforts of these radicals. I told her I would like to see what she was writing, and she sent the two enclosures.

We might wish that Mrs. Widener's use of language was more accurate and restrained--"repudiated" and "fired" are stronger terms than we used. But we do not believe the NBER need do anything more at this point than be aware of the stories.

# ALICE WIDENER U.S.A. SYNDICATE

530 East 72nd Street, New York, N.Y. 10021

Telephone: (212) 535-4830

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EDITOR & PUBLISHER  
8/26/67

28 November 1972

Dr. Douglas Eldridge  
Vice President  
National Bureau of Economic Research  
261 Madison Avenue  
New York, New York

Dear Dr. Eldridge:

Perhaps you may be interested in the enclosed columns  
recently sent to all client newspapers.

More to come!

*A long article in my U.S.A. Magazine -*

With every good wish and deepest gratitude,  
Sincerely,

*Alice Widener*

Alice Widener

Among publications currently featuring Alice Widener's column are:

TAMPA TRIBUNE • COLUMBUS DISPATCH • INDIANAPOLIS STAR • BARRON'S NATIONAL BUSINESS & FINANCIAL WEEKLY  
MEMPHIS COMMERCIAL APPEAL • HOUSTON TRIBUNE • OMAHA WORLD HERALD • NEWBURGH EVENING NEWS • ANDERSON (IND.) HERALD  
ROCHESTER (MICH.) POST BULLETIN • TALLAHASSEE DEMOCRAT • SHREVEPORT JOURNAL • DENVER POST • SAN DIEGO UNION TRIBUNE  
TULSA TRIBUNE • HUMAN EVENTS • NASHVILLE BANNER • PALLADIUM ITEM • LAKE COUNTY STAR • GAUGA TIMES LEADER  
LITTLE ROCK DAILY RECORD • ORLANDO SENTINEL

COPY FROM U.S.A. SYNDICATE, 530 East 72nd Street, New York, N. Y. 10021  
FOR IMMEDIATE RELEASE -- FLASH! EXCLUSIVE! -- This is the first of two  
columns on the Union for Radical Political Economics (URPE).

## EMBARRASSING SEQUELS TO TULLER CASE?

by

ALICE WIDENER  
Publisher, U.S.A. Magazine

NEW YORK CITY, November 16, 1972 -- The press is full of stories about embarrassment in Federal Government circles over the horrifying Tuller case. It concerns a longtime Leftist radical, Charles Tuller who, while holding down a \$26,000 -a-year Federal Government job, hijacked a plane to Cuba with his two sons, after having tried to rob a bank in Arlington, Virginia, and murdered the bank manager, a policeman and an airlines agent.

Now it can be told that most likely there will be several sequels to the Tuller case, probably not in robbery-murder but in dangerous subversion. The Washington Post recently reported that because of the Tuller case the chairman of the House Internal Security Committee has ordered his staff "to check the adequacy of the government's loyalty and security screening techniques."

The U.S. Civil Service Commission was already engaged in such a study even before the Tuller case occurred. But now my information is that the probability of subversion in extremely sensitive areas of government is still so great that neither the Administration nor Civil Service Commission can afford to waste a moment in screening out subversives belonging to groups bent on destroying our government.

A leading radical group, the Union for Radical Political Economics, is bent on just such destruction and has penetrated our government. At least two of its top activists have criminal records. Moreover, the Office of Research and Development in the U.S. Labor Department channeled \$130,000 of taxpayers' money to three members of the group, David M. Gordon, Michael Reich and Richard C. Edwards working on a project, a study on "Labor Market Stratification." Originally, the idea for the project was sold to the National Bureau of Economic Research, one of the most prestigious organizations in New York City. But last July, when the three radicals refused to agree to any kind of objectivity in the work, the National Bureau repudiated it, fired David M. Gordon and immediately notified the Labor Department. Unbelievable as it may seem, the Labor Department continued the study with Gordon, Reich and Edwards. The project is now subsidized by the Labor Department at the Harvard School of Education under the aegis of Professor Samuel Bowles, Harvard Economics Department. Prof. Bowles is described by the Wall Street Journal as "a radical economist," was a national council member of the notorious National Conference for New Politics in Chicago 1967, and is a leader of the Union for Radical Political Economics (URPE).

On December 26, 1970, the New Republic magazine carried an article on the Union for Radical Political Economics entitled 'MORE THAN MARXIST.' The magazine quoted the URPE's message: "Radicals should attempt to take over economics departments whenever and wherever possible. . . . If you want to know

--MORE--

the theory and methods of revolution, you must take part in revolution."

The Union for Radical Political Economics was founded at Ann Arbor, Michigan, 1968. In December of that year, the Communist Daily World reported on the URPE 3-day conference in Philadelphia: "The conference was coordinated with a hiring market for economists by universities, government agencies and corporations..."

The URPE Newsletter is under the direction of Lawrence Tharp, economics instructor at Columbia University. On March 19, 1968, he was arrested for criminal trespass at Dow Chemical Company. The URPE Newsletter stated in '69 that at the URPE Middle Atlantic Conference at American University, January 18, 1969, "David Brooks, Director of Economic Research for the Bureau of Mines, discussed government employment as an option for radical economists. He analysed all the limitations one faces as a government employee, but argued that the opportunities for economists to bring about change as government employees were great."

The URPE Newsletter Spring 1970 carries the boxed notice: "Positions for Radical Economists -- The national office of URPE has information on radical economists looking for jobs. ... The national office will put prospective employees and employers in contact with each other. ..."

Undoubtedly they will and they are putting them into Federal Government jobs, into universities, prestigious organizations and corporations where they can pursue their aim of "More Than Marx" revolution.

Very likely there will be embarrassing sequels soon to the horrifying Tuller case. Reliable sources say there are members of the Union for Radical Political Economics now in Federal Government employment in sensitive areas.

END

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EDITORS FYI: All the information gathered for this column has been turned over to the proper authorities of the United States Government.

COPY FROM U.S.A. SYNDICATE, 530 East 72nd Street, New York, N. Y. 10021  
FOR IMMEDIATE RELEASE --FLASH! EXCLUSIVE! --This is the second of two  
columns on the Union for Radical Political Economics (URPE).

## OUR TAX DOLLARS SUPPORT "MORE THAN MARXIST" RADICALS

by

ALICE WIDENER  
Publisher, U.S.A. Magazine

NEW YORK CITY, November 20, 1972 -- Three young radicals belonging to the Union for Radical Political Economics, a "more than Marxist" group, drafted a project now being subsidized by the U.S. Department of Labor at Harvard University with \$130,000 of your hardearned money. Therein lies a tale to set your and my and the Federal Government's hair on end.

Financed by the U.S. Department of Labor, the radicals -- David M. Gordon, Michael Reich and Richard C. Edwards originated a project described last February by the Wall Street Journal as "a study of personality traits fostered in school and on the job." Actually, the project has the formal title "Labor Market Stratification" and the idea for it was sold originally to the prestigious National Bureau of Economic Research in New York City. Last July, however, the National Bureau repudiated the study, fired David Gordon, and notified the Labor Department. Willy-nilly, the Labor Department persisted in subsidizing the study and transferred it to the School of Education at Harvard under the aegis of radical economist Professor Samuel Bowles.

"One of the bewildering paradoxes of our time is the extent to which the enterprise system tolerates, if not participates, in its own destruction," wrote Lewis F. Powell, Jr. in a memorandum to the Chamber of Commerce shortly before his appointment to the Supreme Court. Justice Powell hit the nail on the head.

How any Federal Government department or bureau, or any corporation or university can tolerate the activities of the Union for Radical Political Economics is more than bewildering, it is stupefying. The URPE is closely allied with Students for a Democratic Society, with the Socialist Scholars and with longtime hard-core self-described Communists such as Victor Perlo.

Last February, the Wall Street Journal reported that "class conflict" is a key tenet of the Union for Radical Political Economics, said its members "admit their partisanship against the present political-economic system," and reported that the URPE has more than 1,200 members spread out across the nation at leading universities. The Wall Street Journal says that 8 out of 16 economic faculty members at American University, Washington, D. C. are members of the Union for Radical Political Economics.

I can report exclusively that URPE members are in sensitive areas of the Federal Government. Only a quick scanning of URPE literature is enough to recognize the threat the radicals pose to our national security, a threat even more serious than that posed by SDS and the Socialist Scholars.

Lawrence Tharp, an instructor at Columbia University, is in charge of the URPE Newsletter. On March 19, 1968, he was arrested for criminal trespass at Dow Chemical Company. Michael Zweig, economist at State University of New York

at Stonybrook, is another leading URPE member. A former president of SDS at Ann Arbor, Michigan, where URPE was organized four years ago, Zweig refused to answer questions about attending LSD parties and buying hashish in an appearance before the New York Legislative Committee on Crime. The Suffolk Sun reported April 30, 1969, that Zweig was held in criminal contempt of court, sentenced to 10 days in jail and fined \$200.

The Communist Daily World reported in December 1968 that "a hiring market for economists at universities, government agencies and corporations" was held at the URPE conference in Philadelphia. Seminar leaders were: Dan Friedlander; Art MacEwan; Seymour Melman; Harry Magdoff; Bob Phillipoff; Ray Franklin; Mike Zweig; and Victor Perlo.

Seymour Melman is in an immensely influential post on the Columbia University faculty as Professor of Industrial Engineering. Victor Perlo has been identified in Congressional hearings as a member of an espionage ring in Federal Government during World War II. In 1953, Harry Magdoff, economist at New School for Social Research, New York City, took the Fifth Amendment to a question by the Senate Internal Security Subcommittee whether he was "at this very moment a member of a secret and espionage ring."

The Wall Street Journal says that Paul Sweezy, longtime radical and editor of the far left Monthly Review, is "the dean" of the Union for Radical Political Economics. At the very beginning of the violent, disruptive activities conducted by Students for a Democratic Society and the Socialist Scholars, I reported on Mr. Sweezy's dangerous activities. At Princeton University, when SDS organized its Radical Education Project, February 1967, Sweezy told the assembled students, "You cannot reform this monopoly capitalist system. . . . The only hope is to overthrow the system."

Back in the mid-1960's, I warned the public about future activities of the SDS and Socialist Scholars and predicted they would convulse our nation. Now I warn that the Union for Radical Political Economics is equally dangerous and perhaps even more so because its members are penetrating<sup>l</sup> our Federal Government, major corporations and prestigious organizations.

Indeed, the U.S. Department of Labor has given \$130,000 of our tax money to three URPE members trying to overthrow our system. Supreme Court Justice Lewis F. Powell Jr. is 100% correct. It truly is bewildering to see how some bureaucrats and executives participate in our own destruction through toleration of radicals bent on overthrowing our government.

END

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EDITORS FYI: All information gathered for this column has been furnished to the proper authorities of the U.S. Government by me.

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

261 MADISON AVENUE, NEW YORK, NEW YORK 10016  
(212) 682-3190

NEW YORK  
NEW HAVEN  
CAMBRIDGE

*Lpl*

February 13, 1973

Mr. Charles P. Rippey  
Chief, Contract Management  
& Review Staff  
U.S. Department of Labor, Room 431  
1111 20th Street, N.W.  
Washington, D.C. 20210

Dear Mr. Rippey:

In accordance with a letter of February 7, 1973 from Mr. Howard Rosen, I have signed the copies of the Supplemental Agreement of Settlement for Contract No. 71-36-71-03, which he sent to us, and I am returning two copies to you herewith.

Sincerely yours,

*Douglas H. Eldridge*

Douglas H. Eldridge  
Vice President-Executive Secretary

DHE/bb

**OFFICERS:** Arthur F. Burns, *Honorary Chairman*; Walter W. Heller, *Chairman*; J. Wilson Newman, *Vice Chairman*; John R. Meyer, *President*; Thomas D. Flynn, *Treasurer*; Douglas H. Eldridge, *Vice President-Executive Secretary*; Victor R. Fuchs, *Vice President-Research*; Edwin Kuh, *Director, Computer Research Center*; Hal B. Lary, *Vice President-Research*; Robert E. Lipsey, *Vice President-Research*; Edward K. Smith, *Vice President* • **DIRECTORS AT LARGE:** Atherton Bean, Joseph A. Beirne, Arthur F. Burns, Wallace J. Campbell, Erwin D. Canham, Solomon Fabricant, Frank W. Fetter, Eugene P. Foley, Eli Goldston, David L. Grove, Walter W. Heller, Vivian W. Henderson, John R. Meyer, J. Irwin Miller, Geoffrey H. Moore, J. Wilson Newman, James J. O'Leary, Alice M. Rivlin, Robert V. Roosa, Boris Shishkin, Arnold M. Soloway, Lazare Teper, Donald B. Woodward, Theodore O. Yntema • **DIRECTORS BY UNIVERSITY APPOINTMENT:** Moses Abramovitz, *Stanford*; Gardner Ackley, *Michigan*; Charles H. Berry, *Princeton*; Francis M. Boddy, *Minnesota*; Otto Eckstein, *Harvard*; Walter D. Fisher, *Northwestern*; R. A. Gordon, *California*; Robert J. Lampman, *Wisconsin*; Kelvin J. Lancaster, *Columbia*; Maurice W. Lee, *North Carolina*; Almarin Phillips, *Pennsylvania*; Lloyd G. Reynolds, *Yale*; Robert M. Solow, *Massachusetts Institute of Technology*; Henri Theil, *Chicago*; Thomas A. Wilson, *Toronto* • **DIRECTORS BY APPOINTMENT OF OTHER ORGANIZATIONS:** Eugene A. Birnbaum, *American Management Association*; Emilio G. Collado, *Committee for Economic Development*; Thomas D. Flynn, *American Institute of Certified Public Accountants*; Nathaniel Goldfinger, *AFL-CIO*; Harold G. Halcrow, *American Agricultural Economics Association*; Walter E. Hoadley, *American Finance Association*; Douglass C. North, *Economic History Association*; Charles B. Reeder, *National Association of Business Economists*; Willard L. Thorp, *American Economic Association*; W. Allen Wallis, *American Statistical Association*; Robert M. Will, *Canadian Economics Association*

U.S. DEPARTMENT OF LABOR  
MANPOWER ADMINISTRATION  
WASHINGTON, D.C. 20210



FEB 7 1973

Dr. Douglas H. Eldridge  
Vice President - Executive Secretary  
National Bureau of Economic Research, Inc.  
261 Madison Avenue  
New York, New York 10016

Dear Dr. Eldridge:

Enclosed are three signed copies of a Settlement Agreement for your Contract No. 71-36-71-03 with us, which was terminated by mutual consent.

Please sign all three copies and return two copies to Mr. Charles P. Rippey, Chief, Contract Management and Review Staff, Room 431, 1111 20th Street, N.W., Washington, D.C. 20210. Upon receipt of the signed Settlement Agreement we will proceed with Final Close-Out of the Contract.

Sincerely,

A handwritten signature in cursive script that reads "Howard Rosen".

HOWARD ROSEN, Director  
Office of Research and Development

Enclosures



U.S. DEPARTMENT OF LABOR  
MANPOWER ADMINISTRATION  
WASHINGTON, D.C. 20210

SUPPLEMENTAL AGREEMENT  
OF  
SETTLEMENT

CONTRACT NO. 71-36-71-03

Issued By:

U. S. Department of Labor  
Manpower Administration  
Washington, D.C. 20210

CONTRACTOR: National Bureau of Economic  
Research, Inc.  
261 Madison Avenue  
New York, New York  
Incorporated in: New York  
Contractor's Execution Officer:  
Robert E. Lipsey, Vice President  
Contracting Officer: Howard Rosen

"THIS SUPPLEMENTAL AGREEMENT OF SETTLEMENT, entered into this seventh  
day of February, 1973 between the UNITED STATES OF AMERICA (hereinafter called  
the Government) and National Bureau of Economic Research, Inc., a Corporation  
organized and existing under the laws of the State of New York, (hereinafter called  
the Contractor).

WITNESSETH THAT:

WHEREAS, the Contractor and the Government have entered into Contract No.  
71-36-71-03 under date of June 15, 1971 which, together with any and all amendments,  
changes, modifications, and supplements thereto, is hereinafter referred to as "the  
Contract."

NOW, THEREFORE, the parties hereto do mutually agree as follows:

ARTICLE 1. The Contractor certifies that all contract termination inventory has  
been delivered to the Government, or otherwise properly accounted for, and all  
proceeds or retention prices thereof, if any, have been taken into account in  
arriving at this agreement.

ARTICLE 2. (a) The Contractor certifies that, prior to the execution of this  
agreement, each of the Contractor's immediate subcontractors whose claim is  
included in the claim settled by this agreement has furnished to the Contractor  
a certificate stating (1) that all of his subcontract termination inventory has  
been delivered to the Government, or otherwise properly accounted for, and all

ARTICLE 4. In all cases where the Contractor has not previously made such payments, the Contractor shall, within ten (10) days after receipt of the payment provided for hereunder, pay to each of his immediate subcontractors (or to their respective assignees) the respective amounts to which they are entitled, after deducting, if the Contractor so elects, any amounts then due and payable to the Contractor by such subcontractors.

ARTICLE 5. (a) The Contractor has received the sum of \$-0- on account of work and services performed under the contract prior to the effective date of termination.

(b) Upon execution of this agreement the Government agrees to pay to the Contractor or his assignee, upon presentation of proper invoices or vouchers, the sum of \$48,272. Said sum of \$48,272 constitutes payment in full and complete settlement of the contract and of all other claims and liabilities of the Contractor and the Government under the contract.

ARTICLE 6. Notwithstanding any other clause of this Settlement Agreement the Government retains all rights and remedies set forth in the Contract, including inspection and audit of records.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first herein written.

FEB 7 1973

THE UNITED STATES OF AMERICA  
by Howard Rosen  
HOWARD ROSEN  
Director, Office of  
Research and Development

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.  
261 Madison Avenue  
New York, New York 10016  
(Name and Address of Contractor)

By Douglas H. Eldridge

Excerpts from Minutes of Meetings of the  
Executive Committee of the National Bureau of Economic Research, Inc.

Meeting held May 24, 1971

Two studies relating to labor markets, returns to workers, and unemployment were proposed. One of these was A Research Project on Labor Market Stratification, which would be conducted by Samuel Bowles, Richard Edwards, David Gordon and Michael Reich, and which would culminate in a conference on the research papers that had been developed. A proposal for financial support for eighteen months had been submitted to the Manpower Administration, U.S. Department of Labor. The second study, in which Jacob Mincer and Finis Welch would be principal investigators, would deal with labor markets, labor force participation and differentials in earnings. Financial support had been sought from the Office of Economic Opportunity. The Committee's approval for proceeding with these two proposals was moved by Mr. Campbell, seconded by Mr. Heller, and unanimously carried.

Meeting held December 14, 1971

At the previous meeting of the Committee there had been discussion of a proposed project for Research on Labor Market Stratification to be conducted by Samuel Bowles, Richard Edwards, David Gordon and Michael Reich. Financial support for the project had been obtained from the Manpower Administration, and the four investigators were now serving on the Bureau staff as part-time Research Associates. This project also would involve a conference, for which it was hoped Professor Wm. H. Miernyk of West Virginia University could be engaged as Chairman, and President Meyer recommended that the Executive Committee also approve these appointments.

\* \* \*

Following the discussion, the appointments of the ten Research Associates and of Mr. Miernyk as a conference chairman were, unanimously approved.

Meeting held February 24, 1972

As the next item of business, President Meyer reported that difficulties had been encountered in the development of the project and conference on Research on Labor Market Stratification, for which a grant of financial assistance had been obtained from the Manpower Administration, Department of Labor. This project had been discussed at the two previous meetings of the Executive Committee and had been considered at meetings of the Bureau's Research Policy Committee. The project as approved involved research studies by Richard Edwards, David Gordon and Michael Reich, under the general direction of Samuel Bowles; and, at the urging of the Research Policy Committee, a general conference at which the above mentioned studies and some papers from other economists would be presented and discussed. The proceedings would be published in a National Bureau conference volume. At the prior meeting of the Executive Committee President Meyer had recommended enlisting Professor William H. Miernyk of West Virginia University as Chairman of a committee to arrange for the conference, and this recommendation had been approved. Professor Miernyk had agreed to serve and had appointed a conference committee comprised of Barbara R. Bergmann, Charles Holt, Michael J. Piore, Herbert S. Parnes, and Samuel Bowles. This committee, with the exception of Bowles, met with Edwards and Gordon of the research group and found that the latter's ideas about what would constitute a reasonably balanced and appropriate conference program were incompatible with the views of the conference committee. The research group did not wish to participate in a conference except largely on their own terms. The members of the conference committee felt that the committee could serve no purpose if it were not free to determine the agenda and choice of participants as was customary for Bureau conferences. Since a satisfactory compromise and agreement could not be reached, the committee decided to discontinue its efforts and dissolved itself.

The Bureau's Research Policy Committee, after further consideration, decided that the Bureau should withdraw from the project, terminate its contract with the Labor Department, and endeavor to assist the researchers to find sponsorship at other institutions.

Following discussion, Mr. Campbell moved that the Executive Committee first, approve the efforts of the President and the Research Policy Committee to find reasonable means of resolving the issues and, second, sustain the recommendation of the Research Policy Committee. The motion was seconded and unanimously carried.

Meeting held June 15, 1972

At their prior meeting, the Executive Committee had considered and approved the National Bureau's withdrawal from a project on Research on Labor Market Stratification, which had been undertaken with financial support from the Manpower Administration, Department of Labor. President Meyer reported that, with the concurrence of the Department of Labor, arrangements had been made for the continuation of this project under the auspices of the Center for Educational & Policy Research, Graduate School of Education, Harvard University.